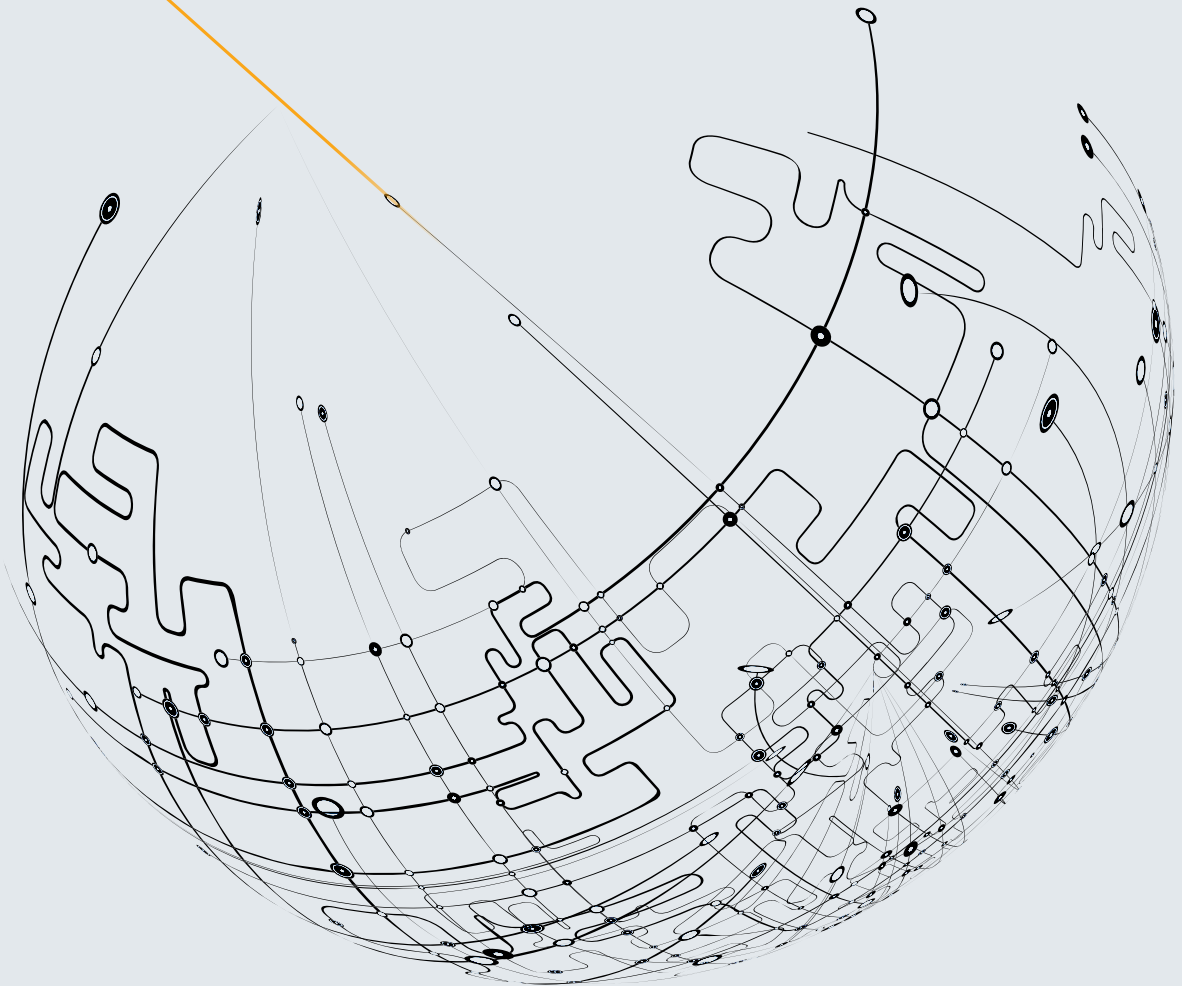




# 2013

REGISTRATION DOCUMENT  
including the annual financial report



ENGINEERING AND TECHNOLOGY CONSULTING



# 2013

## REGISTRATION DOCUMENT

including the annual financial report



This document and the accompanying financial report constitute the ALTEN registration document for 2013. It was filed with the French Financial Markets Authority (Autorité des Marchés Financiers, or AMF) on 25 April 2014, in accordance with Article 212-13 of the AMF General Regulation. It may only be used in support of a financial transaction if accompanied by a securities note authorised by the AMF. Pursuant to Article 28 of Regulation (EC) No. 809/2004, the following information is incorporated by reference in this Registration Document:

- The separate and consolidated financial statements at 31 December 2012 and Statutory Auditors' reports, found on pages 163 to 226 of Registration Document No. D. 13-0448 filed with the AMF on 26 April 2013;
- The separate and consolidated financial statements at 31 December 2011 and Statutory Auditors' reports, found on pages 173 to 239 of Registration Document No. D. 12-0454, filed with the AMF on 27 April 2012.

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

# REGISTRATION DOCUMENT CONTENTS



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# INTERVIEW WITH Simon Azoulay



## What is your assessment of 2013?

The ALTEN Group was once again the stand-out performer in the engineering and technology consulting market. In a tough economic climate, we generated revenue in excess of €1.2 billion with operating profit of almost 10%. Our international expansion was a crucial factor in this performance.

## ALTEN has a balanced sector allocation - what has business been like in each sector?

The ALTEN Group strategy has always been to be present in five business sectors: Land Transport, Aerospace & Defence, Energy & Life Sciences, Telecoms and IT. All five sectors were affected by the economic downturn in much the same way, which is something we haven't encountered before. The previous recessions in 2003 and 2009 tended to affect only one sector. In 2013, we were faced with a slowdown across all sectors, although this stabilised in the second half.

## It was a good year for acquisitions. How do these fit into the company's development strategy?

The ALTEN Group is mainly geared towards organic growth. Originally the aim was to achieve a solid level of recruitment, induction and training for the Group's engineers. Now we expect annual growth of around 5-10% through acquisitions. This allows us to have a critical size of 1,500 to 2,000 engineers in each country or region where we want to expand – namely Germany, Benelux, Scandinavia, Italy, Spain, the United States and China. The acquisitions carried out in 2013 are part of this. We have a clear development strategy: to expand in Europe out of France, North America and Asia.

## What are your prospects and challenges in 2014?

The real challenge facing the ALTEN Group in 2014 is to return to organic growth. We hope to have 16,000 engineers by the end of 2014, compared with 14,800 at the end of 2013. To do this, we will continue recruiting in France and abroad, and pursue our policy of targeted acquisitions. This will enable us to reach critical size in all European countries, as well as in North America.

## Is the ALTEN Group ready to meet these challenges?

Yes. Our organisation and finances are definitely up to the task. The solid results generated in 2013 will allow us to forge ahead with these investments and this development.

## Are there any points you are particularly focused on?

First we will need to spend the next few years consolidating our position with our existing customers. By this I mean retaining our listed supplier status and securing other major listings so that we can win contracts and ensure that our engineers have interesting projects to work on. This means reaching critical size and being in a position to set up structured projects, either on a fixed-price basis or as a workpackage. For this we will be reliant on our technical division, in which we have invested a great deal. All this is already in place and we will continue improving on it over the coming years. It is important that we build a first-class management team. It is only by developing our talent that we will be able to produce the management we need. We have made a significant investment in HR. The ALTEN system is built on three values: nurturing our engineers, delivering profitable growth and fostering respect, ethical conduct and personal development across the entire workforce.

Since 2010, we have pledged to respect and uphold the UN Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption. We have renewed this pledge in 2014. This is an integral part of our strategy and involves translating these principles into our Sustainable Development policy on a cross-cutting basis.

## Can you give us some examples?

The bulk of our investments in 2013 focused on implementing a staff appraisal and career management scheme – with a technical bias of course – to enable all our engineers to become either specialists or project managers, and ultimately to manage all our projects better. This has resulted in a highly successful career development and management scheme which is now the envy of the whole industry. It also means that we can offer our employees mobility.

# Board of Directors

## COMPOSITION OF THE BOARD OF DIRECTORS

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

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

### The Board of Directors is composed of:

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

**Mr Simon Azoulay**, a French national, was born on 29 May 1956 in Rabat (Morocco). He is a graduate of SUPELEC. At 31 December 2013, he held 7,771,195 shares in his own name and via SGT1 and SGT1 2, of which he controls 100%, representing a total of 23.50% of the Company's capital.

**Mr Gérard Attia**, a French national, was born on 6 April 1962 in Livry-Gargan (93) and holds an MBA from Hartford. At 31 December 2013, he held in his own name 88,477 ALTEN shares, or 0.27% of the Company's capital.

**Mr Bruno Benoliel**, a French national, born on 13 May 1964 in Paris (17<sup>th</sup> arrondissement), is a graduate of ESC Reims. At 31 December 2013 he held 52,800 ALTEN shares, or 0.16% of the Company's capital.

**Ms Emily Luna**, a French national, born on 20 July 1948 in Rabat (Morocco), held 4,330 ALTEN shares at 31 December 2013, i.e. 0.01% of the Company's capital.

**Ms Catherine Behar-Azoulay**, a French national, born on 18 November 1958 in Paris (14<sup>th</sup> arrondissement), did not hold any shares in the Company at 31 December 2013.

# General management



*From left to right*

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

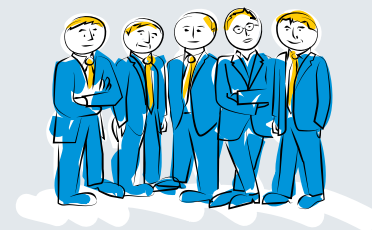
**Pierre MARCEL,**  
Deputy Chief Executive  
Officer, Responsible for ATF  
and Solutions subsidiaries

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

**Gérald ATTIA,**  
Deputy Chief Executive  
Officer, Responsible for  
Business Development  
and International Zone 2

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

# Management Committee



The Management Committee is comprised of the Board's Executive Directors, the Operational Chief Executive Officers and the Executive Vice Presidents of the Support Team Executive officers.

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

**Gérald Attia,**  
Deputy Chief Executive Officer, Responsible for Business Development and International Zone 2

**Bruno Benoliel,**  
Deputy Chief Executive Officer, Responsible for Finance, Legal and Information Systems for the Group

**Pierre Marcel,**  
Deputy Chief Executive Officer, Responsible for ATF and Solutions subsidiaries

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

**Pierre Bonhomme,**  
Executive Vice President Responsible for ATF and Germany

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

**Stéphane Ougier,**  
Executive Vice President Responsible for ATF and Solutions subsidiaries

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

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

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

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

**Fabrice Pecqueur,**  
Head of External Development

## Executive Committee and Divisional Committees

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

### EXECUTIVE COMMITTEE

The Executive Committee, which meets at least once a month, comprises the Chief Executive Officer, the Deputy Chief Executive Officers, the Chief Operating Officers and the Executive Vice Presidents of the Group's different divisions. It is chaired by the Chief Executive Officer. Depending on the agenda, the Heads of Information Systems, Legal, Human Resources or Operational Directors may be invited to attend. Committee meetings are split into two parts.

The first mainly deals with organisational issues:

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

The second part focuses on operational issues:

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

### DIVISIONAL MANAGEMENT COMMITTEES

In each Division, management committees meet at least once a month under the chairmanship of the Divisional Head. Their purpose is to implement the strategies defined by the Executive Committee. These committees must also report to General Management on key issues identified by the Operational Directors.

### DIVISIONAL ADMINISTRATIVE COMMITTEES

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

PROFILE

# ALTEN

## the technology partner of choice



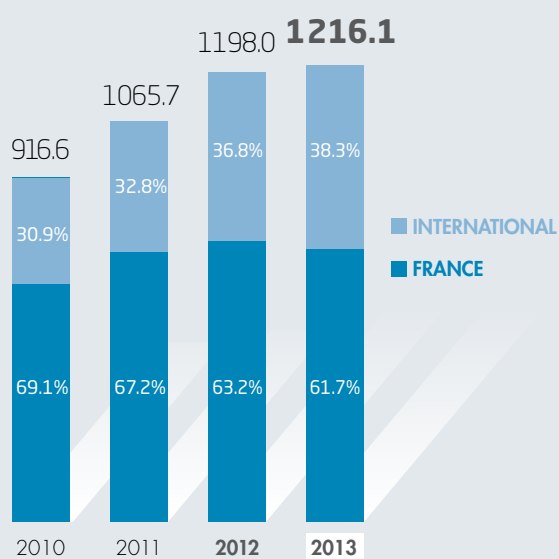
ALTEN, Europe's leading engineering and technology consultancy, supports the development strategy of its customers in the fields of innovation, R&D and technological information systems.

Its 14,800 highly qualified engineers carry out design and research projects for the technical and IT divisions of major customers in the industrial, telecommunications and service sectors.

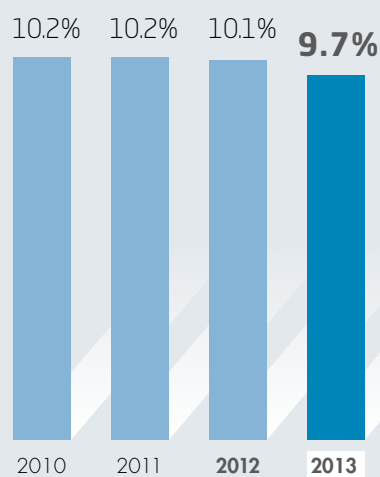
At a time of increasing globalisation, ALTEN is integral to the R&D strategy of its customers, supporting their performance and accompanying them as they venture into new markets.

With a network that spans 16 countries, involvement at every stage of the development cycle, and service levels ranging from technology consulting to working on outsourced projects, ALTEN has made a name for itself as the technology partner of choice for multinationals.

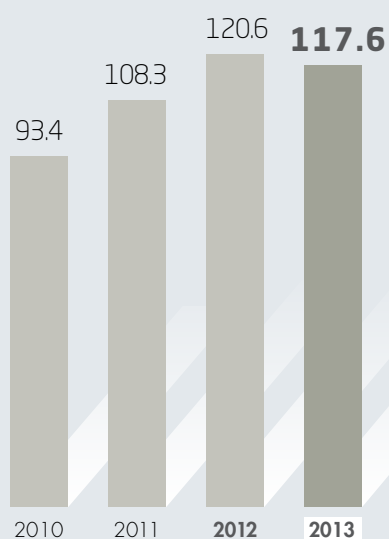
# KEY FIGURES 2013



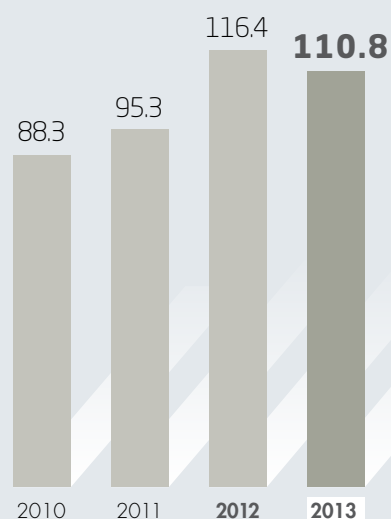
**REVENUE**  
in millions of euros



**OPERATING PROFIT ON ACTIVITY**  
as a % of revenue



**OPERATING PROFIT ON ACTIVITY**  
in millions of euros

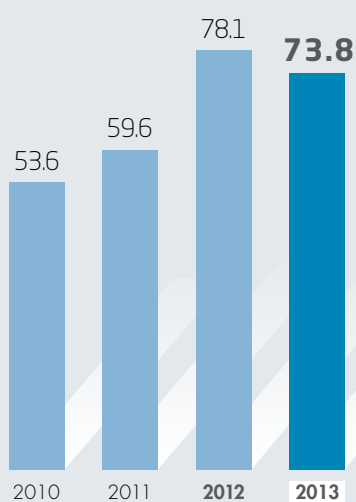


**OPERATING PROFIT**  
in millions of euros

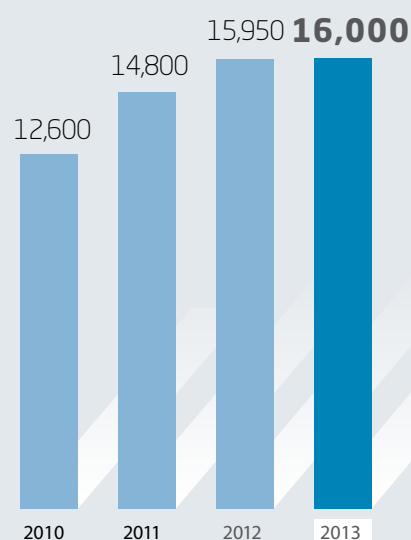


# €1,216.2 MILLION

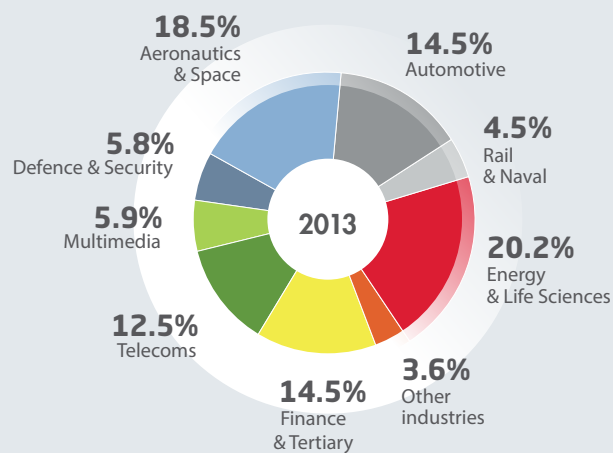
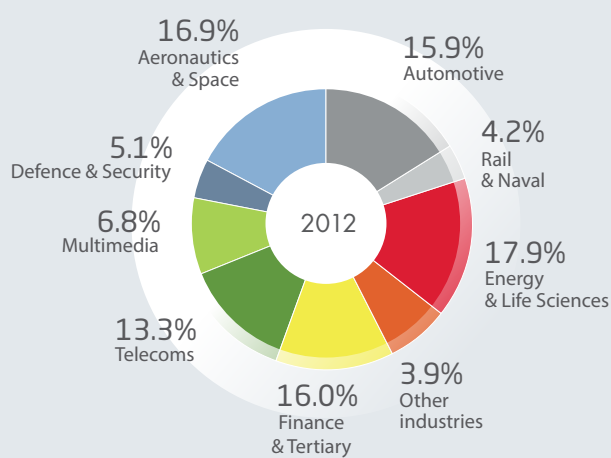
REVENUE 2013



NET INCOME, GROUP SHARE  
in millions of euros



WORKFORCE  
at year-end



REVENUE BY BUSINESS SECTOR  
as a % of revenue

# ALTEN in the world (january 2014)

14,800 ENGINEERS  
IN 16 COUNTRIES, MORE  
THAN 45% OVERSEAS



Opening of offices in Seattle and Detroit. Acquisition of an IT consultancy in 2014



Expertise in applied embedded systems for the Telecoms and Automotive sectors



Offshore platform for US and Europe projects

FRANCE

53%

ITALY  
SPAIN  
BELGIUM  
THE NETHERLANDS  
GERMANY  
NORWAY  
SWEDEN  
UNITED KINGDOM

34%

EASTERN EUROPE  
INDIA  
CHINA  
NORTH AMERICA

13%



# The benefits of development

European leader in engineering and technology consulting

€1.2 billion turnover in 2013, 14,800 engineers in 16 countries, more than 45% overseas

High value-added technology positioning

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

A wide offer

Technology consulting and project management

Project-led organisation

Technical division, centres of excellence and expertise, CMMi Level 3 rating, efficient offshore capabilities with 1,000 engineers in India and Romania

Solid financial position

Capacity to make acquisitions (six in 2013) and to invest in end-to-end infrastructure projects.

Balanced mix of sectors

No dependence on any one sector, tier-1 supplier for all major accounts in the industrial, telecoms and services sectors

Know-how developed in each business sector

Clear-cut positioning of the business, systematic project feedback in an effort to ensure **continuous improvement**

High-level recruitment drive

**3,000 engineers recruited** in 2013, partnerships with top engineering schools

Multidisciplinary skills

Electronics, IT, mechanical, telecommunications, IS...

Structured career development paths

Significant investment in **skills enhancement**, expertise and management

At the heart of innovation and technology

**R&D integrated** with Projects Division

Sustainable Development: part of the Group's DNA

**Gold** status achieved in the 2013/2014 **EcoVadis** assessment for responsible practices, **ALTEN** ranked among the world's **top 10 %** companies

- 
- > **18** Development of global R&D
  - > **19** Market trends
  - > **20** ALTEN's three business lines
  - > **21** Positioning
  - > **22** The services
  - > **24** Consulting service
  - > **25** Workpackage service

# 01

ALTEN,  
technology partner

# Development of global R&D

## Overall R&D investment

- Public-sector R&D investment (state-owned laboratories, universities, etc.)
- = private-sector R&D investment
- Private-sector investment in non-technology R&D (medicines, vaccines, etc.)
- = private-sector R&D investment in technology
- x Proportion outsourced
- = ETC market

## ETC market

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

R&D spending is still on the increase, with expected growth of 3.9% in 2014 to reach \$1,612 billion.

The United States, China, Japan and Europe are expected to generate 78% of investments in 2014.

Germany and France fund 40% of European investment.

Uneven growth in R&D, depending on the part of the world, mainly driven by Asian countries including China, which could beat the United States to become the leading investor nation in 2022.

The United States and Europe are still renowned for the quality and prestige of their teaching establishments and research communities.

	Public - and private - sector R&D spend, in billions of \$				Change	
	2012	2013	2014 (est.)	2013/2012	2014/2013	%
<b>North America</b>	476	479	495	0.6%	3.3%	30.7%
<b>Central and South America</b>	43	44	46	2.3%	4.5%	2.9%
<b>Asia</b>	561	596	633	6.2%	6.2%	39.3%
<b>Europe</b>	350	349	351	-0.3%	0.6%	21.8%
Germany	92	92	92	0.0%	0.0%	5.7%
France	52	52	52	0.0%	0.0%	3.2%
UK	43	44	44	2.3%	0.0%	2.7%
Italy	23	22	22	-4.3%	0.0%	1.4%
Spain	19	18	18	-5.3%	0.0%	1.1%
Sweden	14	14	14	0.0%	0.0%	0.9%
The Netherlands	15	15	15	0.0%	0.0%	0.9%
Belgium	9	9	9	0.0%	0.0%	0.6%
<b>Rest of the World</b>	81	83	87	2.5%	4.8%	5.4%
<b>TOTAL</b>	1 511	1 551	1 612	2.6%	3.9%	100.0%

(source: Battelle)



# Market trends in R&D outsourcing (ETC)



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

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

(in € millions)	2012	2013	13/12	2014	14/13	2015	15/14	2016	16/15	2017	17/16
<b>Aerospace and Defence</b>	1,020	1,030	1%	987	-4.2%	978	-0.9%	1,006	2.9%	1,045	3.9%
<b>Land transport</b>	737	638	-13.5%	647	1.4%	665	2.7%	689	3.6%	721	4.7%
<b>Telecoms and Multimedia</b>	485	483	-0.4%	485	0.4%	493	1.6%	504	2.3%	519	2.9%
<b>Energy and Life Sciences</b>	1,220	1,240	1.6%	1,262	1.8%	1,303	3.3%	1,358	4.2%	1,421	4.6%
<b>Other</b>	1,028	1,020	-0.8%	1,025	0.5%	1,041	1.6%	1,067	2.4%	1,097	2.9%
<b>Total Technology Consulting (scope: ALTEN core business)</b>	<b>4,490</b>	<b>4,409</b>	<b>-1.8%</b>	<b>4,405</b>	<b>-0.1%</b>	<b>4,479</b>	<b>1.7%</b>	<b>4,623</b>	<b>3.2%</b>	<b>4,803</b>	<b>3.9%</b>

## Sector overview

The French market contracted by 1.8%, mainly due to a significant decline in automotive activity.

### Aerospace

- Development of new manufacturing engineering services.
- Increase in security investment (cybercrime).

### Automotive

- Sharp drop in activity among French car manufacturers, steady growth in Germany and in the heavy goods sector.
- Decrease in the number of projects across all European equipment suppliers.
- Improvement expected in France in 2014.

### Telecoms

- Slight increase in activity among operators in France and abroad.
- Net decrease in projects for equipment and infrastructure suppliers.
- Price pressure in 2014.

### Multimedia – Electronics

- Decline in activity mainly in the multimedia and semiconductors sector.

### Energy and Life Sciences

- Significant increase in Oil & Gas activity (exploration, offshore drilling).
- Strong growth in Nuclear (EPR, safety/inspections, orders, operational maintenance studies).
- Growth forecast in 2014.

### Overview of global trends in the ETC market

- Estimated global R&D spend: +3.9% in 2014 vs. 2013 (source: Battelle/IMF/World Bank).
- Increase in R&D outsourcing by major customers.
- Acquisitions: numerous opportunities in medium-sized companies (100 to 500 engineers).
- Worldwide: significant growth potential in Asia, North America and in European countries with significant R&D investment (Germany, UK, Scandinavia, Italy).
- Growing demand for transnational projects and workpackages: high barriers to entry, major competitive advantage for ALTEN.

# ALTEN's three business lines: ETC, Telecoms & IT

## ALTEN is positioned in three business services:

- **Engineering and Technology Consulting (ETC):**  
Study and design of technology products for technical divisions in industry and telecoms;
- **Telecoms Networks and Multimedia:**  
Product design (network equipment and terminals)  
Architecture, deployment and operation of networks;
- **IT systems:**  
**Applications and software development:** Third-party application acceptance and third-party application support HR management systems;  
**Infrastructure and Telecoms:** Applications, systems and networks Corporate telecommunications.

## ALTEN is active in a wide range of high-value technology projects:

- **Transport and mobility:** design and validation of powertrains for electric vehicles, European harmonisation of rail signalling systems, design of critical avionics systems, studies of airframe components as the industry moves toward lighter materials, software validation of network equipment for high-speed broadband, etc.;
- **Energy performance:** study and design of production sites, export operations, innovative battery technologies for storage and distribution, development of critical nuclear reactor installations for the export market, etc.;
- **Security and risk management:** security of IT systems, safety of nuclear systems, detection and identification systems for public places, critical avionics systems, etc.;
- **Consumer services:** professional mobile applications, "in-vehicle infotainment", development, etc.

73%

### Technology Consulting & Engineering

Consulting & Project  
Management

Industrial  
Process

Studies  
&  
Conception

Manufacturing  
Engineering

Production

Test &  
Prototyping

Customer Support  
& Training

19%

### Network & Telecom

Network  
Architecture  
OEM  
Conception

Outsourcing

Operations &  
Network  
deployment

Helpdesk

8%

### Information Systems

IS Technology  
AMOA - Test - TMA

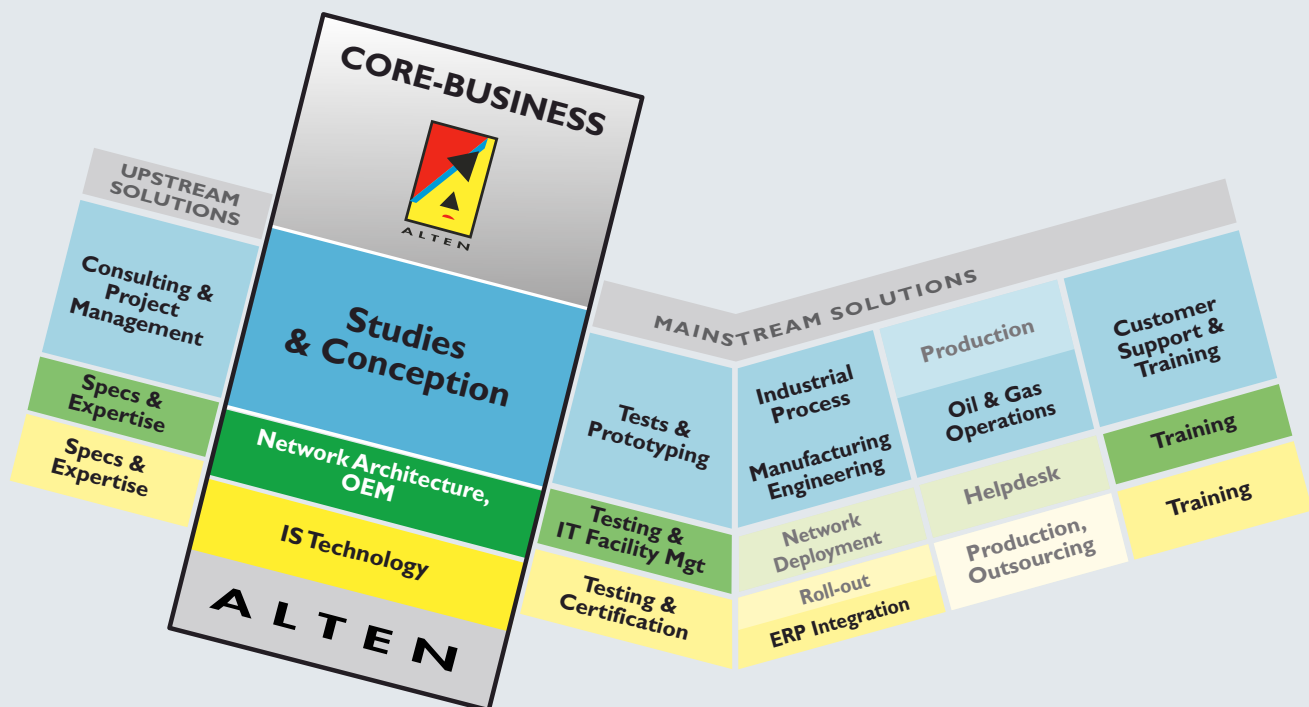
CRM  
Payroll  
Finance  
& Accounting

Production  
Outsourcing

# Positioning



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



**...and remains 80% focused on studies and design.**

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

- **ALTEN's core business offering:** consulting, project management, upstream studies and design carried out mainly by engineers;
- **The Solutions offering,** delivered by specialist, horizontal and transnational companies. These independent companies are there to meet a specific client need that is essential to the development cycle of an industrial or IT project (e.g. PMO/programme management, industrial processes, documentation engineering, technical training, etc.). They can also complement ALTEN's offering in an end-to-end service (consulting and expertise).

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

# The services

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

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

## CONSULTING

Consulting with a commitment of resources

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

### GLOBALISATION

Consolidation of several consulting projects under a single contract



### SERVICE CONTRACT

Service contract with a resources and performance commitment



### WORK UNITS CONTRACT

Contract with a results-based approach and performance commitment



### FIXED PRICE

Fixed-price contract with a results-based approach



Project execution can be outsourced to one of the ALTEN Delivery Centers in "outsourced platform" or "workpackage" mode. **ALTEN is the uncontested French leader in executing workpackages, which now make up around 50% of its business.**

## Customer benefits

In general, outsourcing allows a manufacturer to:

- control the internal R&D costs, since the size of internal teams can be aligned with the recurring level of project activity;
- manage sudden changes in workforce requirements during peak workloads;
- concentrate on product strategy, or on design and implementation of the associated specifications and project management, with ALTEN identifying and recruiting the necessary engineers;
- improve productivity using project management methodologies developed by ALTEN.





In addition, each service has its own specific benefits:

CONSULTING	GLOBALISATION	SERVICE CONTRACT	WORK UNITS CONTRACT	FIXED PRICE
Provision of specific and flexible expertise	Administrative rationalisation and flexibility of the consulting service	Delegation of management and service level commitment	Industrialisation of deliverables and productivity gains	Control over quality, cost and lead times on validation of specifications

# Consulting service

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

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

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

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

# Workpackage management

In 2013, workpackages made up 50% of ALTEN's business. This is set to rise to 60% in 2015.

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

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

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

The workpackage offering provides a structured, multidisciplinary team led by a project manager, with levels of commitment defined with the client.

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

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

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

## Service transformation



### Project execution

ADC-CMMi  
Technical Division



### Capitalisation

Technical-Knowledge  
Management Department



### Implementation of productivity gains

Technical Division

## ALTEN, THE FIRST FRENCH COMPANY CERTIFIED CMMI LEVEL 3 FOR SERVICES

ALTEN has proven expertise in project management, having obtained Capability Maturity Model Integration (CMMI) Level 3 certification. The Group today manages almost 50% of its projects in workpackage mode.

ALTEN is the first company in France to receive CMMI Level 3 certification for Services, and one of the first in the world to be certified both for Services and Development. This global benchmark, developed by the Software Engineering Institute, is designed to understand, evaluate and improve software engineering processes.

- 
- > **28** Automotive
  - > **30** Rail
  - > **32** Aeronautics & Space
  - > **34** Defence & Security
  - > **36** Nuclear
  - > **38** Oil & Gas
  - > **40** Renewable energy
  - > **42** Health & Medical
  - > **44** Telecoms & Multimedia
  - > **46** Finance & Tertiary



02

## Our customers

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# AUTOMOTIVE

14.5 %  
OF REVENUE

## A post-crisis recovery

Experts expect global auto sales to grow at an annual average of 5.6% between now and 2018, increasing to 83% for emerging countries such as China (40.4%), India (12.6%) and Brazil (6.4%).

## The automotive revolution consists of four strands

■ **Géographical:** growth in the automotive sector will be driven by Asia during the next decade. China and India will be second and third respectively in terms of new vehicle sales. The United States will retain its lead. Manufacturers will therefore have to redefine their product strategy by reconfiguring R&D and production capacity, depending on their positioning and the emerging markets they want to target.

■ **Environmental:** cars will be increasingly "green", favouring hybrid, bio-fuel and electric technologies.

■ **Industrial:** the automotive industry, which currently has overcapacity, is restructuring its production plant. Growth in emerging countries will force manufacturers to produce closer to local markets to reduce time to market. The concepts of common platform, customisation, flexibility and competitiveness will be central to the industrial challenges of tomorrow.

■ **Technological:** a massive R&D effort will be made over the next few years. The car is expected to be 100% connected (infotainment, multimedia, cloud services, web access) with improved safety (assisted driving, driverless vehicles, etc.). Synergies between the world of IT and the automotive sector will increase significantly.

## Four key themes

■ **Be green:** this theme includes both respect for the environment (reduction in CO<sub>2</sub> and fine particulate emissions) and ultimately the depletion of fossil fuels requiring alternative energy research (electric vehicles).

■ **Be connected:** according to the GSM Association, 36 million vehicles sold worldwide in 2018 will have onboard mobile connectivity, seven times more than in 2012. Connectivity means incorporating a high-speed connection within the cabin as well as a local wireless network in each vehicle, supporting the "Machine-to-Machine" concept for communication between vehicles and their environment.

■ **Be safe:** innovation has a major role to play when it comes to vehicle safety. New technologies are constantly emerging, such as pedestrian detection using radar, steering based on eye movements, etc.

■ **Feel at home:** cars are destined to become "multimedia cockpits". The aim will be to improve driver comfort and visuals through an enhanced GUI, with touch screens that respond to finger and eye movements.

## Vehicles on demand, the new vision of car ownership

The vehicle-on-demand concept is becoming increasingly popular online with the emergence of new entrants in the car sharing market (e.g. ZipCar, Autolib' and Mobility). In parallel, manufacturers are considering the possibility of fitting on-demand batteries to electric cars.

## R&D focus

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

The aim is to devise innovative solutions in the field of assisted driving and even driverless cars. In 2014, ALLEN will launch a project involving the connected car, the detection of hypovigilance, and aids for driving in the fog. In fact this "intelligent car" programme came about by leveraging the results of its own research into image processing for the visually impaired.



## Our services

Mechanical  
engineering

Engine management

Telematics &  
Infotainment

Manufacturing  
Engineering

## CROSS-CUTTING BUSINESS SERVICES

Project management

A close-up portrait of Jean-François SALESSY, a middle-aged man with grey hair, wearing a dark suit, white shirt, and red tie. He is looking slightly off-camera with a serious expression.

## Jean-François SALESSY

Head of Electrical  
and Electronic Systems  
PSA PEUGEOT CITROËN

« The growth in electronics has presented us with complex challenges: a Peugeot 508 now has as much software code on board as an Airbus did in the early 1980s. »

### CUSTOMER CHALLENGES

"After going through a difficult period, PSA is back on track and will once again be a profitable key player in the automotive market. Since growth in the automotive market will take place outside Europe, this recovery will be internationally driven. PSA intends to generate 50% of its sales in the global market from 2015. Therefore we have to think global. With our two vehicle platforms, we can build in functionalities specific to our export markets very early on in the design process. The export versions of these vehicle platforms are then finalised by a local R&D team based in the region concerned.

The second part of our recovery involves making our products more upmarket. Without altering the positioning of each of our brands (Peugeot, Citroën and DS), we will enhance the onboard functionality of our vehicles, using even more electronics and software in the process. The resulting complexity is illustrated by the amount of software code now on board our vehicles: a 508 Hybrid, for example, has the same amount of code on board as an Airbus did in the early 1980s. One of our main challenges therefore is how to handle

this complexity without compromising vehicle reliability and safety. This means implementing new standards which have a significant impact on our design, integration and validation methods.

This complexity is also illustrated by the amount of space taken up by the wiring harnesses fitted to vehicles: almost 1.5 km of wiring is now needed just so the different sensors and computers can communicate with each other. In an environment under severe constraints in terms of space and temperature, one of the challenges has been to reduce the amount of wiring and overcome the difficulties of housing computers and their connections on board vehicles. Finally, we operate in a world where technology is changing rapidly. For example, we are now seeing the introduction of pedestrian recognition cameras and obstacle detection radars. These are all skills we need to assimilate and apply to our future vehicles."

### WORKING WITH ALTEN

"Following an overhaul of our engineering subcontracting, we now work with just four major suppliers – one of which is ALTEN – compared with over 20 three years ago. We liked the fact that ALTEN was able to accommodate this transformation, which has led to a dramatic change in contracting procedures and responsive handling of our business requirements. In this sense, the new direction taken by ALTEN is in line with what we expect from our partners, because now 80% of ALTEN engineers work in outsourced mode, i.e. off-site. We also like ALTEN's ability to adapt to our changing workloads and to recruit qualified engineers. Evidently we are always on the lookout for new improvements that can be made with our engineering partners. For example, increasing the size of the workpackages we subcontract to them is one of the options analysed."

# RAIL

4.5 %  
OF REVENUE

### A dynamic sector

Traffic is set to grow by around 5% annually and the global market should increase by an average of 2.6% annually between now and 2017. In France, the world's third largest rail power behind China and Germany, future programmes indicate a sustained level of activity over the coming years. International prospects are also opening up, with rail-related exports set to double by 2020.

### Towards greater product development

Industry players are looking to develop quieter, cleaner, more lightweight rolling stock. The aim in future will also be to reduce the consumption of onboard auxiliary systems, to improve safety and to increase automation. Together these issues will lead to a greener, more efficient transport network, boost transport capacity and improve the quality of life of local communities.

### Improved signage/

### Towards a more connected network

With new and improved signs, rail operators are seeking to improve the customer experience. In ticketing services, operators have introduced new payment and inspection solutions based on near field communication (NFC) technology. Numerous projects have also been introduced for streaming accurate, live traffic information across the network to improve transport connectivity (deployment of 4G), and through the development of dedicated applications which allow direct access to the information and therefore facilitate the passenger experience both before and during the journey. GSM-R, currently used by the French rail network, facilitates communication and thus improves the customer experience.

### A dynamic market with an international focus

With rail networks becoming increasingly cross-border, the challenge will be to allow travellers to move easily from one country to another using the rail networks in each country. The aim is to compete with air travel, particularly the low-cost airlines. To do this, the various European rail operators must work together to develop and forge partnerships. In future, why not have a single European railway market which would make life easier for customers?

### Development of an intermodal network

As a result of intermodal transport, travellers now have a choice of several transport options on the same route. This leads to improved complementarity between different modes of transport, whether in terms of their physical interfaces or their spatial, temporal or even logistical organisation. These issues are central to the current challenges facing the industry, as evidenced by the Grand Paris Express project currently under development.

### An industry constantly in search of innovation

- The JR-Maglev is a project developed by the Central Japan Railway Company (JR Central) and the Japan Railways Group which experiments with monorail magnetic levitation (maglev) trains.
- Priestmangoode's "Moving Platforms" concept, a fully interconnected rail infrastructure: trains would connect with each other via doors and safety gates, allowing passengers to change trains without actually stopping. This would revolutionise intermodal transport.

Our services

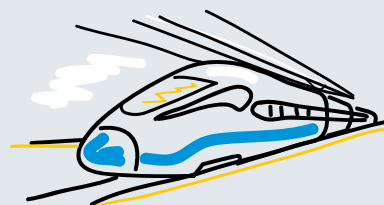
Rolling  
stock

Signalling

Infrastructure

### CROSS-CUTTING BUSINESS SERVICES

Telecoms & IT - Project management



Interview with

**Fabrice FLOTTES De POUZOLS**

Head of Information Systems at  
iDTGV, OUIGO

« The main challenge for us was how to make IT central to the passenger experience. »

#### **iDTGV & OUIGO**

"iDTGV and OUIGO are a test bed for the SNCF Group. These two online pure players test various customer service innovations in the rail sector. Because they are small, they can be more efficient and responsive to market demand, competing with both air and car travel. They face the same challenges as SNCF, the French state-owned train company: optimising the load factor, offering the best fares, as OUIGO does with its low-cost service from non-major stations, and improving customer satisfaction and the passenger experience."



#### **IT Department**

"Responsible for sales infrastructure, distribution, loading, ticketing, e-mailing, applications and websites, the iDTGV/OUIGO IT Department is central to innovation and the customer relationship. It works on a variety of projects: passenger boarding checks, live travel information, onboard CRM tool, onboard catering (meals pre-ordered online, payment, onboard sales, load optimisation, replenishment) and computer-based logistics management. In the long run, the goal is to increase the number of iDTGV and OUIGO trains and to operate an international long-distance service."

#### **WORKING WITH ALTEN**

"ALTEN is uniquely positioned with iDTGV owing to its long-standing relationship, its in-depth understanding of the business and functional issues, and its familiarity with the central booking system. This means that ALTEN can respond swiftly to our needs with the appropriate solutions. Over the past few years we have built up a relationship of trust. ALTEN is one of our best service providers in this area. Crucially, it recognises and corrects its mistakes, which is really important to us."



## OUR CUSTOMERS

# AEROSPACE

18.5 %  
OF REVENUE

### Today's highly mobile world

The growth of aeronautics will continue in 2014: air traffic should increase by 4.7% every year between now and 2032. Technological progress and the multiplication of communication modes facilitate and encourage mobility, particularly in Asia and the Middle East. Aeronautics companies renew their fleet in order to offer rethink, new more fuel-efficient, aircrafts needed a leading-edge expertise in Weight Management.

### A production load for the whole sector

For many years, manufacturers have received industry-record orders and now have an order book equivalent to nine years of production. This generates strong demand for manufacturing engineering, supply chain and configuration management. Main system builders must in turn increase their production based on various solutions:

- Introduction of new digital tools for the design, organisation and follow-up of production-enhanced supply chain integration;
- Strengthening the role of level 1 equipment manufacturers;
- Increased internationalisation through transnational projects: contracts, adjustment for exchange rate fluctuations, and exchanges of best practices. Airbus took its first step towards building an A320 Family Assembly Line in the USA in 2013.

### Innovative high added-value services

To bring all necessary keys to meet this increase in traffic is vital for manufacturers: to optimise the availability rates of aircraft in commercial operation, but might also offer distinctive and innovative services to companies as well as

to their customers. Customer support development exerts a fundamental leverage effect in the Total Cost of Ownership (TCO), enabling actors in this segment to stand out from their competitors, engage customer loyalty and capture new markets.

### To capitalise on R&D expertise

Boeing and Airbus have to stay ahead of technological development during this intense period of production: to capitalise on R&D expertise, to retain experts, in anticipation of the next wave of new aircraft and to continue innovating. Competition already has an impact on medium-haul: Bombardier, Embraer, the Russian Irkut MS21 is scheduled to enter service in 2017 and the Chinese Cormac C919 in 2016. The aircraft will soon be deliverable and suppliers also intend to take advantage of them, like Safran, whose engines will equip the MS21 and the C919.

### Bonne nouvelle pour l'industrie spatiale européenne

Space represents a €90 billion market worldwide, increasing by 7% annually. Faced with emerging space powers, the European space industry demonstrates its expertise through the performance and reliability of its systems. The official launch of Ariane 5ME and Ariane 6 development programmes offer Europe the chance to remain competitive in the field of launchers, while two new highly competitive actors appear, like the American SpaceX, which has already launched two micro-satellites.

## R&D focus

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

The CORAC collaborative research programme is funded by the French government under its Investment for the Future programme. It brings together the major aerospace players in a research and innovation project to develop seven demonstrators in the field of sustainable air transport. The goal is to equip planes with calculating means that are more far-reaching, modular and pooled, meeting the need for greater safety while also providing passengers with onboard Internet access. In 2014, ALTEN will be tasked with designing the benchmark platform that will guarantee calculator architecture, thus contributing to efforts to minimise the consumption of the aircraft of tomorrow.



## Our services

Systems  
engineering

Mechanical/Airframe

Embedded systems

Manufacturing Engineering

Customer support

### CROSS-CUTTING BUSINESS SERVICES

Telecoms & IT - Project management -  
Configuration management



**Derek W.**

Project Manager  
ALTEN

« The acquisition of GECL Engineering allows ALTEN to supplement its offering and broaden its areas of expertise in Europe. »

#### OUTLOOK AND CHALLENGES

"With the slowdown in major aircraft development programmes, the challenges facing the industry are how to meet the expectations of the market through more mature, re-engined products that are more fuel-efficient and that offer a better return on investment. With full order books for the next few years, the aeronautical industry must be efficient in the face of strong competition. Improved coordination and productivity, restructuring, decompartmentalisation and responsiveness will be the keys to the success of aircraft manufacturers both locally and internationally. This will lead to a quest to reduce assembly times and increase output without too much infrastructure modification. Since the latest generation of aircraft promises optimised and efficient performance, the priority now for aircraft manufacturers, systems integrators and equipment suppliers is not to create disruptive innovations but to deploy the latest technologies across all products and to improve performance at all levels as part of an ongoing drive towards improvement. Development is still important, however the focus will shift towards optimising production. This will

happen for example through improved "Plug and Play" components that are easier to produce and assemble. Design, configuration management, manufacturing engineering and customer support are therefore essential concepts. The objective is to optimise industrialisation through continuous improvement and by capitalising on methods, tools and production and assembly processes, as well as limiting the cost of change so as to avoid any problems on the assembly line. The cost aspect is becoming essential for Airbus and Boeing, which have traditionally faced competition from smaller aircraft manufacturers, and today increasingly from systems integrators. In addition, Chinese manufacturers have strong potential and are fast closing the technology gap, despite only recently entering the market. There will need to be a maximum return on aircraft investment to allow Airbus and Boeing to penetrate the Asian market amid tough competition."

#### WORKING WITH ALTEN

"ALTEN's range of services are mature and established and meet the challenges described above. The Group is able to build and manage cross-cutting, multi-specialist teams with an overview of the issues and technologies in the market. The projects it works on are wide-ranging, enabling it to develop synergies between programmes. With a vast array of customers ranging from aircraft manufacturers and equipment suppliers to research institutes, systems integrators, space agencies, not to mention operators and airlines, ALTEN produces numerous transnational projects to support its customers' development. In this respect, its CMMI Level 3 certified project management means that it can generate productivity gains and economies of scale.

Finally, the acquisition of GECL Engineering, specialising in airframe construction, mechanical and electrical systems integration and manufacturing engineering, supplements its offering and broadens its areas of expertise in Europe. "

# DEFENCE & SECURITY

5.8%  
OF REVENUE

## A growing global budget

For the first time since 2009, global military spending is set to increase by 0.6% in 2014 to \$1,538,000 billion. Russia, the Middle East and Asia will lead the expected recovery from 2016. This growth is not as clear-cut in Europe and the United States, where defence budgets have been slashed.

## A sector with a lot at stake in Europe?

Military spending in the EU fell from over €200 billion five years ago to €180 billion in 2011. The increasingly complex and expensive technology and the entry of new players into the defence market are forcing more countries to pool their expenditure and research to avoid duplication and boost competitiveness. Cooperation on a European drone programme between Dassault, EADS and Finmeccanica is one example of this.

## Modernisation

In France, the foundations were laid in 2013 for a new strategy based on the White Paper on Defence and National Security 2013 and the Military Planning Law (LPM) 2014-2020. Modernisation, restructuring, savings, R&D and cyber-defence will be the key words over the next five years.

## Leveraging R&D expertise

The new strategy aims to maintain France's industrial and technological expertise and to protect its operational advantage. Accordingly, France will maintain its defence budget at €31.4 billion, the same as between 2013 and 2014, with €3.6 billion set aside for R&D in 2014, including almost €750 million for exploratory research.

## Technical programmes with high value-added

With the launch of the European Multi-Mission Frigate Provence and delivery of the first A400M and armoured infantry fighting vehicles with FÉLIN integrated combat systems, France's weapons programmes reached a major technical milestone this year. In 2014, new programmes are being launched: the new F3-R standard Rafale, the Scorpion programme for the replacement of armoured vehicles, the MRTT tanker aircraft, and the fourth Barracuda-class nuclear attack submarine.

Between 2014 and 2019, new joint defence programmes will also emerge, including a light anti-ship missile, future mine action systems and a feasibility study on the future combat air system (FCAS).

## Export support

Amid widespread budget cuts, export is a vital growth area for France, which is one of the leading export nations along with the United States, Russia, the United Kingdom and Israel. According to the French Defence Ministry's General Delegation for Armaments (DGA), the trend for 2013 seems positive with an increase of more than 30% from 2012. The French government is investing nearly one billion in the Rafale fighter aircraft this year in order to upgrade it for export markets. Together with Dassault, it is relying on exports to take over from government deliveries between now and 2016, through orders expected mainly from India and Qatar.

## Evolution of the global threat: cyber-security

Cyber-security has become one of the strategic priorities for businesses, individuals and governments. With the widespread use of mobile devices, attacks are becoming more numerous and targeted.

France was initially slow to react, however under the LPM, which plans to triple the funding allocated to cyber-defence, a "cyber-defence pact" has been proposed of €1 billion over five years. To step up research efforts, a centre of excellence in cyber-defence will open in Brittany. Meanwhile the United States, which has long been at the forefront of this sector, is investing €5.5 billion a year in cyberspace R&D.



Our services

Mechanical

Defence and mission systems

Real-time embedded software

Integration and validation

Secure networks

## CROSS-CUTTING BUSINESS SERVICES

Project management





## Denis VIDEAU

Head of ACCS  
programme testing  
Thales Raytheon Systems

« The commissioning of NATO's new air defence system is the culmination of 14 years of development and testing. »

### CUSTOMER CHALLENGES

"Thales Raytheon Systems, the joint venture between French company Thales and US company Raytheon, was formed to manage and implement the ACCS programme. The aim of this programme is to replace the national air defence systems of NATO's European member countries with a single, efficient and interoperable system capable of exchanging information in real time and providing air command and control in each territory. A common core has been developed at NATO's request, while specific versions are implemented in each country. The project was launched in 2000. The system will be put into service in Italy and Germany in a few months, followed by France and Belgium in 2015. These four countries are the pilots for the programme, which will be rolled out in 2015 to ten other countries under replication agreements. In the short term, the aim is for the operational launch to be successful. In the longer term, the challenges for Thales

Raytheon Systems are manifold: to harness this momentum to improve products and carry out operational maintenance; to take into account NATO's strategic direction and future development; to adapt the ACCS product to meet the needs of other organisations around the world. This programme is fully integrated into the air defence system chain of command: detection, data processing, operations, mission control, response to the ballistic missile threat, logistical support including the human factor. It helps to protect European airspace over an area of more than 10 million square kilometres. This complex software consists of 14 million lines of code, the test phases of which are fundamental to demonstrate its robustness. These consist of domain tests, real-time and non-real-time software, factory system tests and operational configuration at the different NATO or national validation sites. Thales Raytheon Systems designs and approves testing strategies and supervises and executes them for customers. In 2013, 11 contractual milestone tests were

conducted successfully. Extensive cultural adaptation is required when engaging in dialogue with customers, for example NATO for the core programme and sovereign nations for country versions."

### WORKING WITH ALTEN

"In order to meet deadlines, I must be able to rely on responsive partners who can listen to a brief and then swiftly assemble the expertise I need. Because the software is so complex, training takes a long time. ALTEN has shown that it can be proactive and forward-looking. The Group fully understood my needs, while its international footprint means that it has mobile, multicultural project teams with a strong command of English. This is a long-standing partnership and I am 100% satisfied with the dynamic. ALTEN is now one of our preferred partners."

# NUCLEAR

ENERGY,  
LIFE SCIENCES  
& INDUSTRY  
**23.8 %**  
OF REVENUE

## An essential source of energy

Nuclear energy accounts for about 12% of global electricity production, and **75% of production in France**. Civil nuclear technology is therefore a strategic issue for some countries. Its low production cost compared with other energy sources and its low environmental impact (no greenhouse gas emissions) explain the considerable reliance on nuclear energy, and particularly **its growth in emerging markets**. With 72 plants under construction worldwide, nuclear energy capacity is set to grow 26% by 2030.

## Essential maintenance operations

### ■ Ageing installations

Of the 151 nuclear reactors in operation in Europe, nearly 100 are more than 30 years old, and **many are approaching their maximum service life of 40 years**. While the United States has been quick to extend the operating lifetime of its plants (up to 60 years for two thirds of power stations), other countries faced with ageing nuclear power stations still need to find solutions. Companies in this sector are therefore looking to extend the lifetime of their plants, and to do this they must modernise them.

### ■ The difficulties of maintenance management

Whether preventive or corrective, **maintenance operations reduce the capacity and thus the output of nuclear power stations**. These maintenance operations become more numerous as plants get older and as safety standards become more stringent. In France, **EDF has embarked on a "major refit"** in order to extend the lifetime of its plants. This is a long and costly process, requiring an investment of almost €55 billion by 2025. Work on safety measures, upgrading power plants and the replacement of certain installations.

## A new, safer reactor model

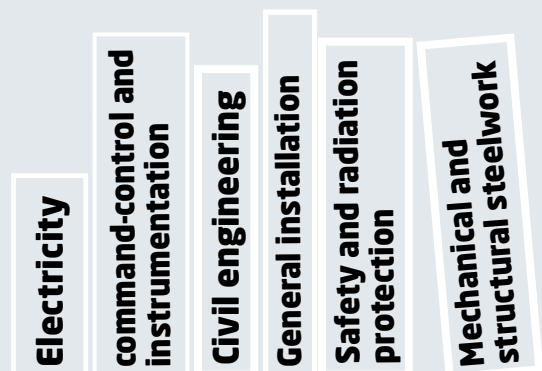
A new type of reactor has been developed known as the European Pressurised Reactor (EPR). More efficient, less expensive to operate (with around 90% capacity) and with a longer life, the EPR is fast gaining in popularity. As well as reducing the environmental impact (less fuel and waste), the

EPR is safer thanks to four back-up systems which cool the reactor and shut down the nuclear reaction in an emergency. This latest-generation reactor is already under construction in France (Flamanville EPR), and the model is being exported around the world. For example, the United Kingdom signed an agreement with EDF in October 2013 to build and operate an EPR at Hinkley Point.

## Concerns over nuclear energy

The Fukushima nuclear accident in 2011 prompted a **backlash against nuclear energy**. Organisations such as the International Atomic Energy Agency (IAEA) and France's own nuclear safety authority are carrying out an increasing number of inspections to monitor the safety of nuclear facilities. However, there are sections of the population for whom these inspections are not sufficient and who are campaigning against the continued operation of nuclear power stations. In addition, **there is some dispute over the environmental consequences of nuclear energy**, such as the management of radioactive waste. To address these concerns, countries are adopting their own energy policies. Some countries such as Germany have chosen to withdraw altogether from nuclear energy, while others like France have instead opted to improve standards and modernise plants. Regardless of this, the energy mix of all countries is tending **increasingly towards renewable energy**, which is therefore a growth sector.

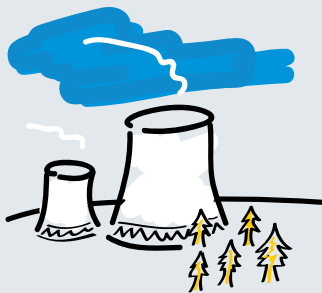
## Studies and conception



Our services

## CROSS-CUTTING BUSINESS SERVICES

PMO - Cost management - Documentation engineering - Human factor & Ergonomics



A portrait of Joseph Dupuis, an older man with glasses, wearing a suit and a red tie, smiling. The background is slightly blurred, showing what appears to be an office setting.

## Joseph Dupuis

Chairman and CEO  
of SOFINEL

« EPR plants are complex objects, therefore the standardisation of engineering is essential to make the solution economically viable. »

### SOFINEL

"Founded in 1976, SOFINEL is a subsidiary of EDF and AREVA. The aim of the merger was to create an organisation able to support the export strategy for French nuclear power stations. In the 1990s, EDF and AREVA jointly developed the EPR, a third-generation reactor with improved safety features which is designed to withstand major accidents. SOFINEL, already adept at cross-fertilisation, was chosen to produce the detailed design of the nuclear island. The first EPR at Olkiluoto 3 in Finland served as a model for the next one, Flamanville 3, which became the reference plant first for Taishan 1 & 2, and now Hinkley Point C 1 & 2. SOFINEL had to address different critical issues for each of the four projects: Olkiluoto, the first EPR sold as a turnkey project to a customer who did not necessarily have extensive experience in nuclear engineering; Flamanville, France's 59th nuclear power station, with across-the-

board integration from the basic design to decommissioning; Taishan, a major sinicisation project with considerable time constraints, complicated by the seven-hour time difference when coordinating suppliers and local engineering firms; finally, Hinkley Point, with the UK nuclear safety authority, specific regulations and different industrial, contractual and social practices.

The key to SOFINEL's success is that it has always been able to adapt. It relies on internationally renowned engineering partners who can mobilise technical expertise from within the sector and to draw on the experience of other sectors in order to work to the highest standards. SOFINEL not only has the know-how but has become synonymous with nuclear engineering, developing, planning and streamlining the whole process from a decidedly competitive perspective. As such, and to meet the needs of future markets, configuration management is becoming one of our strengths."

### WORKING WITH ALTEN

"ALTEN is a long-standing partner of Sofinel. Its expertise covers all of our business activities, with a skillset that encompasses our scope of engineering. ALTEN also assists us with our continuous improvement process by performing internal audits and building our knowledge base. Customer relations are good, the technical deliverables are first-rate and the project teams are consistent. They are 100% reliable."



# OIL & GAS

ENERGY,  
LIFE SCIENCES  
& INDUSTRY

23.8 %

OF REVENUE

### An ever-increasing demand

Buoyed by the economic recovery, OPEC forecasts that demand for oil will rise to 91.14 million barrels per day. This represents record consumption and has been confirmed by the International Energy Agency. The growth in demand, while increasingly significant in emerging markets, is lower in rich OECD countries, particularly in Europe.

### Difficulties with oil production

#### ■ The scarcity of conventional resources

Of the 50 billion barrels consumed in 2013, only 20 billion were from traditional hydrocarbons. Oil companies are faced with the problem of finding new reserves in order to meet demand. Drilling is increasingly unsuccessful, or only finds limited quantities of oil. Now that older fields are reaching maturity, oil production is falling due to a shortage of new discoveries.

#### ■ More costly and complex techniques

Added to the cost of unsuccessful drilling is the cost of investing in technology to discover new reserves. As a result, exploration and extraction from deeper offshore fields (at depths of over 1500 metres) is becoming increasingly common. These fields represent 10% of resources and 7% of current production, and this percentage is set to increase. However, they are increasingly complex to work, because some fields are exposed to adverse meteorological conditions. These mega-projects represent an opportunity for those engineering firms that can apply their expertise and know-how.

#### ■ Upgrading existing infrastructure

In addition to large-scale investment in new equipment and research, oil companies can extend the life of their infrastructure through maintenance operations, transferring the costs from capital expenditure to operating expenditure.

### The need for new exploration

Faced with the difficulties linked to the exploration and extraction of conventional hydrocarbons, oil companies are seeking alternative sources. The abundance of oil sands (mixtures of sand, clay, water and oil) are an interesting alternative for oil companies. Another well-known alternative, shale gas, is also taking off. Widely developed in the United States, shale gas extraction is also being encouraged by the British government. However, a consensus is yet to form over these unconventional gas reserves, which are criticised for their potential environmental impact.

### Tough standards

While the equipment and facilities of the oil industry are governed by various international standards, particularly from a safety point of view, additional rules and regulations have also been adopted by the European Union. In 2013, for example, the EU introduced measures to improve the safety of offshore oil and gas platforms. In addition, some countries have their own specific regulations. This is the case for the highly controversial shale gas, which is extracted in the United Kingdom but restricted in France, where hydraulic fracturing ("fracking") is banned. In addition, disasters such as the BP oil spill in the Gulf of Mexico in 2010 have tarnished the image of companies in this sector, which must prove that their activities do not have an undue environmental impact.

### Studies and conception

Electricity

Command-control  
and instrumentation

Civil engineering

General installations

Safety and radiation  
protection

Mechanical and  
structural steelwork

Export site operations

### CROSS-CUTTING BUSINESS SERVICES

PMO - Cost management - Documentation  
engineering - Human factor & Ergonomics

Our services



A photograph of Jean-Marc Letournel, a middle-aged man with glasses, wearing a dark suit and a white shirt. He is gesturing with both hands while speaking. The background is a plain, light-colored wall.

## Jean-Marc Letournel

Senior Vice President TECHNIP  
Business & Technology Offshore

# « Our R&D strategy is fully integrated into our business approach. »

### CUSTOMER CHALLENGES

“One of the challenges facing the planet is how to maximise fossil fuels such as oil and gas. Technip has become an undisputed leader in this market, securing major contracts for advanced technologies such as FLNG (floating liquefied natural gas), for deepwater fields and for extreme environments such as the Arctic. Despite a perceptible slowdown in global investment in the short and medium term, we are continuing to see a drive among oil and gas companies to keep existing facilities in operation and to boost production capacity, as evidenced by the Girri and Moho projects in West Africa. The challenges ahead are partly technological. In the 1990s, offshore drilling traditionally took place at depths of between 150 and 200 m. Since 2000, we have seen this increase to depths of more than 2000 m, thanks to the development of FPSO (floating production, storage and offloading) and now FLNG. Technip is a world leader in this market, with contracts for the Shell Prelude FLNG project and the Petronas FLNG1 project in a consortium

with the Samsung and Daewoo shipyards in South Korea. With oil and gas reserves situated at greater depths and in more extreme conditions, Technip is constantly facing new challenges, as demonstrated for example by the Aasta Hansteen platform project for Statoil above the Arctic Circle. To overcome these technological challenges, Technip’s R&D strategy is fully integrated into its business approach, the aim being to meet future technological challenges by offering its customers high value-added propositions. Technip now has a record order book of €16.6 billion at end-2013, which represents almost two whole years of activity. The priority now is to deliver projects at a profit and without compromising on safety, keeping our customers happy while at the same time adhering to the highest standards in terms of quality, cost and time.”

### WORKING WITH ALTEN

“In our industry, particularly offshore and subsea, the main challenge is for the company to have the right resources to deliver projects. The human factor is

crucial to Technip projects, so we look for responsive partners who understand our needs and are able to provide us with creative, passionate engineers with solid leadership skills. ALTEN is one of Technip’s most important partners in region A (Western Europe, Africa, India and Pakistan), a key region for our company. We are extremely pleased with the business arrangement and with the quality of service. We have major projects in the pipeline, and we are counting on ALTEN to deliver.”

# RENEWABLE ENERGY

ENERGY,  
LIFE SCIENCES  
& INDUSTRY

23.8 %  
OF REVENUE

## The energy mix at the heart of the industry strategy

Reducing dependence on nuclear power, which results in more competitively priced electricity, is a long-term process requiring the development of alternative sources of energy which, despite being promising (marine, wind, offshore), are yet to produce an acceptable large-scale economic model. The share of renewable energy in terms of gross final energy consumption is one of the key indicators of the Europe 2020 strategy. In 2012, renewable energy contributed 14.1% of EU28 gross final energy consumption. The EU28 target is to reach 20% by 2020.

Paradoxically, investment in green energy has fallen drastically in Europe. Indeed, the sector saw investment drop by 41% in Europe last year.

## Solar: the global market is set for an upturn in 2014

The first signs that it is coming out of the economic crisis were recorded in 2013 with 35 to 38 GW of new capacity installed. Markets such as the United States or China, looking to diversify their energy mix, have driven up demand. The same can be said of Japan, which has to offset the shutdown of its nuclear power stations. According to IHS Consulting, between 40 and 45 GW of photovoltaic solar power capacity should be installed across the planet in 2014.

## Biomass power

The *Grenelle de l'environnement* (Grenelle Environment Round Table) set the objective of producing 2.3 GW of electricity using biomass fuels by 2020. These figures presuppose organising the supply chain to enable the use of forest wood as well as considerable development of collective heating networks.

## Marine Renewable Energy

End 2008, less than 0.01% of global electricity was produced by marine energy, but the global potential is considerable. The World Energy Council estimates marine energy potential at between 1,000 and 2,000 TWh/year, in other terms 6,000 to 8,000 times the amount of electricity consumed in France. France is among the leading countries in the world in terms of potential: according to iFremet, tidal energy potential is estimated at between 2.5 and 3.5 GW, with wave power potential between 10 and 15 GW.

With regard to offshore wind power, more than 3GW are installed in Europe. However, projects involving several billion euros have been cancelled in Great Britain and Germany. European governments have decided to cut spending in this sector due to the very expensive grants involved.

However, as far as France is concerned, a genuine offshore wind power network is being put in place with different offshore wind farms installed off the west coast of France. The main players from the different consortiums are showing their desire to see a "French offshore power industry" develop.

## Working towards better energy resource management

Faced with the increasing development of renewable energy, Smart Grids represent an essential tool to promote the use of sources of renewable energy, facilitating their integration into already very heavily burdened electricity networks and making these networks more stable for intermittent sources like renewable energy. The Smart Cities concept, i.e. "connected cities" enabling, among other things, management of energy in an intelligent manner, just like the notion of energy storage which makes it possible to even out the rate of supply with regard to producing renewable energy.

## Studies and conception



R&D focus

### "Building for the Future" programme

The convergence between one of the ALTEN R&D programmes concerning home automation (launched in 2011) and a customer sales project focusing on an energy measuring system for buildings, led to the introduction of the "Building for the Future" programme at the end of 2013. Collaborative research work will be started as part of an R&D partnership between a major efficient energy player and ALTEN with the aim of enhancing infrastructure performance, through measuring and analysing usages, and striving to develop innovative predictive maintenance models.

Our services

## CROSS-CUTTING BUSINESS SERVICES

Project management







## Eloy JARAMAGO

EDF Industrial Policy Manager -  
Hydro Engineering Centre

« In order to remain the market leader, we have to develop our industrial organisation in terms of operating and managing the maintenance of hydroelectric facilities. »

### CUSTOMER CHALLENGES

"EDF is the leading EU hydroelectric producer and it makes considerable use of its Hydro Engineering Centre (CIH) for producing renewable energy. Responsible for the design, construction and maintenance of hydroelectric facilities (dams) in France and throughout the world, this integrated engineering centre has developed its expertise by focusing on five lines of business: civil engineering, electrical engineering, mechanical engineering, industrial computing and command/control have very different life-cycles e.g. from between 75 to 100 years for civil engineering compared with 15 to 25 years for electrical engineering. The major CIH project at the moment is RenouvEau: as the concessions for some dams draw to an end, the EU insists on their renewal being the subject of open public procurement tenders. One of the objectives of this tendering process is to increase hydroelectric production in order to respect the roadmap set by France i.e. 23% of electricity produced

by ENR in 2020. In order to keep our leadership position, we have to upgrade our industrial organisation, both in terms of operations and by ensuring facilities remain in working order. In particular, we have to change our operation management methods and revise our maintenance system, while safeguarding our traditional positioning, i.e. integrated project management. MSH (Modernisation and Standardisation of Hydroelectric facilities) is one of the RenouvEau sub-projects managed by CIH. Its goal is to step up a gear from a technical point of view so that all the facilities use the same type of equipment with the same structure and organisation of the information system. With this type of project the key issues are to respect the quality, cost and delivery period triangle, while also factoring in extremely restricting requirements in terms of health, safety and the environment. Performance is also a major challenge for CIH which must prove its efficiency in terms of integrated engineering,

diversifying by developing its expertise through different projects such as marine current turbines and competing for other contracts to enhance its internal range of activities and improve its results."

### WORKING WITH ALTEN

"ALTEN'S intellectual services support our core business for reasons linked to capacity as well as obtaining an outside view of our methods and standards. Together with ALTEN we have put in place an organisational system designed to involve you in our industrial chain to the greatest extent possible, through a joint venture that has demonstrated its value for six years. We replicated this organisational model through a framework agreement for six others. I particularly appreciate your attentive listening and my aim is to forge a long-lasting relationship by providing you with visibility, an essential aspect when working on facilities designed to operate for 75 years."

# HEALTH & MEDICAL

ENERGY,  
LIFE SCIENCES  
& INDUSTRY

23.8 %  
OF REVENUE

## Pharmaceutical industry: undergoing major transformation

### ■ Difficult growth

Rendered weaker by austerity policies, the pharmaceutical industry is growing at an extremely slow rate. In addition to significant expenditure on research, it must cope with the problem of patents falling into the public domain, and the growth of generic drugs. The distribution of medicines is also experiencing a transformation with the growth of online sales at competitive prices, and the decline of the traditional medical sales representative system, a distribution channel for laboratories. Consequently, the challenge is to develop in emerging countries where health spending will grow in line with overall development.

### ■ The changing face of the business model

In order to secure its future, the pharmaceutical industry must find new levers for growth. It is no longer limited to simply developing medicinal products but integrates comprehensive services such as prevention and caring for patients in a more personalised manner. An important challenge is to ensure that patients respect the prescribed dosage and times and the instructions written on prescriptions by doctors. Failing to respect the dosage and times for taking medicine, very common for chronic illnesses, impacts the effectiveness of the medication.

### ■ The need to enhance the industry's image

Various scandals such as Mediator have damaged the industry's image which has to be improved in terms of public opinion. Laboratories are consequently attempting to adopt a transparent and informative approach in order to reassure patients.

## Adapting to technological developments in the medical world

### ■ Taking mobility into account

The medical field must embrace mobility to enable doctors to access patient information wherever they are with a tablet or a smartphone. With the growth of technology such as the Cloud, it is becoming easier and easier to share information between different types of doctors.

### ■ Making doctors' work easier

Technological breakthroughs help doctors with their diagnostic work. Certain image processing devices enable lesions to be highlighted while other equipment enhances screening or makes it possible to prescribe special treatment for a patient. Furthermore, some technologies developed for other industries are increasingly being used in the medical sector. This is the case of 3D printing which today enables prostheses to be made to measure and cell tissue to be printed. This bioprinting should pave the way to major medical progress.

### ■ The development of smart devices

The development of smart devices also concerns health. Other devices linked to a smartphone can now measure the user's sleep, physical activity or heart rate. Sharing the collected information with doctors enables monitoring of patients. Smart devices can also benefit patients directly, such as pill-boxes reminding them it is time to take their medication. Their development enables better handling of patients.

## R&D focus

Research into processing images for medical purposes or helping patients began in 2011.

This generated forty R&D projects between 2012 and 2013, scientifically co-managed with internationally-renowned laboratories and resulted in three PhD theses (CIFRE). New technological applications have also been studied to help the visually impaired walk more safely thanks to a network of cameras installed in their homes or otherwise, as well as augmented reality glasses to overcome ARMD (age-related macular degeneration). Other research demonstrators were also developed around innovative command concepts for the partially-sighted to control home appliances with gestures, and tools for desensitising sufferers to behavioural pathologies (agoraphobia, autism, etc.) by immersive augmented reality.



## Our services

### Medical devices

### Pharmaceutical

Software  
development

Medical imaging

Clinical studies/  
biostatistics  
coordination

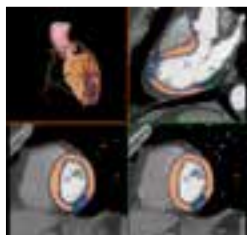
Regulatory affairs

Industrialisation,  
qualification,  
validation

## CROSS-CUTTING BUSINESS SERVICES

Project management





## Laurent Launay

R&D Clinical Applications  
3D Advantage Workstation -  
GE Healthcare

« The two major medical imaging trends are 4D and multimodality, to enhance the quality of the diagnosis. »

### CUSTOMER CHALLENGES

"GE Healthcare has developed acknowledged expertise in 3D medical imaging and its applications, thanks in particular to putting in place software capable of processing sections obtained in series from scanners, MRI and angiographic imaging devices and then creating 3D images. The resulting applications are of critical importance, as they enable doctors (radiologists, surgeons, etc.) to diagnose and make decisions more quickly that are more reliable and more pertinent, as well as preparing and determining the best way of operating for some types of pathologies. In the short term, one of the development objectives of these applications is to reach new targets, in an attempt to create products featuring simpler and more accessible interfaces that require less time for learning how to use the product. The proposed solutions must be consistent with the fast development of IT and health technology. To achieve this, GE Healthcare is developing its products and solutions through three key areas: mobility, in order to build imaging tools into smartphones and tablets, Cloud and data virtualisation

in order to be able to transfer the image processing phases, which involves a large amount of calculations and storage, and lastly the collaborative tools to be informed and rapidly exchange opinions, images, and reports between doctors from one end of the planet to another. As the medical environment is highly regulated, there are many constraints: the safety and quality of tools is essential. Faced with fiercer and fiercer competition, cutting costs and lead-times are important challenges: as the applications are linked to the output of the imaging devices, it is essential to deliver post-processing solutions in the same period of time. In the longer term, the two major trends in this field are 4D (temporal analysis of 3D images) and multimodality imaging, which make it possible to combine different sources of information (scanners, MRI, ultrasound) to enhance the quality of the diagnosis."

### WORKING WITH ALTEN

"ALTEN helps us develop specific and critical projects in the fields of imaging for operations, functional imaging and imaging for cardiology. We are particularly attracted to technical expertise and knowledge of the medical and imaging fields. ALTEN is highly involved in these challenges and able to adapt and respond quickly, and its engineers are highly skilled. As the software developed is complex we need to be able to count on teams that can adapt, put things into perspective, and work in a proactive manner in order to provide quick solutions. For this purpose, a service centre has been put in place in order to further increase the cohesion and integration of the ALTEN teams in projects. We are working on some particularly complex problems and need to create new synergies in order to develop innovative solutions."

# TELECOMS & MULTIMEDIA

18.4 %  
OF REVENUE

## Moving towards a single European market?

Faced with 140 operators in Europe, the European Commission is keen to develop a single European telecoms market in order to meet the industry's challenges: simplifying regulations, coordinating the allocation of frequency spectrum, cutting costs, eliminating roaming charges, enhancing the protection of network neutrality, bringing Europe up-to-date with regard to very high speed technology, developing tomorrow's telecom technology and facilitating faster development of a secure and controlled European digital economy.

## Specific challenges

The technological challenges and the requirements in terms of deploying complete infrastructures are considerable, starting with putting in place 4<sup>th</sup> generation (4G) radio networks and facilities. More generally speaking, all the issues related to very high speed (LTE – Landline and Mobile), interoperability between operators' networks, offloading between radio and Wi-Fi networks and developing new services to monetise network investments will all be at the heart of the Telecoms challenges in the coming years.

## Looking back on 2013: a key year for 4G

While in 2012 the 4G market focused essentially on the North American continent, South Korea, Japan and Australia, 2013 was marked by the deployment of 4G in Europe, and in France in particular, with operators all involved in one big race.

## 5G is in the process of being developed

Although 4G mobile telephony has just been deployed in Europe, the Telecom world is already thinking about 5G, a new generation that will enable users to download a film in a second on their smartphone or tablet, as well as allowing operators to handle the explosion of mobile data traffic. The Telecom industry gave itself six years to develop 5G. The European Union launched a Grant Plan (5G PPP) for public-private research projects for €700m by 2020. The 5G network should be able to support 1,000 times more mobile data than today.



## New technologies

■ **Smart Devices:** smart devices are playing an increasingly important role both in consumer goods and in industry. For example, NFC (Near Field Communication)/RFID (Radio Frequency Identification) technologies will enable remote communication between two devices with applications such as identification, data sharing, contactless payment, etc.

■ **Big Data:** which represents numerous problems including storage, analysis and monetising information in real time.

■ **The Cloud and Virtualisation:** Cloud technologies and their mobile access through a mobile network provide even greater potential in terms of applications and different types of use. Furthermore, network functions virtualisation (NFV) technologies are set to change the face of Telecom infrastructure in the coming years.

## R&D focus

In 2013, the ALTEN R&D Management joined forces with ISIR (Institute for Intelligent Systems and Robotics at Université Pierre et Marie Curie) to launch "HomDocBot".

A domestic and multimedia robot has been designed to help the elderly continue to live in their homes. It provides remote medical monitoring (thanks to sensors) and remote assistance functions (videophones or even remote control of the robot), with possible alerts to relatives and the doctor.

## Products & Services

## Infrastructures & Operations

Development

Qualification & Acceptance

Architecture & Engineering

Deployment Management

Administration, Operation & Support

## Our services

## CROSS-CUTTING BUSINESS SERVICES

Project Management Support - PMO - Consultancy and Audit - Information Systems



A portrait of Sylvain R., a man with short brown hair, wearing a grey suit jacket over a white shirt. He is looking slightly to his left with a thoughtful expression. In the background, a colorful abstract painting is visible on a wall.

## Sylvain R.

Telecoms Project Manager  
ALTEN

# « 2014 will see a massive expansion of smart devices and related applications »

### THE CURRENT PROJECT

"ALTEN is working on two major projects with a French telecommunications operator. The first fixed-price project, with thirty people involved, concerns the process of protocol validation for 2G/3G/4G radio access and terminal equipment designed to be deployed on mobile networks or offered to subscribers. The second fixed-price project, involving twenty people, focuses on maintaining and operating all the architecture and test platforms used to validate all new network equipment, including the devices referred to above. The issue at stake is handling incidents, ensuring equipment is correctly configured to match requirements, and to continuously develop infrastructures to enable these platforms to guarantee the highest level of quality possible in respect of the validation processes in progress and respecting the Time To Market (TTM) of the validated new equipment. Since 2006, ALTEN has played a key role in the overall technological development of this operator's network, from end-to-end, from GSM to UMTS through to LTE – Very high speed): backbone and network core infrastructure, smart mobile terminals (smartphones, tablets, etc.) and mobile access services."

### OUTLOOK AND CHALLENGES

"Operators are hoping to quickly reap the rewards of 4G through new services which would enable them to increase subscriber loyalty and enjoy extra revenue. As LTE is only positioned on data for the moment, Voice over LTE is one of the major challenges facing operators in the coming months. 2014 will see a massive expansion of smart devices and related applications, as well as an increasingly faster development of network and mobile terminal equipment. This is set to revolutionise the industry and the range of possible uses in the coming months, impacting the whole industry. As a result, we expect 2014 to be heavily marked by validation and very rich technological developments. As product cycles are much shorter, these new technologies must be deployed quickly and at a lower cost. Consequently, the main challenge facing the players and engineers is to ensure continuous innovation and very high-quality work within the set budget while also respecting the TTM!"

### WORKING WITH ALTEN

"ALTEN is a recognised Telecom expert, covering all players: operators, equipment manufacturers, service and

content suppliers, user companies, etc. This ensures the company has a thorough understanding of the industry's issues and challenges enabling it to develop synergies between different customers. Its positioning across the whole product life cycle provides ALTEN with the role of a genuine accelerator of the development of R&D projects, through its involvement in a wide range of key areas: product design, validation, architecture, deployment, network operations, and developing applications and software. This provides genuine added value for its customers as well as for its consultants, enabling them to continuously hone their skills. Lastly, the CMMI level 3 project management is clear evidence that ALTEN is mature in terms of its ability to manage projects, its procedures, its sense of anticipation and risk-handling."

# FINANCE & TERTIARY

14.5 %  
OF REVENUE

### Winning back customers following the economic crisis

After several years of different crises, financial institutions are entering a phase of customer recovery. Stress tests have proven that they were able to withstand a drastic downturn in their economic environment. Most banks are publishing profits, and results that are up on 2012, but they must also win back their customers who show less and less loyalty.

### Tailoring the offering to meet current needs

Faced with a plethora of competitors and in particular pure Internet players, financial organisations must build a comprehensive offering both for the general public and for companies. Consequently, there is growth of the bank insurance model i.e. companies providing both banking and insurance services.

### International challenge

Operating on the international stage is at the heart of the strategy of banks and insurance companies at several levels. Firstly, in an effort to reduce their expenditure, more and more organisations are relocating their Information Systems to countries with lower labour costs. Furthermore, foreign business is also a source of new markets. The improved standard of living in emerging countries inevitably results in an increase in demand for banking and insurance products, hence the corporate development measures by the industry's major players in these countries.

### An essential digital transformation

- Adapting to mobility is a necessity.
- With the growth of technologies, it is essential for financial organisations to undergo a digital transformation, which includes for example providing online services accessible from smartphones or tablets. However, 100% online banking is still very limited, with customers preferring to use the online services of their bank in addition to branch services.
- Reinforcing data and transaction security

Faced with the growth of cyber crime and the ever-increasing use of online and mobile banking services and external data storage methods such as the Cloud, financial institutions have to develop secure networks that are more effective. This is made even more essential by the fact that cyber security is a primary concern for customers, and technology is developing more and more quickly, but subject to risks e.g. contactless payment. Cyber security must also be taken into account in terms of offerings. This has resulted in the advent of insurance policies against cybercrime, particularly for businesses.

### Restrictive regulations

Within the framework of the Basel III agreement and in order to make the financial sector healthier, banks are subjected to increasingly stringent directives in terms of reserve requirements, reporting and systemic risk management.

Our services

#### Applications

Software and business development  
Third-party acceptance application  
Third-party support application  
HRMS

#### Infrastructure & Telecoms

Production & support  
Corporate telecommunications

### CROSS-CUTTING BUSINESS SERVICES

Project Management Support - PMO -  
Consultancy and Audit



A portrait of Jean-Luc Villette, a man with glasses and a beard, wearing a dark suit and tie. He is looking slightly to the left of the camera with a neutral expression.

## Jean-Luc Villette

PACIFICA  
IS Governance Manager

« In a field as competitive and highly regulated as insurance, our IT system has to be impeccable. »

### CUSTOMER CHALLENGES

“The Crédit Agricole group today operates in two complementary business areas, banking and insurance, which together form a strategic combination: “bancassurance”. Pacifica is the property & casualty insurance subsidiary of Crédit Agricole Assurances, Europe’s leading insurer. Its products are sold by the Group’s retail banks, the Caisses Régionales and LCL. Pacifica covers all of its customers’ property & casualty insurance needs (e.g. car, home, medical, etc.). The reliability and effective operation of our IT system are part of the reason why retail networks are keen to promote our products and why we can offer an excellent claims handling service. In a field as competitive and highly regulated as insurance, our IT system has to be impeccable. We also have to make sure that this service excellence is extended to our customers and the thousands of users who log on each day. The challenges are extremely varied: **Availability:** for the benefit of all our customers and users, it is essential that our IT system is always available. Thanks to the Group’s excellent data centre, we have almost 100% system availability. **Innovation and responsiveness:** while Pacifica has a robust distribution network, we have a duty to offer it increasingly innovative and attractive products and

services in a fluid regulatory environment so as to maximise its competitiveness. Being highly responsive means regularly issuing live system updates while maintaining the highest standards of quality.

**Innovation and performance:** to remain competitive, it is therefore essential that we upgrade our systems to keep pace with the latest market standards in terms of functionality and ease of use. As a result of these upgrades, our IT system has gone from being a monolithic model to a multi-tier model with a range of technologies. Special attention is therefore paid to the performance levels of this complex system.

**Security:** opening our IT system to the outside world creates a significant security risk. The Crédit Agricole Group has made security a major priority.”

### WORKING WITH ALTEN

“To meet these challenges, we perform functional and technical tests before the system goes live. For the past few years, my department has been in charge of non-regression testing, which until mid-2012 was handled by an external service provider as part of group technical support. Keen to refine and optimise this process, we organised a fixed-price tender procedure. This is how we outsourced our third-party application acceptance to ALTEN in 2013.

We swiftly defined a quality assurance plan and service levels based on a mutual commitment: Pacifica would allow access to its acceptance environments while ALTEN would guarantee the performance and quality of its acceptance system. After a year and a half of being partners, we have already dramatically increased the productivity of our third-party application acceptance: this has jumped by 30%, mainly due to the implementation of increasingly industrialised processes based on the automation of test cases, and by maximising our leverage of processes and resources.

This solution is based on ALTEN’s products and services, but has been tailored to our needs. We do not work with a client/supplier model, but operate as a genuine partnership. We guarantee each other transparency over our respective activities; together we manage risk and share the same goal. Ultimately we have the same values as ALTEN: professionalism, competence, transparency, listening and comprehension.”

- 
- > **50** Talent
  - > **56** Organising performance
  - > **61** R&D



03

## Operational excellence and continuous improvement

# Talent

## Talent we have discovered

ALTEN is committed to promoting the engineering professions and scientific careers, and encourages students' entrepreneurial initiatives. The Group is developing processes to achieve excellence when recruiting.

### RECRUITMENT: ALTEN, MAJOR EMPLOYMENT PLAYER

In a context of strong commitment where ALTEN'S customers are becoming increasingly demanding in terms of quality and productivity, the ability to recruit the most talented people is of strategic importance.

A major player in the European engineering employment market. In 2013, the Group pursued its active international recruitment policy, welcoming more than 3,000 young engineers and employees with high potential.

ALTEN is a real career springboard that recruits and integrates young professionals, and recruits a large number of recent graduates (less than two years since completing their studies). The Group's team of consultants, made up of 85% engineers, work on large technological projects in Aeronautics, Automotive Industry, Nuclear, Telecoms and Services. They will lead to industry and geographic opportunities for the ALTEN Group.

In order to ensure this, the ALTEN Group develops multiple ties with future graduates. The Group takes part numerous recruitment shows and forums in France and in the world, as well as the ALTEN Job Tour that has been organised for several years taking place in some of France's largest cities. Furthermore, it nurtures partnerships with engineering and business schools, and offers doctoral thesis opportunities, apprenticeships and student internships. These partnerships have an excellent reputation for quality and their high technical level, and they benefit from the opportunities created by their R&D work.

Forging close relationships with academia calls more and more frequently upon the relationship networks of ALTEN's employees. An internal referral system encourages and rewards the sponsorship of job applications by employees; today it represents over 10% of recruitment in France. As true ambassadors of the Group, an increasing number of ALTEN's consultants and managers visit their old universities to give lessons, tutorials, conferences and skills-transfer sessions. ALTEN is proud to see its employees share the Group's values in their networks.

Lastly, the Group made itself more visible on social media and the Internet. Indeed, in 2013, over 75% of new recruits were found via these media, the chosen tools of Generation Y. Showcasing initiatives, sharing contacts and information sources, exchanging ideas and knowledge, portraits and interviews with consultants: ALTEN actively maintains its Facebook and Twitter accounts, as well as a dedicated YouTube channel. The Group also runs several information and opinion-sharing hubs on the professional social networks Viadeo and LinkedIn.

### A new, latest-generation web platform

At the start of 2014, the ALTEN web platform was redesigned with an area dedicated to recruitment in France, "www.altenrecrute.fr". It was created to meet the needs of all of the Group's stakeholders, with job applicants being given priority.

In order to adapt to new internet usage trends in mobility, the ALTEN site interface is designed to support multiple access formats. It features a responsive design, and the display automatically changes to accommodate different types of screens. Optimised reading and browsing, redesigned site ergonomics: the site has been designed in order to be able to access all types of content using a "1-click" approach, and the offer is completed by a Web application developed for mobiles in order to provide an optimised interface for the "candidathèque".







## PROMOTING ENGINEERING PROFESSIONS

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

### Training in entrepreneurial spirit with CNJE

For the last three years, the ALTEN Group has been the premium partner of the **Confédération Nationale des Junior-Entreprises** which develops and coordinates the largest federated student association in France with over 17,600 students participating. Its role is to coordinate and accompany the 160 Junior-Entreprises (J.E.) student associations located across France in Grandes Ecoles and universities.



This partnership is based on the determination to promote and spread the entrepreneurial spirit among students through pathways to the business world. In addition to financial support, ALTEN helps young entrepreneurs through skills-transfer sessions to develop their study subjects as a group and build their individual career plans. The Group takes part in the regional and national congresses organised by CNJE. ALTEN employees deliver project management training courses and run workshops with the focus on simulating sales prospection. Lastly, the Group coordinates development projects with some JEs. In particular, ALTEN annually audits the Junior Entreprises before awarding the excellence prize and the «Label Ingénieur», which awards the best engineering study carried out by a Junior-Entreprise-engineer during the year. Centrale Lille Projets was the winner in 2013.

### “Elles bougent”: encouraging career progression

Too few young women choose to train in scientific or engineering subjects and they are still under-represented in engineering professions. With ALTEN's support since 2009, the “**Elles bougent**” association (roughly translated as “women on the move”) sets great store in the value of meetings and testimonies to promote increased female take-up of high-level technical and scientific careers. 15 ALTEN sponsors, managers and consultants, take part in the events and forum with “Elles bougent” to share their passion for their industry. On 21 February 2013, the first “Forum Réseaux et Carrières au féminin” (Career and networking forum for women) was attended by several hundred students. ALTEN presented the various opportunities it offers: placements and careers in the Group, as well as coaching and training sessions. The Paris Air Show was a major highlight in 2013. “Elles bougent” invited a hundred sixth-form college students to visit the professional stands and watch the aerial demonstrations. The ALTEN sponsors stayed with the participants throughout this Discovery Day designed to provide them with an insight into technical careers in the aeronautics industry.



The investment made by ALTEN in “Elles bougent” is being stepped up considerably in 2014 with the honorary chairman of the association since the beginning of the year, Simon Azoulay, ALTEN Group Chairman.

### ALTEN is a partner of the Pasc@line Association

ALTEN supports the initiatives led by the [Pasc@line](#) Association to promote ICST (Information and Communication Sciences and Technologies) careers among college students. Member of the Board of Directors and the Communication Committee, the Group exchanges ideas and information and cooperates with educational institutions and other professionals with a view to the development of the digital culture at all levels of learning, and beyond, including company managers.

#### The objectives are to:

- raise awareness of young people in the professions factor of the digital revolution;
- help educational institutions communicate more effectively on the opportunities and professions available, to young people from all backgrounds;
- adapt teaching programmes to prepare young people more effectively for the needs of businesses in an international environment and reassure them about the employment prospects;
- strive to understand and anticipate developments in ICST professions.

### Supporting student projects

From time to time the ALTEN Group provides its support to student associations or initiatives, whether they concern sport, humanitarian causes or culture, contributing to promoting engineering professions. These projects are in accordance with the ALTEN Group values.

■ In Germany, ALTEN GmbH is partnering the [Formula Student](#) project, with students designing environmentally-friendly racing cars, with internal combustion or electric engines. Five teams from universities and engineering schools with an excellent reputation have been invited by ALTEN to work on a case study. They delivered a large number of ideas and dimensions, implemented during the endurance race for these cars in August at Hockenheim. 110 teams from 25 countries and five continents took part. For ALTEN, this type of partnership is an invaluable means of detecting budding high-potential engineers.



■ In France, ALTEN supported [ISEP Voile](#), a not-for-profit organisation, in 2013 which aims to promote yachting and the emotions it provides to as many students as possible, when this sport is often considered as being reserved for a minority. The success of this partnership led ALTEN to continue with it in 2014.



■ The [Raid Centrale Paris](#) is a race that brings together students and professionals for competition, organised annually by the Ecole Centrale Paris. In a friendly atmosphere, the novel feature of this race is the opportunity for students to meet players from the business world, while respecting the environment and safety. The ALTEN team covered several hundred kilometres of trail running, canoeing, climbing, mountain biking, pot holing, etc.

### ALTEN showcases talented engineers



Encouraging the engineering professions by showcasing the profiles of engineers who love what they do: this is the raison d'être of the [Engineer of the Year](#) competition organised since 2004 by two French trade magazines "Usine Nouvelle" and "Industrie et Technologies". ALTEN is a partner of the event and every year it awards the prize for the "Innovation" category, won this year by Eric Lalliard for his project involving the development of a hybrid motor system using compressed air. This represents a breakthrough in the Automotive industry, where all manufacturers use fuel/electricity hybrid systems. Thanks to this system, the energy stored in the pressure reservoirs is transmitted using the pump motor to the front wheels, reducing CO2 emissions in city driving as well as lowering engine consumption on the open road.

In 2013, ALTEN was a partner of the ["Trophées des Femmes de l'Industrie"](#), which gives pride of place to women that have exemplary careers in the industry. Simon Azoulay, Chairman and Chief Executive officer of ALTEN Group, presented the "Femme de Projets" prize to [Brigitte Courtehoux](#), the first woman to have held the position of "Vehicle Project Manager" in a major automotive group. Since 2013, she has been managing a unit dedicated to connected vehicles.

# Talent

## Talent we are developing



The women and men of the ALTEN Group have tasks encompassing all the different jobs in engineering, support services and sales.

ALTEN'S active Human Resources management policy is focused on diversity and developing skills while ensuring equal opportunities.

### CAREER MANAGEMENT, TRAINING, AND INTERNAL MOBILITY

#### Career management and internal mobility: getting the best out of all talented employees

Being a responsible employer means putting in place a dynamic career management policy ensuring each employee is taken into account. The Group wishes to obtain the loyalty of high potential employees by securing its own development prospects by identifying expert employees. The strong organic growth of the ALTEN Group since it was created reflects the quality of its recruitment and ability to enhance its employees' careers.

Internal processes facilitate the choice of resources best suited to the requirements of the Group's projects and customers. Projects and careers are tracked by business managers, completed by a personalised annual appraisal. In 2013, 95% of ALTEN employees in France were included in the appraisal process. This appraisal is completed by a tailored Development Plan, comprising in particular the training desired by the employee.

At the same time, HR Committees are organised to assess employee skills, conduct and performance. These committees make it possible to provide each employee with a career plan covering potential future positions, locations and fair compensation packages. This dynamic, cross-departmental and transnational career management ensures the constant evolution, both horizontally and vertically, of the Group's employees working in the managerial and technical fields, opening up new prospects for their professional development.



Through these different strands, ALTEN encourages internal mobility, in France and abroad, for all types of occupation. This mobility allows all employees to develop their skills, giving a boost to their careers and expanding their horizons by discovering new cultures.

#### Training: developing skills and making it easier for people to be employed

ALTEN is fully aware that the high added-value skills of its workforce are the key to the Group's success and consequently it is developing an ambitious training policy to prepare for the challenges of tomorrow.

Each Group entity has its own specific training department, allowing it to address its employees more closely. They can also count on the Group's internal university, the **ALTEN Training Center (ATC)**, an approved training organisation created in 2011, which promotes internal training, organises a wide variety of training programmes for all employees regardless of their job. It also represents a platform for dialogue with other Group employees and providing role models thus generating genuine internal cohesion.

ATC offers a full range of training courses, with face-to-face sessions and practical workshops, completed since 2012 by an e-learning platform making the educational content accessible to all employee categories. Four e-learning modules have been available since 2013, concerning Safety, the Environment and Diversity. Special business modules are currently being developed.

The wide range of courses run by ATC includes a programme focusing on daily performance and occupational excellence. There are also training programmes focused on using knowledge-building to develop technical skills, for human resources roles, as well as how to lead projects and management. A range of training programmes in structured project management,

known as the ALTEN Way of Project Management, is aimed at project managers and engineers, whilst the ALTEN Management Program (AMP) has been developed to enhance the performance and foster the development of sales managers.

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

#### Mobility: A reality at ALTEN!

"I joined ALTEN in 2008 as a business manager. Since then I've had three different jobs: I started as a Branch Manager in the south of France, then I headed up a Business Unit in one of the Group's Paris entities, and lastly for one of ALTEN's solutions subsidiary in Russia. After these last four years, I'm proud to work for a group that trusts and invests in its middle management, and abroad what's more."

**Romain S.**



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

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

### Engineering is multicultural

In all the countries where it has operations, cultural diversity is a reality for the ALTEN Group, a genuine melting pot of skills and employee profiles. Internal mobility: The Group's international growth and the quality of recruitment make this diversity stand out: there are no limits when it comes to skills! In France, for example, the Group's headcount is made up of over 70 nationalities.

### Engineering careers are not reserved for men

While only 17%<sup>1</sup> of graduates from engineering schools are women, they represented 23.2% of the ALTEN Group headcount as at 31/12/2013, and this phenomenon has been developing steadily for several years. ALTEN takes measures to promote gender equality. Regardless of their position, in 2013, 37.8% of women at ALTEN attended at least one training course during the year, compared with over 33% for men. Their development is managed by HR committees and annual appraisals, using the same criteria as for their male colleagues. 2013 also saw the creation of "Elles d'ALTEN", an internal network made up of the Group's female engineers and business managers. This network enables female personnel working in different departments to interact, while also promoting gender equality and female leadership within the Group. Coaching workshops have been organised to tackle the issue of self-image which differs between women and men, and the stereotypes that are still firmly in place concerning the supposed difference between men and women concerning know-how and ability.

### Engineering careers are compatible with disability

Both in France and abroad, ALTEN is tackling the problem of the shortage of disabled engineering candidates in its French and foreign entities, confronted with a lack infrastructure for their higher education and sometimes preconceived ideas. The Group is gradually implementing a Disability Policy, with pragmatic responses to the issues involved in taking on disabled people, keeping disabled ALTEN employees in their jobs, and strengthening the Group's links with the protected sector. In 2013: the ALTEN Group developed a special e-learning module called "Disability and the company - everybody is concerned!" designed to help disabled employees settle into the company more easily, completed by 37.3% of the Group's employees in France. There is now a second module available concerning incapacitating diseases and working life. This approach, driven by the ALTEN Group Management, is relayed by internal communication campaigns.

<sup>1</sup>Data for the 2011/2012 academic year from the *Conférence des Directeurs des Ecoles Françaises d'Ingénierie (CDEFI)*.

## ALTEN Spain is fully committed to employing the disabled

Since September 2013, ALTEN Spain has been working on the "ProgramaUnidos" project with the Technical University of Madrid (UPM), the Fundación Adecco, and the largest Spanish engineering companies. The aim is to involve companies in the process from the first stages of the training, to ensure disabled students learn the skills and aptitudes required to developing their career and their progress in the world of work. In addition, one of the company's key objectives is to reduce and remove organisational obstacles to employing disabled people at all levels of the company. Within ALTEN, training and employee awareness programmes have been developed to forge a company culture embracing diversity.

### Engineering has no age limits

Although the average age of ALTEN employees is relatively young, the experience and expertise of more senior personnel enables the Group to capitalise on key knowledge and skills. A process of managing their career path comprised of a "second half of career" interview and special access to training. At the same time, ALTEN ensures that their expertise is passed on to the Group's young graduates and those on work-study placements.



Indeed, the Group takes on young people through work/study schemes. This mainly concerns support staff roles, better suited to the nature of this type of contract. Each young person is supervised by an ALTEN tutor, responsible for helping the new employee settle into the company and their satisfactory performance. The tutor passes on his or her knowledge to the student, ensuring that they gradually acquire new skills in accordance with the training programme and their future profession. At the end of the contract, a successful placement may lead to a permanent contract. For ALTEN, the recruitment of students on work/study placements is a chance to train workers in the Group's occupations and identify potential future employees.

### Engineers have an international mindset

The Group in France and throughout the world focuses on its employees' skills and supports the projects driven by its personnel, and focused on personal passions and initiatives whether they are related to sport, humanitarian causes, science or culture. ALTEN encourages and promotes young talents acknowledging their diverse nature. In 2013, France, the "Our personnel has talent" internal sponsoring programme enabled: Nathalie to have her third novel published; Nicolas to take part in the Rallye de France; Manuel to display his works; David to run a marathon in relation to a humanitarian programme in Congo, Xavier to take part in scientific research into whale sharks...

### Our priority: the safety of our workforce

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

- **risk prevention** which consists of identifying all risks to which employees may be exposed, raising employees' awareness of those risks and the means of reducing them, as well as dialogue and communication with the Health and Safety Committee;
- **training**, with a proactive approach concerning both compulsory and voluntary training exceeded the 11,000 hour milestone in 2013<sup>2</sup>. Since 2011, 342 managers have attended stress management training courses;
- **sessions** to raise employee awareness of specific risks, held regularly onsite; The Health Safety Environment Guide, launched at the end of 2012 and gradually rolled out to all employees is the awareness benchmark resource;
- **the provision of dedicated equipment**, such as personal protective equipment. In addition, since 2012, all of ALTEN's sites have been equipped with defibrillators;
- **monitoring regulations** and standards enabling ALTEN to respond to safety regulations as early as possible.

ALTEN has been **MASE** (Manual for the Improvement of Company Safety) certified since 2008 and **CEFRI** (certification for working in radioactive sites) since 2007, bearing witness to the efforts made and achievements obtained thanks to the procedures and the manner in which the Health and Safety management system operates.



### AN E-LEARNING MODULE ABOUT OCCUPATIONAL RISKS

An e-learning module was introduced in 2013 to provide the means with which to identify, assess and prevent occupational hazards; individual (road safety, routing, etc.), connected with the working environment (e.g. fire, workplace ergonomics), but also risks directly related to the tasks performed by the employee or psychosocial risks. Launched at the start of 2013, over 500 employees have followed this e-learning module.



### ALTEN - Top Employer 2014

For the third year in succession, ALTEN was named Top Employer® France which acknowledges companies for their HR policy.

Being awarded this seal of approval is based on an internal audit built on 400 HR practices covering various human resource aspects: training, development, career management, diversity, well-being policy, societal responsibility, communication, company culture...

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

<sup>2</sup> Excluding e-learning modules

# Organising performance

## Risk management and continuous improvement

Customer satisfaction and risk management are major priorities for the ALTEN Group.

### ISO 27000 AND INFORMATION SECURITY

The changing face of consultancy, the international development of the Group's business and the increasingly critical importance of information led to the implementation of an ISO 27001 certification programme.

ALTEN thus builds the requirements of ISO 27001 into the Group's quality, security and Sustainable Development policy. This standard specifies the requirements for information security within an organisation as well as the manner in which the management system ensures information security.

This cross-company project has several goals:

- ensuring service continuity;
- guaranteeing the control of intellectual capital;
- maintaining the trust of our stakeholders by protecting the confidential nature of information;
- building this approach into the company's management system ensuring the whole force takes up ownership of it.

ALTEN Spain obtained ISO 27001 certification in 2013 as a natural consequence of this approach. This certification is just reward for a strategy and work started several years ago. This ISO 27001 certification approach is being put in place in the different countries where ALTEN operates. Germany and France have started similar approaches and are aiming to obtain certification in the coming months.



In addition to ensuring compliance with the ISO 27000 requirements, the ALTEN Group in France developed an e-learning focused training programme at the end of 2013 which will gradually become mandatory for all its employees, concerning personal data and customer data security. Comprising role plays and quizzes, the course is designed to raise awareness of all the different situations an employee might have to deal with. It also informs them about their rights and obligations.

ALTEN has also put in place an intranet that all its employees can access, concerning Information System security. On this site, employees can find the IT Charter, access dedicated e-learning modules, the company's different policies, good practices, the company organisation, etc.



### Technical conference "Cyber crime, vulnerability, solutions?"

Several times a year, technical conferences are organised for all of the ALTEN personnel. Outside experts from industry and scientific research are invited to speak about their technological experiences and share their professional skills, enabling the Group's consultants to capitalise on their expertise.

Two technical conferences were organised in 2013 by the Communication Department, the ALTEN Training Center, and the DCRI (Central Internal Information Department), in order to make employees more aware of the importance of information system security. Indeed, IT security is a subject of major importance for the ALTEN Group. For each project, ALTEN undertakes to comply with the standards and laws in force as well as its customers' security requirements. Every employee has responsibility with regard to the security of Information Systems. These conferences gave rise to an analysis of cyber-attacks taking place throughout the world and the solutions put in place to counter them. Employees were made aware of threats to the security of computers, files, and business information, and the available means for defending information systems from those threats.

# Managing environmental performance

ALTEN improved the management of its environmental performance in 2013 through the implementation of clear action plans that were adapted to its businesses.

## ENVIRONMENT AND QUALITY DRIVING PERFORMANCE

The ALTEN Group encourages all of its entities worldwide to have an environmental management policy that is based on a recognised standard or benchmark.

Many companies in the ALTEN Group were proactive in making their environmental management policies compliant with **ISO 14001**, based on the principle of continuous improvement of environmental performance through controlling the impact connected with the company's business. This was particularly the case of ALTEN Spain, ALTEN GMBH in Germany, ALTEN Sweden and ALTEN SA, ALTEN SO and ALTEN SIR in France, which have been certified over the course of the last two years. All of these entities implemented environmental management programmes and defined specific objectives. All sites concerned are gradually being equipped with a waste sorting system. The emphasis is also being put on employee awareness and training concerning eco-behaviour and environmental impact. This training is currently being developed in many countries where the Group operates and, in particular, in the entities already certified. In France, an e-learning module dealing with this subject has been open to all employees since April 2013. Since it was created, this module has been completed by 5.5% of employees in the French entities that are ISO 14001 certified. The goal for 2014 is to train at least 20% of the personnel.

## GREEN IT

ALTEN endeavours to maximise the useful life of these IT infrastructures.

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

The Group is also working on the continuous improvement of its IT equipment management. At the end of 2013, the printing policy was reviewed in order to take into account, for all the Group's entities, a common base in terms of technical, financial and environmental requirements for printing equipment. This policy also presents conduct that should be adopted. Furthermore, the emphasis has been put on increasing information security, in accordance with the expectations of the Group's users in connection with the business.



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



## MANAGING EMPLOYEE TRAVEL

Every day, ALTEN's employees travel many miles - most often by car - to reach their place of work or visit client premises. In order to reinforce employee safety and also reduce the Group's carbon footprint, ALTEN now provides its employees with innovative alternatives.

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

In France, the ALTEN Travel Department is also endeavouring to raise awareness on the part of the personnel making business trips. Upstream, employees are urged to use audio and web-conference systems whenever possible. This awareness process was reinforced for the second year in succession by means of the Group's participation in the [European Mobility Week](#) (from 16 to 22 September 2013). Following this event, the ALTEN Travel Department has been informing employees of the environmental impact of travelling.



Lastly, concerning road transport which corresponds to almost 48%<sup>3</sup> of the CO<sub>2</sub> emissions caused by business trips and home-work-home journeys, different projects have been put in place. In France, an [e-learning module dedicated to eco-driving](#) is currently being developed, in order to be available for all employees in the first half of 2014. Priority must be given to "Green" taxis by staff and visitors when booking a taxi from the reception desk on the ALTEN sites whenever possible<sup>4</sup>. In Germany, electric and more environmentally-friendly vehicles are being tested for use in the fleet. In these two countries, measures are being taken to meet the cost - in full or partially - of public transport passes for employees. Lastly, in all the countries where the Group operates, numerous initiatives are being studied: car sharing, company bicycles, recharging points in car parks for electric cars, etc.

**Audio, video and web conferences:  
a good practice that is well-established  
at ALTEN!**

They represent:

**33,760** hours  
of audio, video or web conferencing

**2,865** accounts opened

**14,617** conferences held



<sup>3</sup> Data taken from the ALTEN Group France's 2010 carbon-footprint assessment.

<sup>4</sup> Waiting time in particular.



## MANAGING BUILDINGS

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

In a demand context requiring an ever-increasing move towards services provided in the ALTEN offices, adapting the real estate assets in the very best conditions for employees is a major challenge. To meet this challenge, ALTEN favours, wherever possible, eco-designed buildings possessing the highest possible environmental certification, with primary energy consumption (heating, air conditioning, ventilation) of less than 40 kWh/sq.m./year, for optimum economic performance.



Since 2013, ALTEN has achieved its objective of almost 30% of its buildings being BBC (Low Consumption Building) and/or HQE (High Quality Environmental standard) certified in France, thanks to over 400 ALTEN SO employees moving to a 6,000 sq.m. site. This site, like the other sites of the entity in Toulouse, is equipped with the **GAPEO®** (Computer-aided active management of energy performance) system, developed by GA. The building's energy consumption is analysed and optimised thanks to high-performance equipment and IT centralised management depending on external conditions and user behaviour. Thanks to a simple Internet connection and the MyGapéo® application, users can adjust temperature in their office, and optimise energy consumption related to lighting, heating/air conditioning system, etc. This choice of using buildings that are energy efficient and environmentally-friendly is deployed in a large number of countries where the ALTEN Group operates.

In Sweden, le "Swedish National Board of Housing, Building and Planning", a national public agency, conducted an energy efficiency audit on the Gothenburg site in 2009, valid for ten years.

The programme has just been launched in Germany: the Ulm facility obtained **Passivhaus** certification in 2014. This German seal of approval for energy performance in buildings is based on low primary energy consumption but it also focuses on the sealing of the building, insulation, ventilation and the quality of the air inside it. Although the quality and efficiency of infrastructures are essential factors with regard to energy efficiency, the Group's different entities are aware of the impact of human behaviour on achieving energy performance goals. As a result, awareness campaigns, special events and training, in particular those developed within the framework of **ISO 14001** certification programmes, are regularly organised in order to promote eco-behaviour and make it easier to adopt it.



### ALTEN and paper: an efficiently-managed resource!

ALTEN's activities generate waste of which 80% is comprised of paper<sup>5</sup>. In addition to its support for reforestation, the Group intervenes at various stages of the paper life cycle in order to reduce its environmental impact.

When buying its paper, ALTEN chooses recycled paper bearing an eco-friendly seal of approval. As a result in 2013, 84% of the paper used in France<sup>6</sup> was 100% recycled and FSC certified paper, replacing "standard" white paper of the same quality, but that has a lighter impact on the environment in terms of production. To reduce paper consumption, the Group's printers are gradually being configured to print on both sides by default. Finally, most paper communication materials use recycled paper with a high level of environmental certification, whilst printing companies are selected wherever possible based on their willingness to reduce the environmental impact of their activities. In parallel, when paper reaches the end of life, it is managed by a waste sorting and recycling system in Germany, Sweden and Spain in particular, as well as in France, with 92% of sites covered. Lastly, the Group continues to support assisted natural regeneration in Peru, begun in 2010. ALTEN has funded the protection of over 15,000 trees in the José Ignacio Tavera area, with Reforest'Action, its partner. The Group supports related projects such as raising awareness in schools and also with the farming community which can obtain extra income through forestry related to protected trees.

<sup>5</sup> According to ADEME, paper represents 80% of office waste.

<sup>6</sup> Except headed paper.

# Organising performance

## Cross-cutting approach

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

### ECOVADIS

EcoVadis, an independent non-financial rating agency specialising in responsible purchasing, assesses, on an annual basis, social practices, environmental actions, ethical business practices and the deployment of responsible criteria in corporate purchasing across all business sectors.

At the end 2013/beginning 2014, the ALTEN Group asked EcoVadis, for the sixth consecutive year, to assess its responsible practices. The Sustainable Development programme obtained a score of 66/100 and thus moved from a "Confirmed" level of commitment to "Advanced". This improved assessment is due in particular to the progress made with regard to the environment, with ISO 14001 being obtained and an e-learning module being designed concerning environmental impact. The increasing inclusion of Sustainable Development criteria in the Purchasing process, the Group's projects concerning Personnel safety and Information security, as well as the organisation in place to highlight the value of careers in engineering all represent progress having enabled ALTEN to improve its EcoVadis rating in 2013.

ALTEN is now among the eight best performing companies in its sector and is one of the leaders in the 15,000 companies from all business sectors assessed in the world by EcoVadis in 2013/2014. ALTEN became a "Gold" supplier and is in the upper 10% on a global level, representing genuine recognition of the headway made by its Sustainable Development programme.

### RESPONSIBLE PURCHASING

Started in 2011 when a special charter was created, the ALTEN Group's Responsible Purchasing approach has been gradually reinforced since by factoring social, societal and environmental factors into the process of referencing and assessing the Group's suppliers.

This approach is a means for ALTEN to disseminate its Sustainable Development requirements and the universal principles of the United Nations Global Compact within its sphere of influence.

The Responsible Purchasing Charter has been an integral part of all Invitations to Tender since 2012. Training buyers with regard to the principles of Responsible Purchasing started towards the end of 2012 and led to tangible results the following year. A CSR assessment is an essential factor of the selection process of suppliers for the main Invitations to Tender, and has the same degree of importance as the Quality, Cost and Lead-Time assessments. The assessment concerns both the supplier's internal Sustainable Development commitments and the social, societal and environmental benefits of the products or services offered. The cost of buying a product or service is therefore envisaged as a whole, across the whole length of the value and life-cycle chain of the product or service, while minimising the environmental risks and maximising the positive social and societal impact.

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



# R&D

## How ALTEN approaches R&D

Alongside our participation in our clients' innovative projects, ALTEN has since 2010 conducted R&D using our own funds. The work done has been for the purpose of helping to develop new products, services and skills that we can use in future projects.

### MULTI-TECHNOLOGY, APPLIED PROGRAMMES

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

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

ALTEN's R&D programmes are designed to support sustainability and try to deal with the economic, environmental and social dimensions of highly technological projects.

### AN ACTIVITY WITH STRATEGIC STAKES

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

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

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

The R&D division also has a mission to help develop our products and services, and to make them more competitive. In 2013 it was folded into the Structured Projects division. It relies on the Group's technical departments to identify priority technological plans and enables client projects to benefit from its work. This can involve showing demonstrators that illustrate emerging know-how, standards and benchmarks for new types of consulting engagements, deeper analysis of job specifications and more.

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

**ALTEN's R&D programmes are based on four interlocking themes:**

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



## TRENDING TOWARDS MORE COLLABORATIVE PROJECTS

In 2011 ALTEN, in partnership with renowned laboratories, started a research programme on image processing for use in medicine and personal assistance services.

Three doctoral theses got under way in 2012 together with some 40 R&D projects. ALTEN continued to make progress in 2012 with new research programmes in collaboration with industrial companies such as the Drone programme to design a self-flying airship for bringing aid to victims of natural disasters.

In 2013 work continued on the [Drone programme](#), developing functionalities that would allow the ships to fly unpiloted and in a swarm to the disaster area, work together to spot the victims, make an accounting, drop off first-aid kits and check that they were received. The programme also added artificial intelligence features to set the optimal formation for the swarm to fly in and maximise the drones' on-board ability to scout the area and drop their payload. ALTEN has also used this program as a case of applying an innovative methodology of conception: AACFA (ALTEN Agile & Convergent Functional Analysis)

Also in the aeronautics field, ALTEN's contribution to [CORAC, the collaborative research programme](#) for avionics of the future that brings together the major companies in the aeronautics industry, will not actually start up until 2014, although the programme had its official launch by the French government in 2013 as one of its "Investments in the Future".

In the area of personal assistance services, ALTEN along with ISIR (the Institute for Intelligent Systems and Robotics of the Université Pierre et Marie Curie) conducted a program to design a robot to help elderly people continue to live in their homes, the [HomDocBot](#). About fifteen R&D projects in 2013 contributed to the development of a pre-concept for producing the first mock-up:

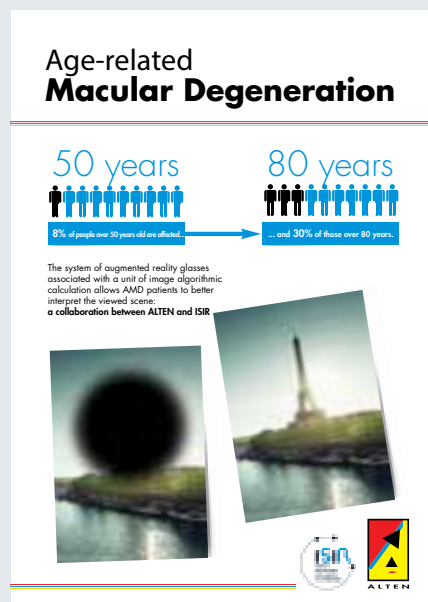
- R&D projects on command-control and mechatronics for the design of simple but innovative means of carrying an object from one room to another or of making the most necessary articles accessible (eyeglasses, medications, etc.);

- IS R&D projects on "connected devices" to provide an enhanced but easy-to-install multimedia (music/internet/videophony) connection node;

- an ergonomic R&D project for a man-machine interface made for people in their sixties and older;

- and finally, R&D projects explored the development of new remote medical surveillance and tele-assistance systems, with alarm triggers when necessary.

ALTEN's R&D work in medical imaging, which has been the object of the partnership begun in 2011 with specialist laboratories, continued in the form of doctoral theses and should reach its objectives in 2015. With ISIR, ALTEN has merged (a) the thesis work on developing a new calculator architecture for augmented reality glasses for people with ARMD (Age-Related Macular Degeneration) with (b) the geo-location work done on the [HomDocBot](#). This effective synergy resulted in creating a scientific publication.



# R&D

## R&D projects

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

Originally launched in 2012 in partnership with an innovative SME, it has allowed us to develop the skills and expertise of the Group's core business (including on-board processing, artificial intelligence, mechatronics, signal and image processing) while exploiting expertise in drones, which is a leading topic among companies that place orders concerning security issues, for example, the surveillance of electrical, rail and roadway networks, telecom towers, etc. The fifteen or so research projects launched in 2013 to extend the functionalities of the airship, such as its ability to fly in a swarm unguided or scout an area collaboratively, will continue in 2014, with the first trial flights planned for the end of the half year.

### **Since the end of 2013 ALTEN has increased its efforts to develop new industrial partnerships while strengthening existing ones.**

New strategic programmes were initiated, primarily around:

- the "smart car" with respect to connected cars having automated or even driverless controls; and
- the "building of the future" with respect to smart houses, better use of real property in terms of energy and detection of weak signals to prevent complex failures, etc.

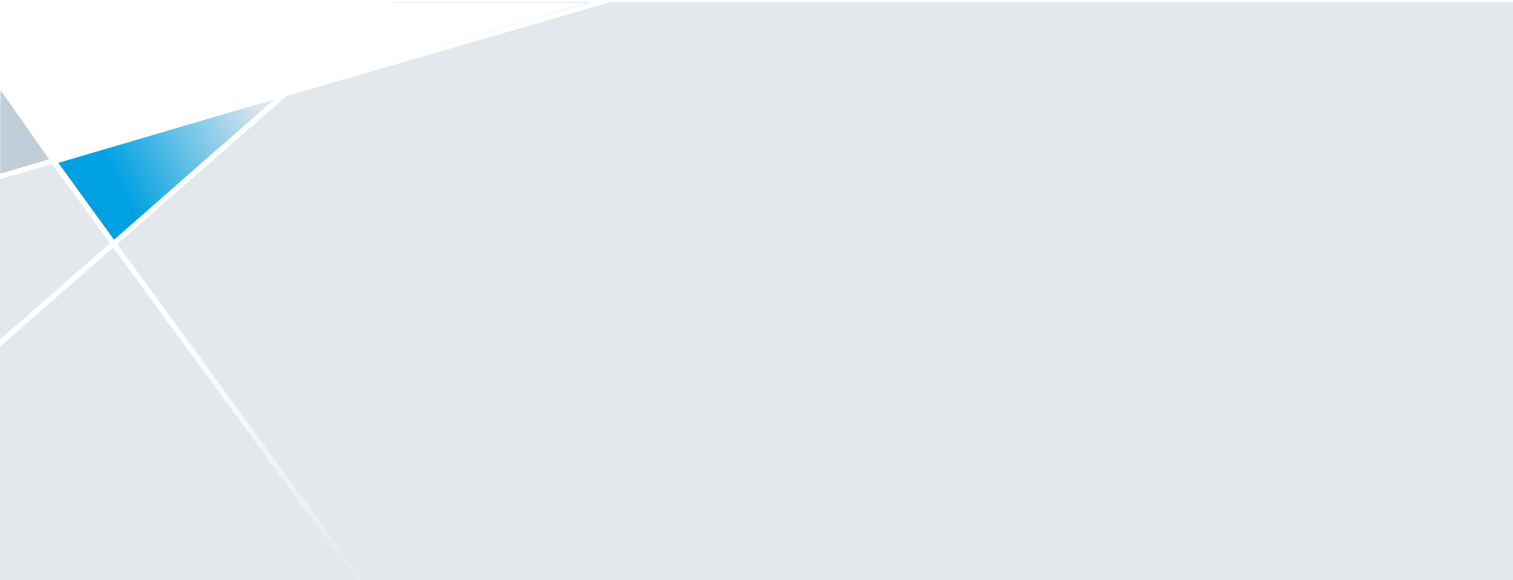
### **First steps in scientific publishing**

On 4 March 2014 ALTEN and ISIR ("Institute for Intelligent Systems and Robotics") came out with a publication created together as a summary of their joint R&D: "Smart Moving Nightstand For Medical Assistance of Elderly People: an Open Project" to the 2014 HEALTHINF Conference (7<sup>th</sup> International Congress of Medical Informatics).

This first publication, approved by a recognised international panel, bore out the value of ALTEN's R&D activities, the effectiveness of our partnership with ISIR and the usefulness of the **HomDocBot** programme.

### **Innovation is also organisational or methodological**

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

- 
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04

# Vision and sustainability issues



# Actions guided by values

## Sustainable Development, written in the ALTEN Group's DNA



Interview with Laurent Graciani  
Director of Quality and Performance.

### **ALTEN's Sustainable Development programme was begun in 2010 with our signing of the United Nations Global Compact. What have you observed during these three years of commitment to sustainability?**

In effect, we have committed to the [United Nations Global Compact](#) and we intend to maintain that commitment in 2014. We have made the ten universal principles of the Compact with respect to Human Rights, labour rights, environmental protection and combating corruption the foundation of the commitments we make in our Sustainable Development Charter. Through our Code of Ethics and our Responsible Purchasing Charter<sup>7</sup>, we circulate these principles to our stakeholders in our sphere of influence. These three documents are the basis of our Sustainable Development programme, which is managed at the highest levels of the Group and is a fixed part of ALTEN's strategy. This is a central concern for the Group, chiefly in support of people and innovation but also of the environment.

Since 2010 a great deal of progress has been made in terms of our infrastructures, operational processes, management of human capital and support of social projects. Our Sustainable Development programme has seen its personnel increase, been made more specific and gotten stronger. It has been made known to our employees. Today it has become an integral part of company life and constantly encourages us to ask new questions about how we can improve our practices.

### **What advances did ALTEN make in Sustainable Development in 2013?**

There were a lot! Obviously, we have continued our internal R&D projects and we provide increasing amounts of assistance to clients on sustainable solutions. But ALTEN also tries to be a corporate citizen. The Group remains a major employer in France and in Europe, especially for the nearly [1,500 young graduates](#) who got their first job working with us. In France ALTEN is a leading economic force locally in regions where its entities are located by developing jobs and

partnerships with local schools, suppliers and subcontractors. For employees, 2013 was another good year. We set up a special career-management service for engineers, so that everyone might reach their full potential. To accomplish this we also developed increasingly accessible training by developing an e-learning platform. ALTEN continued to support student initiatives like the Confédération Nationale des Junior Entreprises, Elles Bougent, Pasc@aline, etc. ALTEN supports budding engineers, brings out their talents and helps them to thrive! Lastly, we have continued our efforts and improved our environmental performance. ALTEN Spain, ALTEN GMBH in Germany, along with ALTEN SA, ALTEN SO and ALTEN SIR in France all obtained their [ISO 14001](#) certification in 2012 and 2013.

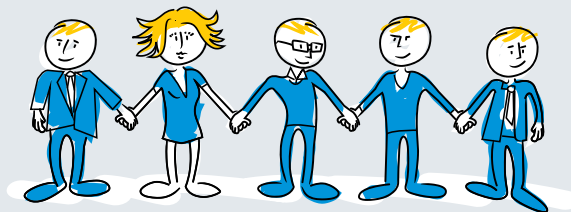
### **And what do you plan for 2014?**

These first three years have been very rewarding, in that they prompted us to make a good many operational changes in the business, plus some behavioural ones as well. We carried out a number of projects that had a unifying effect and enabled us to build a strong foundation. ALTEN has been appraised as a ["Gold" supplier by EcoVadis](#). Now our Sustainable Development programme needs to be refocused on the Group's values. For ALTEN combines human values, a culture of excellence and expertise on behalf of our clients' performance. Our company culture is based on key values shared by all our employees, and these are the development of [human capital](#), an [engineering culture](#) and [striving for profitable and sustainable growth](#). So we did a materiality analysis to identify as well as possible the expectations of our stakeholders and the issues in our business sector. Thus we now can set our action priorities in full compliance with our values. Finally, we aim to create an actual network of Sustainable Development contact people throughout ALTEN, worldwide. Our Sustainable Development programme will in this way gradually be disseminated and deployed in the Group's various countries so as to capitalise on each one's initiatives and innovations and to share our common values. 2014, then, is shaping up as a year of exciting change for ALTEN's Sustainable Development programme.

<sup>7</sup> The Sustainable Development Charter, the Code of Ethics and the Responsible Purchasing Charter are available on the [ALTEN.fr](#) website under the heading "ALTEN's Commitment".



# ALTEN's values



## VALUES WRITTEN IN THE GROUP'S DNA

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



## ENGINEERING CULTURE

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

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

ALTEN is an innovative company, which conducts its own research and development seeking to balance economic, environmental and social dimensions with technology projects.

## PROFITABLE AND SUSTAINABLE GROWTH



The quality of its executive staff, its teams and its rigorous management are the cornerstones of ALTEN's profitability and resilience.

ALTEN is a financially sound company which, year after year, attains stated goals for profitable growth. Since its inception, it has remained true to engagements in the areas of education and design, and to its support for the engineering profession.

We carry out acquisitions, continue to invest in complete project infrastructures and in R&D projects, which advance the development of new skills for future projects.

ALTEN takes on intensive projects in terms of technological challenge by collaborating (for over 25 years) with the R&D strategies of its clients in order to underpin their performance and provide support for their local, national and international projects.



## HUMAN CAPITAL DEVELOPMENT

ALTEN is set on reconciling performance with sustainable development.

The Group's people are the driving force behind its business. ALTEN aims to promote diversity, employability and the promotion of talents in accordance with the fundamental principles of integrity, fairness, transparency and humility.

Diversity, whether cultural, sexual, age- or career-related, nurtures our values.

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

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

# Map of stakeholders



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

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

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

Elles bougent

junior **entreprises**  
Révélateurs d'esprit d'entreprise



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

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

## THE PUBLIC AUTHORITIES: GENERATING SUSTAINABILITY

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



## SHAREHOLDERS: SUPPORTING OUR DEVELOPMENT

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

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

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

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

- Compliance with the principles of the ILO and the Global Compact
- Dissemination of ALTEN's advances in Sustainable Development
- Use of the GRI 3.1 principles
- Watching for the emergence of new standards and new initiatives that ALTEN might apply





### CLIENTS: VECTORS OF OUR INNOVATION RESEARCH

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



### EMPLOYEES: ALTEN'S AMBASSADORS

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

### SUPPLIERS AND SUBCONTRACTORS: PARTNERS IN OUR SUCCESS

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



### CIVIL SOCIETY: INSPIRING RESPONSIBILITY INITIATIVES

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



### EMPLOYEE REPRESENTATIVES: FURTHERING THE SUSTAINABLE DEVELOPMENT PROGRAMME

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

### PROFESSIONAL ORGANISATIONS: DEFENDERS OF THE SECTOR'S INTERESTS

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



SYNTEC-INGÉNIERIE

# Materiality of Sustainable Development issues

## Issues and outlook

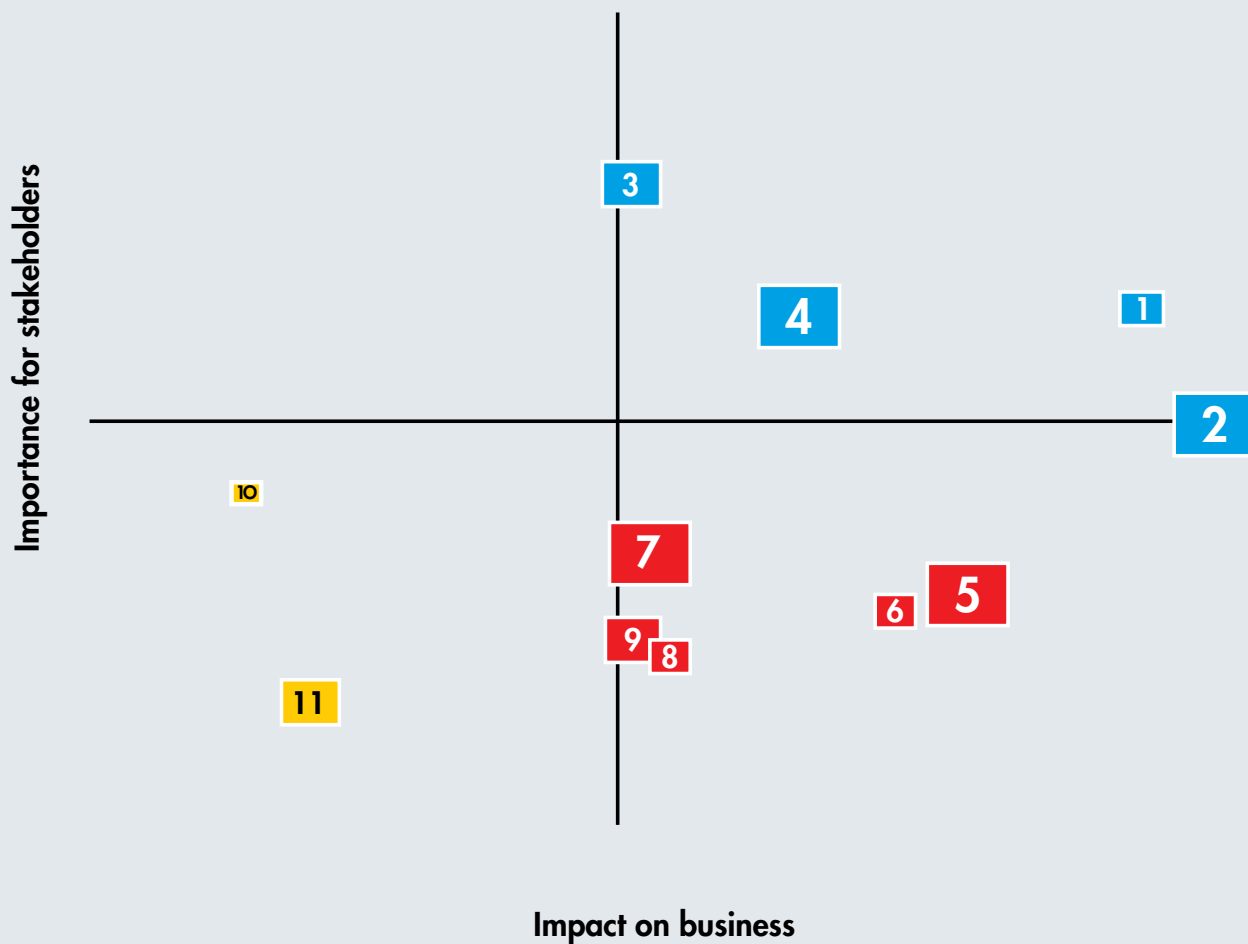
Issues are considered «material» for an entity if they can affect the company's short-term performance, determine its ability to reach its strategic objectives, match the best practices of the sector, affect the behaviour of stakeholders, reflect changes in the Group (new standards, new trends, etc.). To identify ALTEN's «material» issues, that is, issues with particular relevance to our business activities and the expectations of all of our stakeholders, the Group carried out a «materiality test» early in 2014 based on the analysis of sectoral issues, opportunities and the demands of stakeholders.








## METHODOLOGY

Issues in the engineering sector are identified through leading sectoral studies, newspaper articles, discussions in SYNTEC, etc. The expectations of stakeholders (see map of stakeholders) with regard to these issues are analysed and scored. If expectations are identified that do not correspond to an issue, they are taken into consideration nonetheless. The impact of these expectations and issues on ALTEN's business is also scored. The product of the importance to the stakeholders and the impact on the business gives the priority of the issues according to their materiality. The graphical representation factors in the maturity and mastery that ALTEN has acquired in these issues.



# Materiality matrix



-  **Issue taken care of:** ALTEN is mature on this issue and/or has developed numerous initiatives in the area in response to expectations of stakeholders. The issue is incorporated into the company strategy.
  -  **Issue partly taken care of:** ALTEN is developing critical initiatives in this area. The issue is gradually being incorporated into the company strategy.
  -  **Issue barely taken care of:** ALTEN has recognised the issue but for the moment this issue is not part of the company strategy.
  -  **Issue not taken care of:** the issue has been identified but requires an action plan to consider it taken care of.
- 
-  **High priority issue**
  -  **Average priority issue**
  -  **Low priority issue**

# Materiality of Sustainable Development issues

ALTEN VALUES	SUPER-SESSION	RELATED ISSUES	COMMITMENTS IN THE SUSTAINABLE DEVELOPMENT CHARTER AND ADVANCES	OBJECTIVES FOR 2014/2016
Governance		Governance: make Sustainable Development a strategic, cross-functional tool to improve Group performance, meeting the expectations of stakeholders	The ALTEN Group has been gradually incorporating its various international entities into its CSR reporting. The Sustainable Development working themes are incorporated into ALTEN's company strategy.	<ul style="list-style-type: none"> <li>- Creation of a special committee to ensure that the ALTEN Group's Sustainable Development strategy is executed</li> <li>- Creation of a network of Sustainable Development correspondents (France and internationally, with the objective of one correspondent for each major entity of the Group) to pool best practices and improve CSR performance</li> <li>- Definition of performance indicators on the governance of Sustainable Development</li> </ul>
	1	Reduce all risks (security of people, data and information, ethics, financial risks, etc.) to which the Group is exposed to maximise the conditions for sustainability	See the Chapter on "Organisation of performance": All the quality, safety/security and environmental certifications obtained by the various international subsidiaries prove that they are gradually recognizing and dealing with risks: security of data and information, of people, of the environment, etc.	<ul style="list-style-type: none"> <li>- Obtaining ISO 27001 certification in France</li> <li>- Enhancement of the HR risk management policy via the processes of career management</li> <li>- Development of risk training courses (risks to people, IT, the environment, ethics, etc.) for each new employee in France including sales people.</li> <li>- Producing a CSR risk map by category of purchases as part of the responsible purchasing policy</li> </ul>
Croissance rentable et durable	4	Make the Group's international dimension and multicultural richness fertile soil for stability and growth, respecting and supporting local populations	See the "Talents" Chapter: The ALTEN Group encourages geographic and functional transfers for its employees and develops exchange programmes to foster a multicultural company spirit. The cultural diversity to be found in the Group, with numerous nationalities represented in the workforce, enriches the Group's operations and performance.	<ul style="list-style-type: none"> <li>- Make the CSR correspondents network a vector of synergy and performance among ALTEN entities around the world</li> <li>- Increase the positive impact of ALTEN entities in the localities and countries where they are present: jobs, environment, local development, respect of populations, etc.</li> </ul>
	4	Be a major force in the economy, creating jobs for engineers and high-potential employees	See the Chapter on "Organisation of performance": Through these hiring processes and methods, particularly the ALTEN Job Tour in France, and its participation in exhibits, forums and social networks, the ALTEN Group won over and recruited nearly 3,000 new employees in France and around the world in 2013. The Group ranks among the top recruiters in France.	<ul style="list-style-type: none"> <li>- Recruitment of 2,800 new employees in 2014</li> <li>- Development of a channel for measuring candidate satisfaction</li> <li>- Intensified use of social networks in order to recruit the best talents</li> <li>- Closer partnerships with the prominent schools and universities in the world, to smooth the pathway from student life to the world of work</li> </ul>
	10	Encourage co-development and win-win relationships with partners (suppliers, clients, associations, etc.): technology transfers, financial sponsorship of skills, responsible purchasing, etc.	See Chapter on "Cross-functional efforts": By creating the Responsible Purchasing Charter and adopting social, employment and environmental criteria in the Group's purchases, ALTEN has created equitable, win-win relationships with its suppliers. ALTEN employees give their time and their skills to help students along, by hosting work-study arrangements, trainees and social projects. Finally, as part of its internal R&D projects, the ALTEN Group in France shares knowledge and technologies with its partners.	<ul style="list-style-type: none"> <li>- Reinforcement of the responsible purchasing policy in all subsidiaries by creating a CSR risk map by category of purchase</li> <li>- Circulation of the Responsible Purchasing Charter to all subsidiaries and obtaining adherence from suppliers representing 80% of total volume of purchases</li> <li>- Add to the projects of the Group's Research and Development division to meet social issues in a spirit of shared knowledge</li> <li>- Emphasise the exchange of best CSR practices among the Group's different entities</li> </ul>
	11	Taking concrete steps to reduce the environmental footprint of our work	See Chapter On «Managing Environmental Performance»: Managing environmental performance is at the core of a continual improvement effort based on pragmatic solutions tailored to engineering work. The Group has identified the chief environmental impacts of its work. German, French, Spanish and Swedish entities of the Group are ISO 14001 certified and have developed environmental training courses for their employees.	<ul style="list-style-type: none"> <li>- Improved tracking of environmental performance of our work due to more indicators in use</li> <li>- Increasing use of buildings with high environmental certifications (BBC/ HQE, Minerva, Passivhaus, etc.) among the offices of the Group's international entities, and encouragement of everyday eco-friendly actions by employees, primarily through e-learning</li> <li>- Reduced impact of printing by more widespread use of more environmentally friendly printing, with an objective of 15% less paper consumed by printers over three years (versus 2013)</li> <li>- A 10% reduction over three years in average CO<sub>2</sub> emissions/km of vehicles in ALTEN fleets (versus 2013) and development of video conferencing approaches at all ALTEN entities in the world</li> </ul>



ALTEN VALUES	SUPER-SESSION	RELATED ISSUES	COMMITMENTS IN THE SUSTAINABLE DEVELOPMENT CHARTER AND ADVANCES	OBJECTIVES FOR 2014/2016
Development of Human Capital	2	Elicit and value talent, to encourage every kind of expertise to show itself through dynamic and equitable career management, not forgetting diversity	See the «Talents» Chapter: The ALTEN Group in France provides HR assistance that enables the best talents to show themselves and flourish thanks to career management processes and intensification of in-house training. Respect for diversity and combating discrimination are principles integrated into the Group's operations and the Sustainable Development Charter.	<ul style="list-style-type: none"> <li>- Maintaining and achieving Top Employer status and equivalents, in France and in the Group's international entities</li> <li>- Reinforcement of shared values and the development of each person through training courses, especially in ethics and diversity</li> </ul>
	6	Manage employees by taking into account the balance between personal and work life, allowing everyone to flourish, especially through internal sponsoring	<p>See the "Talents" Chapter:</p> <ul style="list-style-type: none"> <li>- The ALTEN Group in all its entities supports the personal projects of its employees, be they cultural, athletic or humanitarian, always in relation with the Group's values.</li> </ul>	<ul style="list-style-type: none"> <li>- Making internal sponsoring permanent through the "Our employees have talent" programme</li> <li>- Synergy with employee representation for better management of the balance between personal and work life</li> </ul>
	8	Guarantee employees optimal, appropriate working conditions, including an equitable compensation policy and management of potential	<ul style="list-style-type: none"> <li>- The different entities of the ALTEN Group have adopted a policy of human resources management that is effective, dynamic and equitable, including processes specifically designed for the employee's profile, to allow each one to master his or her occupation and open up to fresh perspectives.</li> </ul>	<ul style="list-style-type: none"> <li>- Maintaining above 90% the rate of employees receiving annual performance reviews in France</li> <li>- Development of tracking indicators on internal transfers and skills mapping</li> <li>- Pooling best practices among the international entities in terms of career management and remuneration</li> </ul>
Engineering culture	3	Put the Group's innovation and operational excellence to work for clients and civil society, building innovative and sustainable solutions	See the "R&D" Chapter: ALTEN takes an active role alongside its clients and within its own R&D division, carrying projects in keeping with CSR issues: energy-efficient buildings, dependency of people with reduced mobility, connected mobility, etc. ALTEN has adopted internal processes for operational excellence, recognised by well-known certifications, in most of the Group's entities.	<ul style="list-style-type: none"> <li>- Maintaining the safety, quality and Sustainable Development certifications already obtained in the different entities</li> <li>- Obtaining ISO 27001 certification and an EcoVadis score of 70 out of 100 for the French entities</li> <li>- Intensification of dialogue among the different entities for pooling CSR best practices</li> </ul>
	7	Encouraging the spread of engineering occupations and building pathways between the student world and the company, to instil vocations in young people and students	See the "Talents" Chapter: The ALTEN Group has made a commitment to promote engineering occupations, particularly among students and young women, by developing strong partnerships (such as the Confédération Nationale des Junior-Entreprises, Pasc@line and Elles Bougent in France, Formula Student Germany challenge in Germany, and more). Every year ALTEN gives the Engineer of the Year award and the Women in Industry trophy.	<ul style="list-style-type: none"> <li>- More and closer partnerships with associations, student and otherwise, participating in the appreciation of engineering occupations, especially through national engineers day (IESF) in France and Simon Azoulay's honorary chairmanship of Elles Bougent</li> <li>- Reaching 75% of Group entities in the world that have partnered with at least one association to raise appreciation of engineering occupations.</li> </ul>
	9	Being a good corporate citizen by providing support to strong social initiatives that are meaningful to employees and stakeholders	See the "R&D" Chapter: ALTEN's Research and Development Division in France develops innovative projects to solve the major problems of civil society: mobility, energy efficiency, dependency of people with reduced mobility, etc. In France and elsewhere ALTEN supports its employees' social initiatives whenever they honour the Group's values.	<ul style="list-style-type: none"> <li>- Emphasise the orientation of R&amp;D projects toward programmes responsive to the major issues faced by civil society: put the skills of ALTEN employees at the service of the public interest</li> <li>- Participation in national research and development programmes, in France and throughout the world</li> </ul>

# Our performance indicators

## Reporting methodology

### Scope under consideration

The period considered for the data going into the different indicators was from 1 January 2013 to 31 December 2013. In the 2013 Sustainable Development Report, "ALTEN", "the Group" and "the ALTEN Group" refer to the legal entities of the ALTEN Group in France. The performance indicators relate to the ALTEN Group's legal entities located in France only, having non-zero revenues in 2013 and a non-zero workforce, acquired or controlled by ALTEN SA or a subsidiary company at 30/06/13 as described hereinafter, as well as ALTEN Spain, Technology GmbH and ALTEN GmbH. For the French entities, the performance indicators refer entirely to the workforce of entities considered to be in the ALTEN Group and entirely to the floor space occupied by one or more entities of the ALTEN Group in France. For the German and Spanish entities, the performance indicators refer to a limited number of employees and a limited amount of occupied space. The indicators reported for France and internationally concern a workforce representing 69% of the Group's total workforce at 31/12/2013. The performance indicators and the text of the 2013 Sustainable Development Report were prepared in accordance with the requirements of Article 225 of the French Commercial Code. The Global Reporting Initiative 3.1 guidelines and recommendations have also been taken into account. The guidelines for calculating and establishing the performance indicators is available upon request by email: [alten.csr@alten.fr](mailto:alten.csr@alten.fr)

### Exceptions and limitations

The reporting software installed at the ALTEN Group's legal entities in France and internationally besides the ones already mentioned did not allow the preparation of comparable data that meets the requirements of the Grenelle 2 Law in the time available. The data about household waste were considered to be non-material, in accordance with a study by ADEME showing that 80% of the waste of service businesses consists of paper and with the findings of the ALTEN Group's 2010 Carbon Assessment. The coverage rate of the social and employee-related indicators is 100% of the workforce concerned, for French and foreign entities in the reporting scope. As to the environmental performance indicators, the coverage rate varies according to the indicator. It is 48.7% of the occupied space involved in the reporting scope for indicators about buildings' water consumption (as compared to 45% in 2012); 85% of the space involved for indicators about buildings' electricity consumption and related greenhouse gas emissions (as compared to 75% in 2012); 96.50% of the workforce involved for the indicators about work travel by employees; 98% of the space involved for the indicators about drinking glasses and 100% of the workforce or space for the other indicators. As to the indicators of business travel, a change in how greenhouse gas emissions were measured by the different travel providers (the Carbon Assessment method and the GHG Protocol method) in the middle of the year makes the data not totally comparable with the 2012 indicators.

### Origin and compilation of the data

#### Employee-related indicators

The data relating to the workforce, nationalities represented in the company, hirings and terminations, work-based learning contracts, total payroll, compensation, employee turnover, work schedules, and frequency and seriousness of workplace accidents were taken from the employee-related reports and the payroll software of the ALTEN Group companies in France and the international entities reported. The data about annual performance reviews, training and in-company transfers were taken from the reports of departments in charge of those matters in the Group's various entities. It should be noted that the total hours of training includes training taken by apprentices and employees under vocational training contracts, just like the indicator of trained workforce; however, apprentices and vocational contracts are not included in trained workforce indicator broken down by gender.

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

#### Environmental indicators

The data related to floor space are taken from the lease documents. The data are gathered and then compiled annually by building, then allocated according to the floor space occupied by each legal entity of the ALTEN Group in France and for the international entities within the reporting scope, in those buildings. Data relating to consumables, water and energy is taken from the invoices and statements provided by suppliers and service providers. Indicators of energy and water consumption and of consumables were calculated pro rata temporis for the term of occupancy and where appropriate put over the number of working, fulltime equivalent employees at the site as at 31/12/2013. CO<sub>2</sub> emitted by the energy usage of the buildings was calculated using the yearly average of the monthly carbon emission factors published by Electricité de France in January 2014 with respect to the year 2013. Data relating to the kilometres of plane and train travel and their CO<sub>2</sub> emissions equivalence, as well as to video conferencing, was provided by the transportation companies. The EcoVadis score was obtained after ALTEN's annual evaluation by this extra-financial rating organisation.

#### Social indicators

The data relating to projects supported to promote engineering occupations are taken from partnerships involving financial support and by the ALTEN employees in charge of these partnerships.

# Our social performance indicators

## at 31 December 2013

ALTEN INDICATOR No		UNITS	GROUP FRANCE 2013	GROUP FRANCE 2012
<b>HEADCOUNT AND DIVERSITY</b>				
Social 1	Total workforce as of 31/12/2013	Number of employees	8,786	9,012
Social 2	Breakdown of employees by gender	% women	23.18%	22.7%
		% men	76.82%	77.3%
Social 3	Breakdown of workforce by age grouping	% of employees under 25 years old	9.14%	10.9%
		% of employees between 25 and 35 years	65.29%	65.1%
		% of employees between 35 and 45 years	19.62%	18.7%
		% of employees over 45 years old	5.95%	5.3%
		% ALTEN SA	53.69%	54.45%
Social 4	Breakdown of headcount by Group subsidiary	% ALTEN SO	14.40%	14.15%
		% ATEXIS	3.52%	3.18%
		% APTECH	2.46%	1.91%
		% ID APPS	0.43%	0.39%
		% MIGSO	7.05%	6.36%
		% ALTEN SIR	13.29%	13.89%
		% ANOTECH ENERGY	2.15%	2%
		% PEGASE	0.42%	0.41%
		% ELITYS	0.94%	0.84%
		% Avenir Conseil Formation	1.65%	1.39%
Social 5	breakdown of headcount by type of job	% of employees who are engineers	85.61%	85.59%
		% of employees who are managers	4.36%	4.42%
		% of employees who are support staff	10.03%	9.99%
		% of employees on apprenticeship or vocational training contracts	0.66%	0.90%
Social 6	Number of nationalities represented by employees	Number of unique nationalities	70	75
<b>HIRES</b>				
Social 7	Number hired as permanent employees	Number of hires	2,250	3,182
Social 8	incl. number of permanent hires under 25 years of age	Number of hires	538	736
Social 9	Number hired on fixed-term contracts	Number of hires	137	181
Social 10	Number of hires for apprenticeship or vocational training	Number of hires	35	78
<b>DEPARTURES</b>				
Social 11	Number of departures from permanent contracts	Number of terminations	2,301	2,645
Social 12	of which resignations	Number of terminations	1,285	1,569
Social 13	of which redundancies	Number of terminations	407	204
Social 14	of which other departures	Number of terminations	609	872
Social 15	Number of departures from fixed-term contracts	Number of terminations	98	129
Social 16	Terminations of apprenticeships or vocational training	Number of terminations	53	30
<b>NET JOB CREATION</b>				
Social 17	Net jobs created	Number of jobs created	(30)	637

# Our social performance indicators at 31 December 2013

ALTEN INDICATOR No		UNITS	GROUP FRANCE 2013	GROUP FRANCE 2012
TYPE OF EMPLOYMENT CONTRACT				
Social 18	Breakdown of headcount by type of contract	% of permanent employees	97.96%	NC
		% of temporary employees	1.38%	NC
CHANGE IN REMUNERATION				
Social 19	Annual payroll/Average headcount	in € Managers	38,787	38,561
		in € Non-managers	24,380	24,163
MANAGEMENT				
Social 20	Breakdown of workforce by status and gender	% of female managerial staff	21.93%	21.40%
		% of male managerial staff	78.07%	78.60%
		% of female non-managerial staff	31.68%	32.45%
		% of male non-managerial staff	68.32%	67.55%
Social 21	% of employees having had an annual performance appraisal	% of employees	94.52%	93.47%
Social 22	Average rate of absenteeism (for sickness, work- or commute-related accident)	%	1.70%	1.69%
Social 23	ALTEN employee turnover	%	42.60%	26.87%
WORKING HOURS				
Social 24	Percentage of employees working full-time	% of employees	98.42%	98.55%
Social 25	Percentage of employees working part-time	% of employees	1.58%	1.45%
EMPLOYEE RELATIONS				
Social 26	% of employees covered by a collective agreement	% of employees	100%	100%
TRAINING				
Social 27	Training expenditure	euros	8,032,249	8,386,547
Social 28	Training expenditure as a % of payroll	%	2.45%	2.60%
Social 29	Training expenditure as a % of revenue	%	1.15%	1.0%
Social 30	Total number of training hours	Number of hours	104,096	110,090
Social 31	Percentage of employees trained during the year	Number of employees	35.7%	36%
Social 32	Percentage of people receiving training during the year, by gender	% of women having received training	37.75%	35.0%
		% of men having received training	33.25%	34.9%
Social 33	Number of e-learning courses taken	Number of training courses completed	4,370	NA
WORK AND SAFETY CONDITIONS				
Social 34	Frequency of work-related accidents with time off ratio		3.76	2.11
Social 35	Severity rate of work-related accidents ratio		0.020	0.01
Social 36	Number of hours of safety training	Number of hours	11,003	12,101
Social 37	Number of managers trained in stress management	Number of employees	56	93

ALTEN INDICATOR No		UNITS	ALTEN SPAIN	ALTEN GMBH	ALTEN TECHNOLOGY GMBH	INTERNATIONAL SCOPE 2013
Social 1	Total workforce	Number of employees	1,121	725	424	2,270
Social 2	Breakdown of employees by gender	% women	28.81%	18.62%	23.82%	24.63%
		% men	71.19%	81.38%	76.18%	75.37%
Social 3	Breakdown of workforce by age grouping	% of employees under 25 years old	1.34%	3.59%	3.07%	2.38%
		% of employees between 25 and 35 years old	52.63%	68.28%	65.09%	59.96%
		% of employees between 35 and 45 years old	38.54%	17.79%	21.46%	28.72%
		% of employees over 45 years old	7.49%	10.34%	10.38%	8.94%
		% of employees who are engineers	90.72%	82.07%	84.67%	86.83%
Social 5	Breakdown of headcount by type of job	% of employees who are line managers and support staff	9.28%	17.93%	15.33%	13.17%
Social 6	Number of unique nationalities represented in the workforce at 31/12/13	Number of unique nationalities	22	47	37	NA
Social 24	Percentage of employees working full-time who were in the headcount at 31/12/13	% of employees	94.83%	97.10%	97.88%	96.12%
Social 25	Percentage of employees working part-time who were in the headcount at 31/12/13	% of employees	5.17%	2.90%	2.12%	3.88%

## Our corporate social responsibility performance indicators at 31 December 2013

ALTEN INDICATOR No		UNITS	GROUP FRANCE 2013	GROUP FRANCE 2012
<b>RELATIONS WITH STAKEHOLDERS</b>				
ST 1	Number of partnerships for the promotion of engineering occupations	Number of partnerships	15	18
ST 2	Legal and Regulatory Compliance Monitoring Committee	Number of compliance committees	2	3
<b>GOVERNANCE</b>				
ST 3	Percentage of women on the Board of Directors	%	40%	40%

## Our environmental performance indicators at 31 December 2013

ALTEN INDICATOR No		UNITS	GROUP FRANCE 2013	GROUP FRANCE 2012
<b>CO<sub>2</sub> EMISSIONS</b>				
Enviro 1	CO <sub>2</sub> emissions linked to buildings' energy consumption	CO <sub>2</sub> teq	156.3	110.84
<b>SUSTAINABLE USE OF RESOURCES</b>				
Enviro 2	Total water consumption per sq.m.	m <sup>3</sup> /sq.m.	0.32	0.38
Enviro 3	Total water consumption per employee on the ALTEN site	m <sup>3</sup> /emp/yr	2.67	NC
Enviro 4	Amount of paper (office + letterhead) used	kg/sq.m./yr	0.95	1.14
Enviro 5	% of recycled paper consumed / total paper consumption (besides letterhead)	%	84.36%	68.83%
Enviro 6	Quantity of opaque and translucent drinking cups consumed per employee at the ALTEN site	number of cups/emp/yr	554.84	673.20
Enviro 7	% drinks taken without cup	%	29.48%	NC
Enviro 8	Total energy consumption in kWh per sq.m.	kWh/ sq.m./yr	109.90	119.16
Enviro 9	Total energy consumption per employee on the ALTEN site	kWh/emp/yr	1,617.93	NC
Enviro 10	% of occupied sq.m. that is certified (BBC, HQE)	%	26.67%	12.06%
<b>WASTE</b>				
Enviro 11	% of sites covered by waste sorting scheme	%	92.11%	91.51%
<b>MEASURES TO PROTECT BIODIVERSITY, RAISING AWARENESS AMONG EMPLOYEES AND MEASURES WITH STAKEHOLDERS</b>				
Enviro 12	Number of employees trained by the health/safety/environment e-learning module	Number of employees	1,024	NA
<b>PERSONAL TRAVEL</b>				
Enviro 13	Number of km travelled by train on business trips	km/emp/yr	397	421
Enviro 14	Number of kg eq. CO <sub>2</sub> for business travel by train	kg. eq. CO <sub>2</sub> /emp	15	11
Enviro 15	Number of km travelled by plane on business trips	km/emp/yr	3,068	3,136
Enviro 16	Number of kg eq. CO <sub>2</sub> for business travel by plane	kg. eq. CO <sub>2</sub> /emp	822	859
Enviro 17	Number of hours of audio, video or web conferencing	hrs	33,761	13,966
<b>EXTERNAL CERTIFICATIONS AND ASSESSMENTS</b>				
Enviro 18	EcoVadis score out of 100	UNIT	66	61

ALTEN INDICATOR No		UNITS	ALTEN SPAIN	ALTEN GMBH	ALTEN TECHNOLOGY GMBH	INTERNATIONAL SCOPE 2013
Enviro 8	Total energy consumption per sq.m.	kWh/sq.m./yr	85.73	55.56	47.84	65.53
Enviro 11	% of sites covered by waste sorting scheme	%	91%	100.00%	88%	92%

# Compliance matrix

## Article 225 of the French Commercial Code

GRENNELLE 2		PRINCIPLES OF THE GLOBAL COMPACT	GRI	RESPONSE PROVIDED BY ALTEN
Description				
EMPLOYEE-RELATED INFORMATION				
EMPLOYMENT			SEE "TALENTS" CHAPTER	
Total workforce and breakdown of employees by gender, age and geographical region			LA1	Indicators: Employee-related: 1 to 5
Recruitments and redundancies			LA2	Indicators: Employee-related: 7 to 16
Remuneration and remuneration increases			EC1, EC5	Indicators: Employee-related: 19 and 20
WORK ORGANISATION			SEE "TALENTS" CHAPTER	
Organisation of working time			LA	Indicators: Employee-related: 24 to 25
Absenteeism			LA7	Indicators: employee-related: 22
EMPLOYEE RELATIONS			SEE "TALENTS" CHAPTER	
Organisation of dialogue with employees, such as procedures for informing, consulting and negotiating with employees	3. Respect of freedom of association and the right to collective bargaining		LA4	Indicators: Employee-related: 21 and 26
List of collective agreements			LA5	See Chapter 17.4 of the 2013 Registration Document and 14.4 of the 2013 Group and ALTEN SA Management Report.
HEALTH AND SAFETY			SEE "TALENTS" CHAPTER	
Occupational health and safety conditions			LA6, LA8	Indicators: Employee-related: 34 to 37, Environmental: 12
List of agreements signed with unions and staff representative bodies pertaining to occupational health and safety	4. Elimination of all forms of forced or compulsory labour 5. Effective abolition of child labour		LA9	See Chapter 17.4 of the 2013 Registration Document and 14.4 of the 2013 Group and ALTEN SA Management Report.
Work-related accidents, particularly their frequency and severity, together with occupational illnesses			LA7	Indicators: Employee-related: 34 and 35
TRAINING			SEE "TALENTS" CHAPTER	
Policies implemented regarding training			LA11	Indicators: Employee-related: 27 to 33, 36 and 37
The number of training hours			LA10	Indicators: Employee-related: 30, 33 and 36
EQUAL OPPORTUNITIES			SEE CHAPTERS ON "TALENTS" AND "RESPONSIBILITY: OUTLOOK AND CHALLENGES"	
Measures taken to promote gender equality			LA14	Indicators: Employee-related: 20 and 32
Measures taken to promote the employment and integration of disabled persons			LA13	See "Talents" Chapter and Chapter 14.5.3 of the 2013 Group and ALTEN SA Management Report.
The anti-discrimination policy			LA13	Indicators: Employee-related: 6
PROMOTION OF AND COMPLIANCE WITH THE CORE CONVENTIONS OF THE INTERNATIONAL LABOUR ORGANISATION ON			SEE CHAPTERS ON "TALENTS" AND "RESPONSIBILITY: OUTLOOK AND CHALLENGES"	
Respect for freedom of association and the right to collective bargaining	3. Respect of freedom of association and the right to collective bargaining		HR5, LA13, LA14	Code of Ethics, Sustainable Development Charter: available on the ALTEN.fr website under the heading «ALTEN's Commitment»
The elimination of discrimination in respect of employment and occupation	6. Elimination of discrimination in respect of job and occupation		HR4, LA13, LA14	
The elimination of forced and compulsory labour	4. Elimination of all forms of forced or compulsory labour;		HR6 , HR7	
The effective abolition of child labour	5. Effective abolition of child labour		HR6	
ENVIRONMENTAL INFORMATION				
GENERAL POLICY IN ENVIRONMENTAL MATTERS			SEE CHAPTER ON "MANAGING ENVIRONMENTAL PERFORMANCE"	
The company's organisational structure for taking into account environmental issues and, where applicable, environmental assessment and certification procedures				See Chapter on "Managing Environmental Performance"
Training and information for employees on environmental protection matters				Indicators: Environmental: 12
Resources devoted to preventing environmental hazards and pollution	7. Taking a conservative approach to dealing with environmental matters 8. Promoting greater responsibility in environmental matters 9. Developing and disseminating environmentally friendly technologies		EN 30	Indicators: Environmental: 7, 11
The amount of accounting provisions and guarantees for environmental risks, provided that this information shall not be such that it might cause the Company serious prejudice in an ongoing lawsuit			EN28, EC2	See the 2013 Group and ALTEN SA Management Report, «5.7 Risks related to the industrial environment» and the ALTEN 2013 Registration Document «4.7 Industrial risks connected with the environment.» These risks are not material. The ALTEN Group provides intellectual services. Therefore, these activities have little environmental impact. The environmental management (ISO 14001 certified) that we apply to buildings does reduce environmental hazards.



GRENELLE 2	PRINCIPLES OF THE GLOBAL COMPACT	GRI	RESPONSE PROVIDED BY ALTEN
POLLUTION AND WASTE MANAGEMENT			SEE CHAPTER ON "MANAGING ENVIRONMENTAL PERFORMANCE"
Measures to prevent, reduce and compensate for emissions into the atmosphere, soil and water that may severely affect the environment	7. Taking a conservative approach to dealing with environmental matters 8. Promoting greater responsibility in environmental matters 9. Developing and disseminating environmentally friendly technologies	EN22 to EN24	The ALTEN Group provides intellectual services. By their nature these activities have little direct impact on the environment and do not affect it seriously. Airborne waste under normal operation is limited to greenhouse gas emissions, principally from employees' travel, with a 75% weight on the Group's Carbon Assessment (Source: ALTEN Group 2010 Carbon Assessment).
Measures to prevent, recycle and eliminate wastes		EN 22	Indicators: Environmental: 5, 7, 11, 12
Taking into account noise pollution and all other forms of pollution specific to an activity		EN 25	The ALTEN Group provides intellectual services. By their nature these activities have little impact on the environment, generating little pollution and no sound pollution. Measures are taken, however, to see that buildings in residential areas fit nicely into their neighbourhoods (BBC/HQE, ISO 14001, etc.)
SUSTAINABLE USE OF RESOURCES			SEE CHAPTER ON "MANAGING ENVIRONMENTAL PERFORMANCE"
Consumption and supply of water in accordance with local constraints	7. Taking a conservative approach to dealing with environmental matters 8. Promoting greater responsibility in environmental matters 9. Developing and disseminating environmentally friendly technologies	EN8, EN9, EN21	Indicators: Environmental: 2, 3
Consumption of raw materials and measures taken to use them more efficiently		EN1, EN10	Indicators: Environmental: 2 to 7
Energy consumption, measures taken to improve energy efficiency and use of renewable energy		EN3 to EN7	Indicators: Environmental: 8 to 10
Land use			Given ALTEN's services business of engineering and technology consulting, the Group has no activity that involves land use.
CLIMATE CHANGE			SEE CHAPTER ON "MANAGING ENVIRONMENTAL PERFORMANCE"
Greenhouse gas emissions	7. Taking a conservative approach to dealing with environmental matters 8. Promoting greater responsibility in environmental matters 9. Developing and disseminating environmentally friendly technologies	EN16, EN17, EN19, EN20	Indicators: Environmental: 1
Adapting to the consequences of climate change		EN18, EC2	Indicators: Environmental: 10 to 12, 17 To this point, however, we have not identified major environmental consequences of climate change on the ALTEN Group's activities.
PROTECTION OF BIODIVERSITY: MEASURES TAKEN TO PRESERVE OR DEVELOP BIODIVERSITY		EN11 to 15, EN20	SEE CHAPTER ON "MANAGING ENVIRONMENTAL PERFORMANCE" AND THE SIDEBAR "ALTEN AND PAPER, A WELL MANAGED RESOURCE!" (PROJECT TO SUPPORT ASSISTED NATURAL REGENERATION IN PERU).
INFORMATION ON CORPORATE SOCIAL RESPONSIBILITY COMMITMENTS PROMOTING SUSTAINABLE DEVELOPMENT			
LOCAL ECONOMIC AND EMPLOYMENT IMPACT OF THE BUSINESS			SEE CHAPTERS ON "OPERATIONAL EXCELLENCE AND CONTINUOUS IMPROVEMENT"
In terms of employment and regional development		EC8, EC9	Indicators: Employee-related: 17
On neighbouring and local populations		EC1, EC6	When it comes to its facilities, the ALTEN Group strongly favours buildings with the highest environmental certifications, including HQE (for high environmental quality) and stipulating, for the sake of local residents, well integrated landscaping.
RELATIONSHIPS WITH PERSONS OR ORGANISATIONS WHO HAVE AN INTEREST IN THE COMPANY'S ACTIVITIES, PARTICULARLY INCLUDING ASSOCIATIONS FOR SOCIAL INCLUSION, EDUCATIONAL ESTABLISHMENTS, ASSOCIATIONS FOR ENVIRONMENTAL PROTECTION, CONSUMER ASSOCIATIONS AND NEIGHBOURING POPULATIONS			SEE CHAPTERS ON "TALENTS" AND "RESPONSIBILITY: OUTLOOK AND CHALLENGES"
Conditions conducive to dialogue with such people or organisations			See «Map of stakeholders»
Partnership and sponsorship initiatives		EC1	Indicators: Social: 1 See the «Talents» Chapter
SUB-CONTRACTING AND SUPPLIERS			
Taking social and environmental issues into account in the purchasing policy	1. Promoting and respecting the protection by international law of human rights in the sphere of influence 2. Guarding against complicity in human rights violations	EC6, HR2, HR 5 to 7	Responsible Purchasing Charter
The importance of sub-contracting and taking their social and environmental responsibility into account in relations with suppliers and sub-contractors			Indicators: Corporate social responsibility: 7
FAIR COMMERCIAL PRACTICES			
Initiatives undertaken to prevent corruption	10. Acting against corruption in all its forms, including extortion and bribery	SO2 to SO4, SO7, SO8	Code of Ethics
Measures taken to promote the health and safety of consumers		PR1, PR2	Given ALTEN's services business of engineering and technology consulting, the Group has not taken specific measures for the sake of consumer health and safety.
OTHER ACTIONS TAKEN ON BEHALF OF HUMAN RIGHTS	1. Promoting and respecting the protection by international law of human rights in the sphere of influence 2. Guarding against complicity in human rights violations	HR	Code of Ethics, Responsible Purchasing Charter. The ALTEN Group conducts all of its activities in strict compliance with human rights and strives to encourage all of its partners to do the same in their own activities

# Report of one of the independent auditors

Qualifying as an independent outside organisation, on the consolidated employment, environmental and social information appearing in the management report.

Financial year ended 31 December 2013

To the shareholders,

In our capacity as statutory auditors of ALTEN SA, qualifying as an independent outside organisation whose request for accreditation was accepted by COFRAC, we submit to you our report on the consolidated employment, environmental and social information pertaining to the financial year ended 31 December 2013 and presented in the management report (hereinafter the «CSR information») pursuant to Article L. 225-102-1 of the French Commercial Code.

## Corporate Responsibility

It is the duty of the Board of Directors to prepare a management report including the CSR information mentioned in Article R. 225-105-1 of the French Commercial Code and to do so in accordance with the guidelines used by the Company (hereinafter «the Guidelines»), a summary of which appears in the management report.

## Independence and quality control

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

## Responsibility of the Statutory auditors

It is our responsibility, based on our findings:

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

- to express a conclusion of moderate assurance that the CSR information taken as a whole is presented honestly and fairly in all material respects in accordance with the Guidelines (opinion, stating reasons, as to the honesty and fairness of the CSR information). Our work was done by a team of three persons over three weeks between December 2013 and March 2014. To assist us in our work we called upon our experts in CSR.

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

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

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

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

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

We verified that the CSR information covered the scope of consolidation, i.e. the parent company and its subsidiaries within the meaning of Article L. 233-1 and the companies that it controls within the meaning of Article L. 233-3 of the French Commercial Code: with the limitations mentioned as comments to the tables presented and in the methodology note given in Appendix VI to the management report.

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

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

### Nature and extent of our work

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

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

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

### With regard to CSR information that we deemed the most important<sup>8</sup>:

- for the consolidating entity, we consulted documentary sources and conducted interviews to corroborate the qualitative information (as to organisation, policies, actions), employed analytical procedures on the quantitative information, and checked, through sampling, the calculations and the consolidation of the data, checking them for consistency and agreement with the other information given in the management report;
- for the representative sample we chose based on their activity<sup>9</sup>, contribution to the consolidated indicators, their physical location and a risk analysis, we conducted interviews to verify that procedures were correctly applied and to identify any omissions, and we carried out detailed tests on the samples consisting of checking the calculations made and comparing the data in the supporting documents. The sample so selected represented 86% of the workforce and between 75% and 100% of the quantitative environmental information.

**With regard to the other consolidated CSR information:** we judged its consistency in relation to our knowledge of the Company. Finally, we judged the validity of any explanations given as to the total or partial absence of certain information.

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

### Conclusion

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

Paris, 18 April 2014

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

Vincent Frambourt  
Associate

<sup>8</sup>Quantitative indicators: workforce, hires and terminations, average rate of absenteeism, employee turnover, number of training hours, energy consumption per sq.m., CO<sub>2</sub> emissions, paper consumption and fraction of paper recycled, fraction of certified building floor space (BBC/HQE)  
Qualitative information relating to ISO 27000 and data security, promotion of engineering occupations, career management and internal transfers, and training

<sup>9</sup>ALTEN Groupe France, ALTEN GmbH.

# Shareholder information

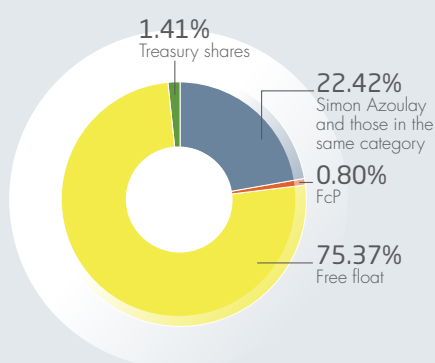
## Investor information

Name	ALTEN
Activity	Engineering and Technology Consulting
APE code	6202A
Trade register No.	348 607 417 Nanterre
Registered office	40, avenue André Morizet 92513 Boulogne-Billancourt 1988
Start date	French
Nationality	€ 33,727,469.79
Share capital	33,183,293
Share representing capital	French public limited company with Board of Directors
Legal form	1 January to 31 December
Financial year	ALTEN is listed in Compartment A of Euronext Paris
Market	SBF 120, SBF 250, IT CAC 50, CACMID 100
Stock market indices including ALTEN	FR 0000071946
ISIN code	

## Financial analysts

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

## Shareholder structure (at 01/04/2014)



## Corporate events calendar

Friday, 31 January 2014	4 <sup>th</sup> quarter 2013 revenue
Wednesday, 26 February 2014	2013 results
Tuesday, 29 April 2014	1 <sup>st</sup> quarter 2014 revenue
Wednesday, 18 June 2014	General Meeting of Shareholders
Tuesday, 29 July 2014	1 <sup>st</sup> half 2014 revenue
Wednesday, 24 September 2014	1 <sup>st</sup> half 2014 results
Thursday, 30 October 2014	3 <sup>rd</sup> quarter 2014 revenue

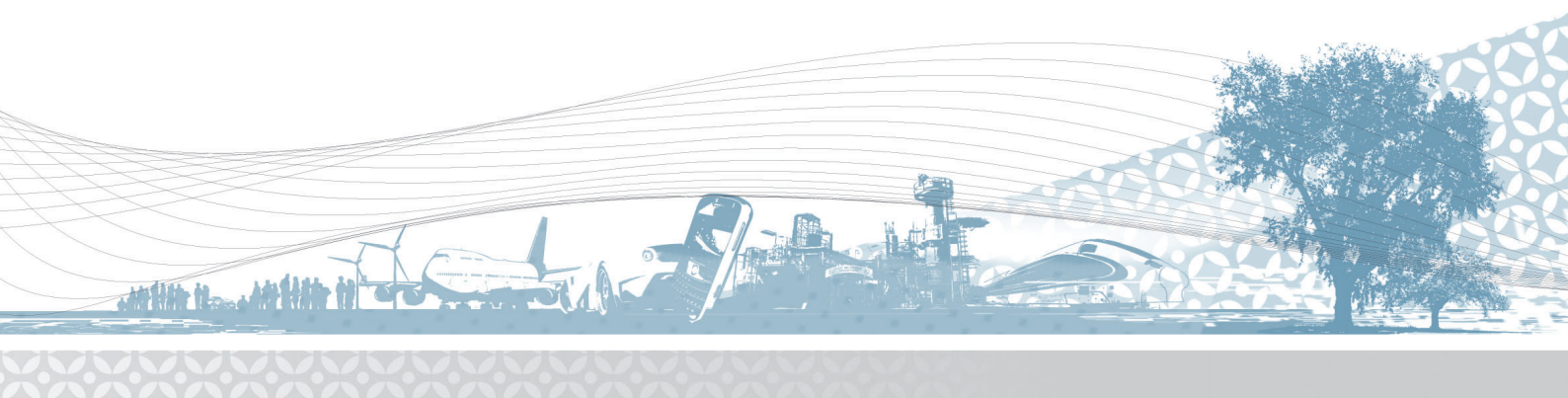
## Stock market performance

DATE	MONTHLY VOLUME	MONTHLY VOLUME IN EUROS	HIGH	LOW	AVERAGE PRICE	AVERAGE DAILY TRADING VOLUME	AVERAGE DAILY TRADING IN EUROS
March-14	1,471,115	€55,799,097.7270	38.98	36.30	€37.9298	70,053	€2,657,096.2794
Feb-14	726,621	€25,634,970.8937	38.62	32.375	€35.2797	36,331	€1,281,746.7807
Jan-14	727,154	€24,755,303.4914	35.20	33	€34.0441	33,052	€1,125,225.5932
Dec-13	530,008	€17,196,109.5600	33.28	31.45	€32.4450	26,500	€859,792.5000
Nov-13	537,237	€17,711,414.5212	33.73	32.03	€32.9676	25,583	€843,410.1108
Oct-13	1,229,515	€40,560,593.2865	31.02	31.88	€32.9891	53,457	€1,763,498.3187
Sept-13	1,184,651	€35,904,520.9731	32.25	29.61	€30.3081	56,412	€1,709,740.5372
Aug-13	489,082	€14,340,568.9548	31.37	27.96	€29.3214	22,231	€651,844.0434
Jul-13	756,131	€20,977,039.8806	28.57	26.37	€27.7426	32,875	€912,037.9750
Jun-13	808,536	€22,221,803.4240	28.70	25.45	€27.4840	40,427	€1,111,095.6680
May-13	1,529,868	€43,539,431.3328	29.52	26.68	€28.4596	83,460	€2,375,238.2160
Apr-13	1,574,958	€48,657,539.9310	32.35	27.36	€30.8945	73,787	€2,279,612.4715
MAR-13	1,436,770	€45,741,728.1050	32.60	30.1	€31.8365	71,839	€2,287,102.3235
Feb-13	1,513,365	€45,767,941.0125	31.36	29	€30.2425	75,668	€2,288,389.4900
Jan-13	1,167,413	€32,315,042.5117	29.15	26	€27.6809	53,064	€1,468,859.2776



# 2013 Registration Document

## Annual financial report



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# PERSONS RESPONSIBLE

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

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### STATEMENT BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND ANNUAL FINANCIAL REPORT

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

*I declare, to the best of my knowledge, that the financial statements have been compiled in accordance with the applicable accounting standards and that they provide an accurate picture of the assets, financial situation and results of the Company and its subsidiaries, and that the management report (see cross-reference table on page 249) 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.*

*The auditors' report on the financial statements which appears on page 230 of the reference document includes a comment which draws attention to note "3.4.1 Change in accounting methods" in the financial statements concerning the recognition of pension obligations.*

*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 25 April 2014.*

Simon Azoulay – Chairman and Chief Executive Officer

## 1.2 PERSON IN CHARGE OF FINANCIAL INFORMATION

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**Mr Bruno Benoliel**

Deputy Chief Executive Officer

# 1

## PERSONS RESPONSIBLE

# STATUTORY AUDITORS

# 2

## 2.1 IDENTITY

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### 2.1.1 PRINCIPAL STATUTORY AUDITORS

#### Cabinet Dauge & Associés

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

Initial appointment date: 30 June 1997.

Renewal date: 25 June 2003 and 23 June 2009.

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

#### Grant Thornton

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

Initial appointment date: 25 June 2003.

Renewal date: 23 June 2009.

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

### 2.1.2 ALTERNATE STATUTORY AUDITORS

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

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

Initial appointment date: 25 June 2003.

Renewal date: 23 June 2009.

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

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

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

Initial appointment date: 25 June 2003.

Renewal date: 23 June 2009.

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

## 2.2 POSSIBLE CHANGE

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None.

## 2.3 STATUTORY AUDITORS' FEES

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

# SELECTED FINANCIAL INFORMATION

## 3

### 3.1 HISTORICAL FINANCIAL INFORMATION

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

<i>(In millions of euros)</i>	2013	2012	2011
Revenue	1,216.2	1,198.0	1,065.7
France	61.7%	63.7%	67.2%
International	38.3%	36.8%	32.8%
Operating profit on activity	117.6	120.6	108.3
Operating profit on activity <i>(as % of revenue)</i>	9.7%	10.1%	10.2%
Operating profit	110.8	116.4	95.3
Net income, Group share	73.8	78.2	59.6
Workforce	16,000	15,950	14,800

# 3

## SELECTED FINANCIAL INFORMATION



# RISK FACTORS

# 4

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

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

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

It therefore incurs an exchange rate risk based on changes in the benchmark index. As at 31 December 2013, 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.

The Group bills for its services in euros (€). The exchange rate risk stemming from the flow between currency zones is very limited. ALTEN carries out 84% of its activity within the euro zone.

During 2013, exchange rate effects on the Group's net earnings represented €1,750,000. See also Chapter 20.3.1, Note 2.3 "Financial risk factors".

It has little risk in respect of the trading price of its shares. Indeed, in addition to treasury shares held under the liquidity contract, ALTEN holds only 460,022 treasury shares, representing 1.39% of its share capital at 31 December 2013.

Moreover, securities giving future access to capital issued by ALTEN in 2009 represented only 1.20% of the share capital at 31 December 2013. 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 9.33% of this company's share capital at 31 December 2013.

## 4.2 LIQUIDITY RISK

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

The Group maintains its financial flexibility by having confirmed and unused credit lines of €160 million (at year-end), of which €150 million was confirmed in December 2012 as part of a club deal for a maximum of three years. It also has unconfirmed short-term credit lines of €21.5 million, renewable each year.

This club deal requires the following ratios to be met for each 6-month and 12-month period while the contract is in force and an advance is outstanding:

- ratio 1 – "Consolidated net financial debt/Consolidated operating profit on activity". This ratio must be less than 2.1;
- ratio 2 – "Consolidated net financial debt/Increased equity". This ratio must be less than 0.7.

At 31 December 2013, these ratios had been met.

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

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

## 4.3 CREDIT/COUNTERPARTY RISK

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

The Group's customers are among the largest European accounts. The ALTEN Group derives 42.1% of its sales from approximately ten customers, with its largest customer representing 11.3% 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 95 days (100 days in 2012).

### MAJOR ACCOUNTS' SHARE

<i>(as % of revenue)</i>	2013	2012	2011
1 <sup>st</sup>	11.3	9.7	9.5
Top 5	29.6	27.2	26.6
Top 10	42.1	39.7	39.3

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

## 4.4 RISKS CONNECTED WITH INTANGIBLE ASSETS

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

The goodwill is allocated to cash generating units (CGU) or groups of cash generating units that could benefit from the consortium that generated the goodwill. The ALTEN Group performs impairment tests of goodwill as soon as an indication of impairment is identified and at

least once a year. Goodwill impairment losses are not reversible (see Chapter 20.3.1, Notes to the financial statements, sections 2.2.5 and 2.2.8).

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

See also Chapter 20.3.1, Consolidated financial statements, Note 3.1.

## 4.5 LEGAL RISKS

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

However, services that are results-based (fixed-price contracts) may, in case of a delay in execution or incorrect execution, lead to the application of penalties, or result in ALTEN's liability being committed. The Group has developed specific methodological processes for the management of projects of this type. The Structured Projects Division, which deploys the methodologies and drives the delivery of the work packages, was certified CMMI<sup>®(1)</sup> level 3 in December 2012 for three years. All of these processes associated with a rigorous management of its contractual commitments enable ALTEN to control this risk.

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

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

## 4.6 BUSINESS ACTIVITY RISKS

### 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-2013, ALTEN was confirmed as a preferred supplier for all of its customers in the Aeronautical, Automotive, Energy, Telecoms and other sectors.

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

In view of the rationalisation of supplier panels and changing demand among project owners, ALTEN assists its customers by implementing a workpackage offer that delivers productivity gains and which can be combined with a nearshore or offshore approach.

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

ALTEN has organisations in Romania, Poland, India and Morocco.

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

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

### 4.6.2 HUMAN RESOURCES MANAGEMENT

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

Almost 90% of the technical teams are engineers, covering 170 technical specialities.

With almost 3,000 engineers recruited each year, 45% of them young graduates, ALTEN has an active recruitment policy. The Group reaches out to prospective employees by attending some 80 recruitment

fairs and forums each year, by arranging opportunities to meet with candidates, for example through the ALTEN Job Tour, which visits nine French cities, and by forming partnerships with engineering schools and with the French Confederation of Junior Enterprises.

In 2013, ALTEN received Top Employer certification for the third year running, in recognition of the Group's investment in people and its training and talent development schemes.

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

## 4.7 INDUSTRIAL RISKS RELATED TO THE ENVIRONMENT

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

## 4.8 INSURANCE

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

The main insured risks concern:

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

# 4

## RISK FACTORS



# INFORMATION REGARDING THE ISSUER

## 5

<b>5.1</b>	<b>HISTORY AND DEVELOPMENT OF THE COMPANY</b>	<b>98</b>	<b>5.2</b>	<b>INVESTMENTS</b>	<b>100</b>
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5.1.3	Date of incorporation and term	98	5.2.3	Principal future investments	100
5.1.4	Registered office, legal form, applicable legislation	98			
5.1.5	History and development of the group structure	98			

## 5.1 HISTORY AND DEVELOPMENT OF THE COMPANY

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### 5.1.1 COMPANY AND COMMERCIAL NAME OF THE ISSUER

Issuer's company name: ALTEN.

Issuer's commercial name: ALTEN.

### 5.1.2 TRADE AND COMPANIES REGISTER

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

### 5.1.3 DATE OF INCORPORATION AND TERM

The Company was formed on 28 October 1988.

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

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

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

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

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

### 5.1.5 HISTORY AND DEVELOPMENT OF THE GROUP STRUCTURE

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

and services. ALTEN has quickly become a European leader in the engineering and technology consultancy sector.

#### 1988

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

#### 1989-2000

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

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

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

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

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

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

## 2001-2013

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- 2001: ALTEN steps up its policy of growth through acquisition to sustain its rate of expansion in a less favourable economic climate and acquires three new companies, including one overseas: Eben Technologies, SD Partners and ETIC.
- 2002: ALTEN continues its growth and acquires another four companies (SBD Technologies and Siatcom in Spain, Orion in the Netherlands and Groupecyber in France).
- 2003: Reinforcement of its international position, which at end 2003 represents 20% of ALTEN Group revenue, particularly following implementation in Italy (acquisition of DEC Informatica) and Germany (acquisition of IMP GMBH). Acquisition of a company in France, the GSO Group, which specialises in research and development project management.
- 2004: ALTEN achieves significant organic growth in France and continues its international development. The Group records more than 25% of its revenue outside France. Three new companies are acquired: Cronos in Spain, Syselog in France and Aerotec in Germany, allowing ALTEN to become a European leader in R&D project management.
- 2005: ALTEN exceeds its objective of 6,000 employees a year ahead of schedule (workforce of 6,540 at the end of 2005). The Group records more than 27% of its revenue outside France. ALTEN carries out diverse internal restructuring operations in 2005 and acquires Quaternove in France.
- 2006: ALTEN becomes the European leader in advanced technology consultancy and continues its expansion through organic growth and acquisitions. In response to the growing demand from customers for workpackage<sup>(1)</sup> and offshore/nearshore<sup>(2)</sup> services, ALTEN creates a special division dedicated to "Structured Projects" and acquires a company specialising in R&D engineering and workpackage design.
- The nearshore offer is expanded with an acquisition in Romania and now includes the Czech Republic, Slovakia, Poland, Romania and Vietnam.
- 2008: ALTEN confirms the almost comprehensive nature of its listings and partnerships in Europe, and is included among EADS' listed E2S service providers throughout the world (the five top engineering service providers for the EADS Group). Sustained organic growth (16.2%) is achieved mainly through the Energy, Rail, Aeronautics and Banking sectors. ALTEN thereby strengthens its position as a leader in the ETC market (source: PAC 2009<sup>(3)</sup>).
- 2009: The decline in economic activity affects most business sectors, mainly the Automotive industry. ALTEN's listings are confirmed and it continues its growth in other sectors such as Aeronautics, Energy and Banking/Finance. The ALTEN Group becomes the French leader in integrated projects.
- 2010: The ALTEN Group continues to redeploy its offer towards structured projects. This strategy leads it to strengthen and restructure its Technical Division and to start the CMMI certification process.
- 2011: ALTEN continues to gain market shares and pursues its strategy of growth through acquisitions, mainly overseas.
- 2012: ALTEN continues its strategy of organic growth and growth through acquisitions. ALTEN acquires four international companies: in Sweden (250 consultants), in China (50 consultants), in Germany (30 consultants) and in Poland (40 consultants).

## 2013

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To strengthen and accelerate its development in new markets, ALTEN acquired six new companies in 2013: one in France and five in other countries (United States, United Kingdom, Germany and Belgium).

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

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

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

## 5.2 INVESTMENTS

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### 5.2.1 PRINCIPAL INVESTMENTS DURING 2013

During 2013, ALTEN made the following principal investments:

- acquisitions of fixtures and fittings, furniture, plant and infrastructure for €7.5 million and intangible assets for €1.9 million;
- net financial assets, equity investments and earn-outs worth €44.8 million.

These investments were self-financed.

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

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

### 5.2.3 PRINCIPAL FUTURE INVESTMENTS

No investment planned in the future has given rise to a firm commitment by the Company's management bodies, with the exception of earn-out clauses relating to acquired subsidiaries, whose amounts were duly posted in the Group's consolidated financial statements. The corresponding debt, estimated at €2.8 million, is posted in other current and non-current liabilities.

# OVERVIEW OF THE BUSINESS AND STRATEGY

## 6

<b>6.1</b>	<b>MAIN ACTIVITIES</b>	<b>102</b>	<b>6.4</b>	<b>ALTEN'S DEPENDENCY ON PATENTS OR LICENSES, INDUSTRIAL, COMMERCIAL OR FINANCIAL AGREEMENTS OR NEW MANUFACTURING METHODS</b>	<b>104</b>
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<b>6.3</b>	<b>EXCEPTIONAL EVENTS</b>	<b>104</b>			

## 6.1 MAIN ACTIVITIES

### 6.1.1 OPERATIONS AND PRINCIPAL ACTIVITIES

The ALTEN Group's main activities are described in the Chapters of the business report entitled "01 ALTEN, technology partner" and "02 Our customers".

The tables below supplement this information.

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

	2013	2012	2011
Aerospace	18.5%	16.9%	16.5%
Defence & Security	5.8%	5.1%	3.5%
Automotive	14.5%	15.9%	18.0%
Rail & Naval	4.5%	4.2%	3.5%
Multimedia & Electronics	5.9%	6.8%	9.5%
Telecoms	12.5%	13.3%	12.0%
Finance & Services	14.5%	16.0%	16.5%
Energy & Life Sciences	20.2%	17.9%	15.0%
Other industries	3.6%	3.9%	5.5%



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

		2013	2012	2011
<b>France</b>	<b>Revenue</b>	<b>€751.0 M</b>	<b>€757.7 M</b>	<b>€715.7 M</b>
	<i>Proportion of consolidated revenue</i>	61.7%	63.2%	62%
	Engineers	7,917	8,150	7,800
<b>Spain</b>	<b>Revenue</b>	<b>€57.6 M</b>	<b>€65.7 M</b>	<b>€70.2 M</b>
	<i>Proportion of consolidated revenue</i>	4.7%	5.5%	6.6%
	Engineers	1,124	1,322	1,370
<b>Sweden</b>	<b>Revenue</b>	<b>€101.7 M</b>	<b>€110.6 M</b>	<b>€70.5 M</b>
	<i>Proportion of consolidated revenue</i>	8.4%	9.2%	6.6%
	Engineers	894	957	750
<b>Germany</b>	<b>Revenue</b>	<b>€108.6 M</b>	<b>€95.3 M</b>	<b>€70 M</b>
	<i>Proportion of consolidated revenue</i>	8.9%	8.0%	6.6%
	Engineers	1,128	1,043	820
<b>The Netherlands</b>	<b>Revenue</b>	<b>€33.7 M</b>	<b>€34.0 M</b>	<b>€34.7 M</b>
	<i>Proportion of consolidated revenue</i>	2.8%	2.8%	3.3%
	Engineers	398	401	400
<b>Belgium</b>	<b>Revenue</b>	<b>€37.0 M</b>	<b>€31.7 M</b>	<b>€33 M</b>
	<i>Proportion of consolidated revenue</i>	2.8%	2.6%	3.1%
	Engineers	341	255	300
<b>Italy</b>	<b>Revenue</b>	<b>€32.2 M</b>	<b>€28.8 M</b>	<b>€26 M</b>
	<i>Proportion of consolidated revenue</i>	2.6%	2.4%	2.4%
	Engineers	479	411	370
<b>UK</b>	<b>Revenue</b>	<b>€47.3 M</b>	<b>€43.4 M</b>	<b>€29.2 M</b>
	<i>Proportion of consolidated revenue</i>	3.9%	3.6%	2.7%
	Engineers	446	411	310
<b>USA</b>	<b>Revenue</b>	<b>€25.3 M</b>	<b>€21.3 M</b>	<b>€14.4 M</b>
	<i>Proportion of consolidated revenue</i>	2.1%	1.8%	1.3%
	Engineers	139	91	91
<b>Other countries</b>	<b>Revenue</b>	<b>€21.8 M</b>	<b>€9.7 M</b>	<b>€2.0 M</b>
	<i>Proportion of consolidated revenue</i>	1.8%	0.8%	0.2%
	Engineers	1,238	1,561	1,290

## 6.1.2 NEW PRODUCTS

The ALTEN Group's range of services is described in the Chapter of the business report entitled "01 ALTEN, technology partner", "The services" section of the business report.

## 6.2 MAIN MARKETS

A presentation of the ALTEN Group's principal markets is given in the Chapter of the business report entitled "02 Our customers".

(1) Workforce at year end.

## 6.3 EXCEPTIONAL EVENTS

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None.

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

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See Chapter 4 "Risk factors".

## 6.5 COMPETITIVE POSITION

---

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

The engineering and technology consulting market is fragmented.

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

The market, excluding France, remains highly fragmented.

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

*(Source Pierre Audoin Consultants 2013)*

# ORGANISATION CHART

## 7.1 BRIEF DESCRIPTION OF THE GROUP

---

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

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

- internal development (recruitment and training of sales managers, etc.);
- communication and marketing;
- management and strategy consultancy.

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

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

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

At 31 December 2013, the ALTEN Group was composed of 81 subsidiaries located in Europe, North America and India.

## 7.2 LIST OF MAJOR SUBSIDIARIES

---

The list of major subsidiaries is given in Note 2.5 to the consolidated financial statements, "Scope of consolidation", in paragraph 20.3.1 of this Registration Document.

# 7

## ORGANISATION CHART

# REAL ESTATE, FACTORIES AND EQUIPMENT

## 8

### 8.1 SIGNIFICANT TANGIBLE ASSETS

---

None.

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

---

None.



## REAL ESTATE, FACTORIES AND EQUIPMENT



# REVIEW OF THE FINANCIAL POSITION AND RESULT

## 9

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

## 9.1 FINANCIAL POSITION

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

#### 9.1.1.1 Activity of the Group

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

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

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

2013 saw a year-long slowdown in activity across all geographical regions.

Operating margin remained at a satisfactory level (9.7% for the whole of 2013, 10.6% in the second half).

Sector performance was mixed. The growth areas were Aerospace, Energy, Defence and Security. Despite a turnover which remained high (> 20%), ALTEN succeeded in recruiting the resources needed to implement projects and maintained a sustained recruitment rate during 2013. At the end of December, ALTEN had 16,000 employees, 88% of them engineers.

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

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

- acquisition by Alten Europe on 17 July 2013 of a technology consultancy in Belgium (2012 revenue of €13 million, 115 engineers);
- signing by Alten GmbH of a contract on 27 December 2013, in view of the acquisition of a German company (finalised on 31 January 2014) and of a second German company (at the end of December 2013), both specialising in real-time embedded systems and infotainment (combined revenue of €26 million, 280 consultants);
- acquisition by Alten SIR, on 30 December 2013, of a French company and its Moroccan subsidiary, specialising in information technology (revenue of €12 million, 140 consultants).

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

The Group, mainly through its subsidiary Alten Europe, created several subsidiaries during the year:

- on 20 March 2013, creation of UK subsidiary Alten Technology Ltd, 70% owned by Alten Europe;
- on 1 July 2013, creation of Alten USA Inc., a holding company in the United States. Alten Europe holds all of the share capital of this holding company;
- Alten USA Inc. created three US subsidiaries: Anotech Energy USA Inc., on 11 July 2013, Alten Technology USA Inc., on 15 July 2013, and Xdin Technology Inc., on 2 December 2013. Alten USA Inc. holds all of the voting rights and share capital of these three subsidiaries;
- on 8 July 2013, creation of Belgian subsidiary Aprova SPRL, 80% owned by Alten Europe;
- on 9 October 2013, creation of Norwegian subsidiary Anotech Energy Norge AS, 80% owned by Alten Europe;
- on 9 December 2013, creation of UK subsidiary Xdin Consulting Ltd, 100% owned by Alten Europe.

The Group created also several subsidiaries:

- on 26 February 2013, creation of Norwegian subsidiary ALTEN AS, 100% owned by ALTEN SVERIGE AB;
- on 7 May 2013, creation of Spanish subsidiary MI-GSO Experto en Management de Proyectos SL, 100% owned by MI-GSO.

#### Events after year-end

Several acquisitions have already been made in 2014:

- acquisition by Alten SA on 7 March 2014 of the company GECL SYSTEMES and its French subsidiaries, and acquisition by Alten Europe of the companies GECL GmbH (Germany) and its subsidiary GECL Ingenieria (Spain) and GECL Engineering Services (Romania);
- acquisition by Alten Europe on 18 March 2014 of an Italian company specialising in technology consulting, and particularly embedded software (revenue of €5 million, 80 engineers);
- acquisition by Calsoft Labs on 21 March 2014 of an IT consultancy in the United States (revenue of €9 million, 110 engineers);

In early 2014, two URSSAF audits began at the subsidiaries ALTEN SIR and ALTEN SUD OUEST. The audits cover the 2011, 2012 and 2013 financial years.

### 9.1.1.2 Activity of ALTEN SA

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

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

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

There was a difficult economic context in 2013 with the main customers reducing the sums invested.

In particular, the Automotive market suffered from budget cuts on the part of manufacturers.

The Defence/Security, Energy and Telecom operators markets enabled the Group to partly offset reduced activity in the Automotive industry.

Consequently, revenue was slightly down this year.

However, ALTEN SA maintained its position as the leader in France in the Engineering and Technology Consulting market.

### Key events

ALTEN SA made several acquisitions in 2013:

- acquisition on 24 July 2013 of a group, specialising in life sciences in Belgium and France (2012 revenue of €3.2 million, 30 consultants);
- acquisition on 27 December 2013 of a group present in the United States and Europe (mainly the UK), specialising in technology and management consultancy and project management (revenue of €42 million, 300 consultants).

### Events after year-end

As part of the acquisition of GECI Engineering, ALTEN SA acquired the company GECI SYSTEMES and its French subsidiaries on 7 March 2014. These companies specialise in airframe construction, mechanical and electrical systems integration and manufacturing engineering.

## 9.1.2 REVENUE GROWTH

### 9.1.2.1 ALTEN Group

According to the consolidated financial statements, revenue stands at €1,216.2 million, an increase of 1.5% (0.5% on a like-for-like basis, adjusted for the 2.3 working days less than the past year) on 2012.

The percentage of international sales has grown steadily and now accounts for 38.3% of the ALTEN Group's business. Outside France, performance is more mixed: above 10% organic growth in Germany, Italy and the United States, while other major European countries have fallen by around 2% (Benelux) to around 10% (Sweden and Spain).

In France, organic growth is down 1.0% (-0.3% in the first half; -1.75% in the second half). Internationally, like-for-like growth in activity stood at 3.16% (5% in the first half of the year, 1.34% in the second).

### 9.1.2.2 ALTEN SA

ALTEN SA posted revenue of €442,091,000, down 2.32% on the previous year.

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

Other income, for the most part made up of fees re-billed to subsidiaries, amounts to €10,200,000, an increase of €129,000 on the €10,071,000 at 31 December 2012.

Other external purchases and costs totalled €148,616,000, versus €152,069,000 at 31 December 2012. These represent 33.6% of revenue.

Employee expenses stood at €265,699,000, versus €269,224,000 in 2012.

## 9.1.3 EARNINGS TRENDS

### 9.1.3.1 ALTEN Group

Despite 2.3 working days less than in 2012, operating profit on activity stood at €117.6 million at 31 December 2013, or 9.7% of revenue, a fall of 2.5% compared with 2012.

Profit from ordinary activities was €117.2 million after share-based payments of €0.3 million (cost of stock options).

Non-recurring profit amounted to -€1.5 million, mainly composed of restructuring costs in Benelux and Spain and fees incurred for external growth operations.

After these items, operating profit came to €110.8 million (9.1% of revenue), down 4.8% on last year (when operating profit was €116.4 million and represented 9.7% of revenue).

Financial losses totalled €2.8 million and income tax expense came to €36.2 million.

Net income, Group share amounted to €73.8 million, or 6.1% of revenue, down 5.5% compared with 2012.

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

	2013		2012		Change
	(In millions of euros)	%	(In millions of euros)	%	%
Revenue	1,216.2		1,198.0		1.5
Operating profit on activity	117.6	9.7	120.6	10.1	(2.5)
Cost of stock options	(0.3)		(0.3)		
Profit from ordinary activities	117.2	9.6	120.3	10	(2.6)
Non-recurring profit	(1.5)		(3.9)		
Impairment of goodwill	(4.9)		0		
Profit/loss from divestment	0		(0.01)		
Operating profit	110.8	9.1	116.4	9.7	(4.8)
Net financial income	(2.8)		(0.7)		
Taxes	(36.2)		(38.9)		
Affiliates and minority interests	2.3		1.7		
Net income, Group share	73.8	6.1	78.2	6.5	(5.5)

### 9.1.3.2 ALTEN SA

Operating profit stood at €21,508,000 against €28,173,000 at 31 December 2012, or 4.9% of revenue.

Net financial income stood at €52,066,000 in 2013, versus €10,215,000 in 2012. This is primarily made up of dividends paid by ALTEN subsidiaries (€42,100,000).

After employee profit-sharing of €229,000 and income tax of €2,164,000, the non-recurring loss was €565,000, compared to €347,000 at 31 December 2012. As a result, net profit came to €70,615,000, or 16% of revenue.

Non-current financial assets (€183,433,000) mainly consist of investment securities.

At 31 December 2013, Alten SA's net cash position (including financial current accounts) was €24,591,000.

## 9.2 OPERATING PROFIT

### 9.2.1 SIGNIFICANT FACTORS

The factors that affected business and operating profit are set out in Chapter 9.1. An analysis by business sector is also available in the "02 Our customers" chapter of the business report.

### 9.2.2 MATERIAL CHANGES

None.

### 9.2.3 EXTERNAL FACTORS WITH A MATERIAL IMPACT

None.

## 9.3 ALLOCATION OF EARNINGS

The General Meeting of Shareholders will be asked to approve the financial statements for the year ended 31 December 2013, which closed with a profit of €70,615,149.

### Source:

• Earnings for the financial year:	€70,615,149.00
• Retained earnings:	€96,338,885.00
• Earnings to be allocated:	€166,954,034.00

### Allocation:

• Legal reserve:	€70,677.98
• Dividend: 33,183,293 shares at €1:	€33,183,293.00
• Retained earnings:	€133,700,063.02

## 9.4 NON-DEDUCTIBLE CHARGES

The amount of sumptuary expenses and other non-deductible charges referred to in article 39-4 of the French General Tax Code came to €56,831.53 for the 2013 financial year.

## 9.5 DUE DATES FOR PAYMENT

Pursuant to Articles L. 441-6-1 and D. 441-4 of the French Commercial Code, as of 31 December 2013, the Company's accounts payable totalled €31,962,000.

(In thousands of euros)	Total trade payables		Due payables on closure		Total debt not yet due		Payables including due on unmatured – 30 days		Including due dates between 30 and 60 days due		Including + 60 days	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012
<b>Trade payables</b>												
Operating suppliers	7,108	4,156	2,347	192	4,761	3,964	3,899	2,928	755	912	108	124
Group suppliers	16,945	17,817	322	0	16,623	17,817	7,397	8,523	9,226	9,294	0	0
Total Workforce suppliers	24,053	21,973	2,669	192	21,384	21,781	11,296	11,451	9,981	10,206	108	124
Accounts payable not received	7,909	8,596										
Total trade payables at 31/12/2013	31,962	30,569										

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

Financial table (In thousands of euros)	31/12/2013	31/12/2012	31/12/2011	31/12/2010	31/12/2009
<b>Share capital</b>	33,618	32,953	32,801	32,491	32,293
Number of ordinary shares	33,075,301	32,421,753	32,271,677	31,966,790	31,771,921
Maximum number of future shares to be created:					
• by convertible bonds	-	-	-	-	-
• by exercising subscription rights	694,606	1,425,534	1,154,700	1,681,053	2,062,307
Revenue (net of tax)	442,091	452,616	433,257	375,601	338,958
EBITDA	64,842	43,756	46,340	32,287	52,429
Income tax	2,164	7,053	7,465	8,785	(2,917)
Employee profit-sharing	229	3,262	1,889	2,614	0
Net earnings	70,615	27,725	35,511	20,483	46,579
Distributed earnings	32,262	31,823	34,996	28,284	0
Earnings per share after tax and before depreciation and provisions	1.89	1.03	1.15	0.65	1.56
Earnings per share after tax, depreciation and provisions	2.13	0.86	1.10	0.64	1.47
Dividend per share	1.00	1.00	1.10	0.90	0
Average workforce during the financial year	4,812	4,895	4,673	4,152	3,854
Total payroll	179,523	180,661	172,672	148,882	134,312
Total payroll and employee benefits	86,093	88,562	86,638	67,287	68,564

# CASH AND CAPITAL

# 10

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## 10.1 INFORMATION ON CAPITAL

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

## 10.2 CASH FLOW

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The ALTEN Group generated a gross cash flow of €124.6 million, down 1.9% compared with 2012 (€127.0 million). Net cash generated from operating activities amounted to €94.4 million, up 18% compared with 2012.

This represented 7.7% of revenue (6.7% in 2012) and reflected the sound management of working capital requirement (DSO down from 100 days in 2012 to 95 days in 2013).

ALTEN was thus able to finance the whole of its investments and acquisitions (€53.1 million) and dividends paid to shareholders (€32.3 million), and improve its net cash position.

As a consequence, the ALTEN Group had a net cash surplus at end-2013 of €74.4 million.

The cash flow tables are to be found in Chapter 20.3.1 of the consolidated financial statements on page 173.

## 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 Chapter 5.2.

## 10.4 RESTRICTIONS ON USE OF CAPITAL

---

None.

## 10.5 SOURCES OF FINANCING

---

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

# 10

## CASH AND CAPITAL

# RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES

11

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

Work on the research and development of a robot to assist elderly dependent people in the home and augmented reality glasses to compensate for age-related macular degeneration (AMD), equity-financed and conducted in partnership with the ISIR (Institute for Intelligent Systems and Robotics – CNRS Laboratory at the University of Paris VI, was the subject of a publication in 2013 endorsed by international scientific bodies. A presentation on complex data

processing was given in early 2014 at the International Conference on Health Informatics.

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

The main activities in research and development projects are described in the Chapter “03 Operational excellence and continuous improvement”, section “R&D” of the business report.



## INFORMATION ON TRENDS

### 12.1 MAIN TRENDS

---

ALTEN remains a preferred supplier for all of its existing customers in France and abroad. It also looks set to become a preferred supplier for new customers, mainly abroad. The activity rate in January 2014 is an improvement on January 2013.

After funding the acquisitions made in 2013, the Group still has sufficient cash flows to pursue its external growth, development and dividend policies.

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

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None.





## EARNINGS FORECASTS AND ESTIMATES

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None.



# ADMINISTRATIVE AND MANAGEMENT BODIES

# 14

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## 14.1 INFORMATION ABOUT MEMBERS

---

### 14.1.1 COMPOSITION OF THE BOARD OF DIRECTORS

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

In accordance with the provisions of the French law on job security of 14 June 2013, the Extraordinary General Meeting scheduled for 18 June 2014 will vote on the amendments to the Articles of Association of the Company necessary to instigate the nomination procedures for Board members representing employees.

At its meeting on 25 February 2014, the Board of Directors opted for the ALTEN SA Works Council to nominate Board members representing employees.

At its meeting on 6 March 2014, the Works Council issued a favourable opinion on this nomination procedure.

A motion will be put to the shareholders, at the next General Meeting, to change the composition of the Board of Directors. There will be a motion to renew the term of Mr Gérald Attia as his current one is coming to an end and appoint Ms Anaëlle Azoulay to replace Ms Catherine Behar-Azoulay whose term is ending and she does not wish to have it renewed.

It will be proposed to increase the number of members of the Board of Directors by appointing two new directors, with at least one of them meeting the criteria concerning independent directors fixed by the Middlednext Code and at least having accounting and financial expertise. If these appointments are approved by the shareholders, the Board of Directors would then be made up of seven directors. These appointments would enable the Board of Directors to form, amongst its members, an Audit Committee and, consequently, respect the eighth recommendation of Middlednext Code.

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

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

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

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

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

### 14.1.3 OFFICES AND POSITIONS HELD BY CORPORATE OFFICERS

#### SIMON AZOULAY

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

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

**Date appointment last renewed:** 19 June 2013 (Board member and Chairman and Chief Executive Officer)

**Expiry of term of office:** General Meeting to be held in 2017 to approve the financial statements for the last financial year (Board member and Chairman and Chief Executive Officer).

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

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

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

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

- Permanent representative of ALTEN, legal entity, Chairman of:
  - ALTEN Sud-Ouest SAS (since 2002)
  - ALTEN SIR SAS (since 2002)
- Permanent representative of ALTEN Europe, legal entity, Secretary of (United Kingdom):
  - Anotech Energy Ltd (since 2006)
- Managing Director of:
  - ALTEN Training Center SARL (formerly Abilog) (since 1996)
  - ALTEN Europe SARL (since 2004)

###### **Expired mandates:**

- Permanent representative of ALTEN, legal entity, Chairman of:
  - Gist SAS (2008-2009)
- Permanent representative of ALTEN Europe, legal entity, Director of (Spain):
  - ALTEN Ingenieria Slu (2009)

- Director of:
  - Avenir Conseil Formation SA (2010-2011)
  - Quaternove SA (2006-2009)
- Managing Director of:
  - ALTEN Cash Management SARL (2004-2011)
- *Consejero* of (Spain):
  - Burke Newco Slu (2009)
  - Grupo ALTEN Soporte Global Slu (2006-2009)
  - ALTEN T.I.C. Slu (2005-2009)
  - ALTEN Ingenieria Slu (2006-2009)
- Managing Director of (Belgium):
  - ALTEN Benelux Sprl (1999-2010)
  - AxenSprl (2005-2010)
  - ALTEN Belgium Sprl (2005-2010)

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

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

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

#### GÉRALD ATTIA

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

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

**Date appointment last renewed:** 21 June 2010 (Board member) – 19 June 2013 (Deputy Chief Executive Officer)

**Expiry of term of office:** General Meeting to be held in 2014 to approve the financial statements for the last financial year (Board member) and General Meeting to be held in 2017 to approve the financial statements for the last financial year (Deputy Chief Executive Officer).

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

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

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

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

- Chairman of the Company:
  - Avenir Conseil Formation SAS (since 2010)
  - ID APPS SAS (since 2011)
  - APTECH SAS (since 2011)
- Director of:
  - ALTEN SIR GTS SAS (since 2010)
- Director of (United Kingdom):
  - SD Partners Ltd (2001-2013)

- Board member of (United Kingdom):
  - SD Partners Ltd (2001-2013)
- *Consejero del Consejo de Administracion* of (Spain):
  - ALTEN Soluciones, Productos, Auditoria e Ingenieria SAU (since 2009)
- Director of (Sweden):
  - Alten Sverige AB (Publ) (ex XDin AB (Publ)) (since 2009)
  - HRH Consulting AB (since 2009)
  - Recoverrest AB (since 2009)
  - X Din Francisco AB (since 2009)
  - X Din Systems AB (since 2009)
- Director of (India):
  - ALTEN India Private Ltd (since 2010)
  - Calsoft Labs (India) Private Ltd (since 2011)
- Chairman and member of the Management Board of (Poland):
  - Itekna Polska SP ZOO (since 2013)
- Managing Director of (Romania):
  - Alten SI Techno Romania Srl (since 2012)
- Chairman of (Canada):
  - Alten Canada Inc. (since 2012)
- Sole Director of (Canada):
  - Alten Canada Inc. (since 2012)
- Secretary of (Canada):
  - Alten Canada Inc. (since 2012)
- Director of (United States):
  - Calsoft Labs Inc. (since 2011)
  - Alten USA Inc. (since 2013)
  - Alten Technology USA Inc. (since 2013)

- President of (United States):
  - Alten USA Inc. (since 2013)
  - Alten Technology USA Inc. (since 2013)
- Chairman of the Board of Directors of (United States):
  - Calsoft Labs Inc. (since 2011)
  - Alten USA Inc. (since 2013)
  - Alten Technology USA Inc. (since 2013)

**Expired mandates:**

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

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

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

**Expired mandates:**

- Managing Director of:
  - Proxym SARL

**BRUNO BENOLIEL***Deputy Chief Executive Officer and Board member*

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

**Date appointment last renewed:** 19 June 2013 (Deputy Chief Executive Officer)

**Expiry of term of office:** General Meeting to be held in 2017 to approve the financial statements for the last financial year (Deputy Chief Executive Officer) and General Meeting to be held in 2015 to approve the financial statements for the last financial year (Board member).

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

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

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

- Permanent representative of Groupe Idestyle, legal entity, Chairman of:
  - Idestyle Technologies SAS (2009-2013)

- Managing Director of:
  - ALTEN Cash Management SARL (since 2011)
- *Consejero del Consejo de Administracion* of (Spain):
  - ALTEN Soluciones, Productos, Auditoria e Ingenieria SAU (since 2009)
- *Consigliere* of (Italy):
  - ALTEN Italia SPA (since 2012)
- Vice President of (Italy):
  - ALTEN Italia SPA (since 2012)
- Director of (Netherlands):
  - ALTEN Nederland BV (since 2005)
  - ALTEN DDA BV (since 2006)
  - ORION Engineering BV (since 2012)
- Director of (Sweden):
  - Alten Sverige AB (Publ) (ex XDin AB (Publ)) (since 2009)

- HRH Consulting AB (since 2009)
- Recoverrest AB (since 2009)
- X Din Francisco AB (since 2009)
- X Din Systems AB (since 2009)
- Sole Director of (Romania):
  - B2I Ingénierie et Technologies SRL (since 2012)
- President of the Management Board of (Poland):
  - IMP Engineering Poland SP ZOO (since 2004)
- Member of the Management Board of (Poland):
  - Itekna Polska SP ZOO (since 2013)
- Director of (India):
  - ALTEN India Private Ltd (since 2012)
  - Calsoft Labs (India) Private Ltd (since 2012)
- Director of (United Kingdom):
  - Alten Technology Ltd (since 2013)
  - XDIN Consulting Ltd (since 2013)
- Director of (United States):
  - Calsoft Labs Inc. (since 2011)
  - Alten USA Inc. (since 2013)
  - Alten Technology USA Inc. (since 2013)
  - Anotech Energy USA Inc. (since 2013)

**Expired mandates:**

- Chairman of:
  - Cisia Investissements SA (2007-2009)
  - Quaternove SA (2006-2009)
- Permanent representative of Cisia Investissements, legal entity, Chairman of:
  - Cisia Cetop SAS (2007-2009)

- Cisia Ingénierie SAS (2007-2009)
- Cisia Exatrem SAS (2007-2010)
- Groupe Cisia Ingénierie SAS (2007-2009)
- Director of:
  - Avenir Conseil Formation SA (2006-2011)
  - Cisia Ingénierie SA (2006-2010)
- Managing Director of (Poland):
  - IMP Poland SP ZOO (2004-2011)
- *Consejero* of (Spain):
  - Grupo Apex SA (2006-2009)
  - Algor SL (2006-2009)
  - ALTEN T.I.C. SL (2005-2009)
  - Burke Newco SL (2008-2009)
  - Grupo ALTEN Soporte Global SL (2006-2009)
  - Grupo Apex SA (2006-2009)
- *Consigliere* of (Italy):
  - Onion SPA (2009-2011)
- Managing Director of (Belgium):
  - Axen SPRL (2008-2010)
- Sole Director of (Romania):
  - ALTEN SI Techno Romania SRL (2009-2012)

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

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

**CATHERINE BEHAR-AZOULAY***Board member*

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

**Date appointment last renewed:** 27 June 2008

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

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

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

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

None

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

- Managing Director of:
  - Cakciv SC



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**EMILY LUNA**

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*Board member*

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

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

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

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

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

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

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**Current mandates:**

None.

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

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**Current mandates:**

- Managing Director of:
  - Sicogex SC

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**PIERRE MARCEL**

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*Deputy Chief Executive Officer*

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

**Date appointment last renewed:** 19 June 2013 (Deputy Chief Executive Officer)

**Term of office expires:** General Meeting to be held in 2017 to approve the financial statements for the last financial year (Deputy Chief Executive Officer).

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

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

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

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**Current mandates:**

- Permanent representative of ALTEN SA, legal entity, Chairman of:
  - Anotech Energy SAS (since 2008)
- Chairman of:
  - Elitys Consulting SAS (since 2009)
  - Atexis France SASA (since 2010)
- Director of (United Kingdom):
  - Anotech Energy Ltd (since 2006)
  - Alten Technology Ltd (since 2013)
- Managing Director of (Switzerland):
  - Alten Switzerland SARL (since 2008)

- Alten Consulting SARL (since 2011)

- Director of (Switzerland):
  - Elitys SA (since 2011)
- Director of (Nigeria):
  - Anotech Energy Nigeria Ltd (since 2011)
- Director of (United States):
  - Anotech Energy USA Inc. (since 2013)
- Chairman of the Board of Directors of (United States):
  - Anotech Energy USA Inc. (since 2013)
- Chairman of (Norway):
  - Anotech Energy Norge AS (since 2013)

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**Expired mandates:**

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

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

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**Current mandates:**

- Managing Director of:
  - Amarcis SC
  - Lomaris SC

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

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

To the Company's knowledge, at the time this document was prepared and during the last five (5) years: (i) no conviction for fraud has been pronounced against a member of the Board or the General Management, (ii) no member of the Board or General Management has been disqualified by a court from acting as a member of an administrative, management or supervisory body of an issuer or from acting in the management or conduct of the affairs of an issuer, (iii) no conviction and/or official public sanction has been imposed on

a member of the Board or the General Management by statutory or regulatory authorities, and (iv) no member of the Board of Directors or General Management has been involved in a bankruptcy, receivership or liquidation. In 2009, Mr Bruno Benoliel was appointed permanent representative of the Idestyle Group and Chairman of Idestyle Technologies SAS, both acquired by ALTEN in 2006 and put into receivership by court order, so that he could manage them through the receivership process.

### 14.1.5 SPECIFIC INFORMATION REGARDING CORPORATE OFFICERS

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

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

#### Transactions in the Company's securities by executive officers during the 2013 financial year

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

Name of executive officer and/or the person cited in Article L. 621-18-2 of the French Monetary and Financial Code	Duties performed at ALTEN	Type of transaction	Total amount of transactions (in euros)
<b>SGTI</b> Legal entity connected with Simon Azoulay (Chairman and Chief Executive Officer)	None	Disposal	32,300,337
<b>Gérald Attia</b>	Deputy Chief Executive Officer	Transfer of securities to a holding company	3,533,383
<b>Pierre Marcel</b>	Deputy Chief Executive Officer	Exercise of stock options	144,600
<b>Pierre Marcel</b>	Deputy Chief Executive Officer	Disposal	187,620

## 14.2 CONFLICTS OF INTEREST

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

To the Company's knowledge and at the date on which this document was prepared, there are no pacts or agreements concluded with the

main shareholders, customers or suppliers under which a Member of the Board of Directors or General Management has been designated as such.

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

# 14

## ADMINISTRATIVE AND MANAGEMENT BODIES

# REMUNERATION AND BENEFITS

# 15

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## 15.1 REMUNERATION PAID AND BENEFITS IN KIND

TABLE 1: REMUNERATION, OPTIONS AND SHARES AWARDED TO EACH CORPORATE OFFICER

<i>Simon Azoulay Chairman and Chief Executive Officer</i>	2013	2012
Remuneration due for the financial year	€100,630	€380,000
Value of options awarded during the financial year	None	None
Value of multi-year variable remuneration awarded during the financial year	None	None
Value of performance-based shares awarded during the financial year	None	None
<b>TOTAL</b>	<b>100,630 €</b>	<b>€380,000</b>
<i>Gérald Attia Deputy Chief Executive Officer</i>	2013	2012
Remuneration due for the financial year	€266,097	€266,097
Value of options awarded during the financial year	None	None
Value of multi-year variable remuneration awarded during the financial year	None	None
Value of performance-based shares awarded during the financial year	None	None
<b>TOTAL</b>	<b>€266,097</b>	<b>€266,097</b>
<i>Bruno Benoliel Deputy Chief Executive Officer</i>	2013	2012
Remuneration due for the financial year	€159,141	€219,141
Value of options awarded during the financial year	None	None
Value of multi-year variable remuneration awarded during the financial year	None	None
Value of performance-based shares awarded during the financial year	None	None
<b>TOTAL</b>	<b>€159,141</b>	<b>€219,141</b>
<i>Pierre Marcel Deputy Chief Executive Officer</i>	2013	2012
Remuneration due for the financial year	€185,291	NA
Value of options awarded during the financial year	None	NA
Value of multi-year variable remuneration awarded during the financial year	None	None
Value of performance-based shares awarded during the financial year	None	None
<b>TOTAL</b>	<b>€185,291</b>	<b>NA</b>

## REMUNERATION AND BENEFITS

### REMUNERATION PAID AND BENEFITS IN KIND

TABLE 2: REMUNERATION PAID TO EACH CORPORATE OFFICER

	2013		2012	
	Amount paid	Amount due	Amount paid	Amount due
<b>Simon Azoulay</b>				
• Fixed remuneration	€99,000	€99,000	€109,080	€120,000
• Variable remuneration	None	None	None	None
• Multi-year variable remuneration	None	None	None	None
• Extraordinary remuneration	None	None	None	None
• Directors' fees	None <sup>(1)</sup>	None	€260,000 <sup>(3)</sup>	€260,000
• Benefits in kind	€1,630 <sup>(2)</sup>	€1,630	None	None
<b>TOTAL</b>	<b>€100,630</b>	<b>€100,630</b>	<b>€369,080</b>	<b>€380,000</b>

(1) The company SGTI, of which Mr Simon Azoulay is Chairman and sole shareholder, received €150,000 from ALTEN Ltd, the wholly-owned UK subsidiary of ALTEN Europe, in directors' fees for 2013 for its role as Director. SGTI also received €150,000 from ALTEN SPAIN SAU, the wholly-owned Spanish subsidiary of ALTEN Europe, in directors' fees for 2013 for its role as Consejero, in addition to €150,000 from ATEXIS SPAIN SLU, the wholly-owned Spanish subsidiary of ALTEN SPAIN SAU, in directors' fees for its role as Administrador unico.

(2) Company car.

(3) €150,000 is the amount paid to Mr Simon Azoulay in December 2012 by ALTEN SPAIN SAU, the wholly-owned Spanish subsidiary of ALTEN Europe, itself a wholly-owned subsidiary of Alten SA, in directors' fees for his role as Consejero during the 2012 financial year. €110,000 was also paid by the UK company ALTEN Ltd, wholly-owned subsidiary of ALTEN Europe, to Mr Simon Azoulay in respect of attendance fees for his position as Director for financial year 2012.

	2013		2012	
	Amount paid	Amount due	Amount paid	Amount due
<b>Gérald Attia</b>				
• Fixed remuneration	€178,224	€178,224	€178,224	€178,224
• Variable remuneration	None	None	None	None
• Multi-year variable remuneration	None	None	None	None
• Extraordinary remuneration	None	None	None	None
• Directors' fees	€134,671 <sup>(1)</sup>	€84,000	€33,329 <sup>(3)</sup>	84,000
• Benefits in kind	€3,873 <sup>(2)</sup>	€3,873	€3,873	€3,873
<b>TOTAL</b>	<b>€316,768</b>	<b>€266,097</b>	<b>€215,426</b>	<b>€266,097</b>

(1) Mr Gérald Attia received €50,671 in January 2013, corresponding to the outstanding amount to be paid in respect of the financial year 2012 by ALTEN SPAIN SAU, incorporated in Spain, a wholly-owned subsidiary of ALTEN Europe, itself a wholly-owned subsidiary of Alten SA, for Directors' Fees in respect of performing his duties as Consejero.

Mr Gérald Attia was paid €84,000 in December 2013 for the financial year 2013 by ALTEN SPAIN SAU, incorporated in Spain, a wholly-owned subsidiary of ALTEN Europe, itself a wholly-owned subsidiary of Alten SA, for Directors' Fees in respect of performing his duties as Consejero.

(2) Company car.

(3) This amount corresponds to sums paid to Mr Gérald Attia in December 2012 by ALTEN SPAIN SAU, the wholly-owned Spanish subsidiary of ALTEN Europe, itself a wholly-owned subsidiary of Alten SA, in directors' fees for his role as Consejero during the 2012 financial year.

	2013		2012	
	Amount paid	Amount due	Amount paid	Amount due
<b>Bruno Benoliel</b>				
• Fixed remuneration	€159,141	€159,141	€159,141	€159,141
• Variable remuneration	None	None	None	None
• Multi-year variable remuneration	None	None	None	None
• Extraordinary remuneration	None	None	None	None
• Directors' fees	2,645 <sup>(1)</sup>	None	€57,355 <sup>(2)</sup>	€60,000
• Benefits in kind	None	None	None	None
<b>TOTAL</b>	<b>€161,786</b>	<b>€159,141</b>	<b>€216,496 219</b>	<b>€141</b>

(1) Mr Bruno Benoliel received €2,645 corresponding to the balance of remuneration payable for the 2012 financial year by ALTEN SPAIN SAU, the wholly-owned Spanish subsidiary of ALTEN Europe, itself a wholly-owned subsidiary of Alten SA, in directors' fees for his role as Consejero during the 2012 financial year.

(2) This amount corresponds to sums paid to Mr Bruno Benoliel in December 2012 by ALTEN SPAIN SAU, the wholly-owned Spanish subsidiary of ALTEN Europe, itself a wholly-owned subsidiary of Alten SA, in directors' fees for his role as Consejero during the 2012 financial year. The balance of €2,645 was paid to him in January 2013.

	2013 (from 28 January 2013 to 31 December 2013)		2012	
	Amount paid	Amount due	Amount paid	Amount due
<b>Pierre Marcel</b>				
• Fixed remuneration	€180,253	€180,253	NA	NA
• Variable remuneration	None	None	NA	NA
• Multi-year variable remuneration	None	None	None	None
• Extraordinary remuneration	None	None	NA	NA
• Directors' fees	None	None	NA	NA
• Benefits in kind	€5,038 <sup>(1)</sup>	€5,038	NA	NA
<b>TOTAL</b>	<b>€185,291</b>	<b>€185,291</b>	<b>NA</b>	<b>NA</b>

(1) Company car.

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

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

None.

#### TABLE 4: SHARE SUBSCRIPTION OR PURCHASE OPTIONS ALLOTTED DURING THE PERIOD TO EACH EXECUTIVE CORPORATE OFFICER

None.

#### TABLE 5: SHARE SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED DURING THE PERIOD BY EACH EXECUTIVE CORPORATE OFFICER

<b>Pierre Marcel</b> Deputy Chief Executive Officer	Plan date	Number of options exercised during the period	Exercise price
	07/09/2009	6,000	€24.10



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

None.

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

None.

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

Executive corporate officers	Employment contract	Supplementary pension plan	Compensation or benefits owed or likely to be owed due to termination or change in duties	Compensation related to a non-competition provision
<b>Simon Azoulay</b> Chairman and Chief Executive Officer Date appointment last renewed: 19/06/2013 Date term of office expires: General Meeting to be held in 2017 to approve the financial statements for the last financial year	None	None	None	None
<b>Gérald Attia</b> Deputy Chief Executive Officer Date appointment last renewed: 19/06/2013 Date term of office expires: General Meeting to be held in 2017 to approve the financial statements for the last financial year	None	None	None	None
<b>Bruno Benoliel</b> Deputy Chief Executive Officer Date appointment last renewed: 19/06/2013 Date term of office expires: General Meeting to be held in 2017 to approve the financial statements for the last financial year	Yes <sup>(1)</sup>	None	None	None
<b>Pierre Marcel</b> Deputy Chief Executive Officer Date appointment last renewed: 19/06/2013 Date term of office expires: General Meeting to be held in 2017 to approve the financial statements for the last financial year	Yes <sup>(2)</sup>	None	None	None

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

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

## SHARE OPTIONS

No share options were allocated during the last financial year.

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

Options to subscribe to or purchase shares granted to the ten employees (other than corporate officers) with the highest number of options, and options exercised by these beneficiaries	Total number of options awarded/ shares subscribed to or purchased	Weighted average price (in euros)	Plan date
Options granted during the financial year by ALTEN and any company within its Group granting options, to the ten employees of the issuer and all companies included in the group which grant options, with the highest number of options granted. (Comprehensive Information)	N/A	N/A	N/A
Options for ALTEN and other aforementioned companies previously exercised during the financial year by the ten employees of the issuer and such other companies, with the highest number of options thus purchased or subscribed. (Comprehensive Information)	247,200.00	28.940	24/03/2005
		29.225	23/10/2006
		29.219	18/02/2008
		31.433	07/09/2009

**TABLE 8: RECORD OF PAST STOCK OPTION GRANTS AS AT 31 DECEMBER 2013**

Date awarded by the Board	Date of Meeting	Number of beneficiaries	First possible exercise date	Plan maturity date	Number of options awarded	Exercise price (in €)	Number of options waived	Number of options exercised	Number of options voided	Number of options which may be exercised
27/01/1999	07/01/1999	34	27/01/2003	28/01/2007	27,950	6.860	0	18,880	9,070	0
16/12/1999	07/01/1999	190	16/12/2003	17/12/2005	292,900	27.400	0	17,150	275,750	0
27/09/2000	07/01/1999	50	27/09/2004	28/09/2008	174,250	27.200	85,000	1,750	87,500	0
09/01/2001	07/01/1999	180	09/01/2005	10/01/2009	283,000	28.000	64,500	14,670	203,830	0
28/03/2001	07/01/1999	3	28/03/2005	28/03/2009	30,000	26.000	0	0	30,000	0
21/08/2001	07/01/1999	2	21/08/2005	21/08/2009	28,500	16.850	0	28,500	0	0
25/01/2002	07/01/1999	214	25/01/2006	25/01/2010	438,400	15.720	60,000	302,205	76,195	0
05/09/2002	07/01/1999	1	05/09/2006	05/09/2010	10,000	6.000	0	10,000	0	0
13/03/2003	07/01/1999	237	13/03/2007	13/03/2011	359,150	5.900	0	318,750	40,400	0
25/07/2003	07/01/1999	6	25/07/2007	25/07/2011	450,000	7.300	0	449,500	500	0
06/01/2004	07/01/1999	259	06/01/2008	06/01/2012	318,970	10.730	0	222,770	96,200	0
24/03/2005	23/06/2003	356	24/03/2009	24/03/2013	496,500	17.980	0	271,315	225,185	0
23/10/2006	27/06/2006	598	23/10/2010	23/10/2014	1,189,780	24.100	30,000	307,820	796,920	55,040
18/02/2008	27/06/2006	794	18/02/2012	18/02/2016	622,790	19.130	30,000	253,405	299,010	40,375
07/09/2009	23/06/2009	689	07/09/2013	07/09/2017	574,330	15.210	0	207,554	263,585	103,191
19/10/2010	23/06/2009	6	19/10/2014	19/10/2018	120,000	22.365	30,000	0	0	90,000
<b>TOTAL</b>					<b>5,416,520</b>		<b>299,500</b>	<b>2,424,269</b>	<b>2,404,145</b>	<b>288,606</b>

## HISTORY OF PAST AWARDS OF SHARE WARRANTS

Date of the Shareholders' Meeting	23/06/2009
Date of the Board of Directors meeting	07/09/2009
Total number of shares that can be subscribed to upon exercise of the warrants	487,000
Number of shares that can be subscribed to by:	
<i>Simon Azoulay</i>	150,000
<i>Gérald Attia</i>	75,000
<i>Bruno Benoliel</i>	60,000
<i>Pierre Marcel</i>	75,000
Initial exercise date of the warrants	07/09/2013
Expiry date	07/09/2017
Exercise price of the warrants	€15.85
Exercise procedures (when the plan has several tranches)	NA
Number of warrants exercised as at 31 December 2013	81,000
Cumulative number of share warrants cancelled or voided	0
Remaining share warrants at the end of the financial year	406,000

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

## 15.2 PROVISIONS FOR PENSIONS AND RETIREMENT

None.

# 15

## REMUNERATION AND BENEFITS

# OPERATION OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

# 16

<b>16.1 EXPIRY DATE OF TERMS OF OFFICE</b>	<b>142</b>	<b>16.4 COMPLIANCE WITH CORPORATE GOVERNANCE RULES</b>	<b>143</b>
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## 16.1 EXPIRY DATE OF TERMS OF OFFICE

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See Chapter 14, paragraph 14.1.3.

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

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

## 16.3 INFORMATION ON COMMITTEES

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

During the next General Meeting, a motion will be put to the shareholders to appoint at least one independent director and a director with accounting and financial expertise. If these proposals are approved, the Board of Directors will then set up an independent Audit Committee.

The Company thus complies with the twelfth recommendation of the Middennext Code on the formation of committees, as the

Board of Directors meets in Audit Committee form and applies the recommendations regarding duties and the establishment of specific minutes relating to Board meetings in Committee form.

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

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

## 16.4 COMPLIANCE WITH CORPORATE GOVERNANCE RULES

### 16.4.1 CHAIRMAN'S REPORT ON CORPORATE GOVERNANCE AND INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES ADOPTED BY ALTEN

To our Shareholders,

This report by the Chairman of the Board, approved by the Board of Directors at its meeting on 2 April 2014, in accordance with the requirements of Article L. 225-37 of the French Commercial Code, gives an account of the composition of the Board and the application of the principle of balanced representation of men and women on the Board<sup>(1)</sup>, the conditions in which the Board's work is prepared and organised, any restrictions on the powers of the CEO, references to a code of corporate governance, specific procedures relating to shareholder participation at Shareholders' Meetings, and internal control and risk management procedures implemented by the Company.

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

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

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

#### I Corporate governance

ALTEN (hereinafter referred to as: the Company) operates in accordance with the Middenext 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 Middenext code is available on the Middenext web site at the following address: [www.middenext.com](http://www.middenext.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 Middenext Code of Corporate Governance, with the exception of the eighth Recommendation "Board Composition – Presence of independent members on the board".

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

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

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

The Board believes that, as of this date, none of its members fulfils the aforementioned criteria for independence. In this respect, the Company does not comply with the eighth recommendation of the Middenext Code, as the Board of Directors has not found the appropriate profile.

A motion will be put to the shareholders, at the next General Meeting, to change the composition of the Board of Directors. Firstly, there will be a motion to renew the term of Mr. Gérald Attia as his current one is coming to an end and appoint Ms Anaëlle Azoulay to replace Ms Catherine Behar-Azoulay whose term is ending and she does not wish to have it renewed.

It will be proposed to increase the number of members of the Board of Directors by appointing two new directors, with at least one of them meeting the criteria concerning independent directors and at least having accounting and financial expertise. If these appointments are approved by the shareholders, the Board of Directors will then be made up of seven directors. These appointments would enable the Board of Directors to form, amongst its members, an Audit Committee and, consequently, respect the eighth recommendation above.

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

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

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

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

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

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

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

### 1.1 Rules of operation and organisation

#### 1.1.1 Composition of the Board of Directors

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

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

The Board of Directors is composed of:

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

Mr Simon Azoulay, a French national, was born on 29 May 1956 in Rabat (Morocco). He is a graduate of SUPELEC. At 31 December 2013, he held 8,784,195 shares in his own name and via SGTI and SGTI 2, which he controls 100%, i.e. 27.09% of the Company's capital.

Mr Gérald Attia, a French national, was born on 6 April 1962 in Livry-Gargan (93) and holds an MBA from Hartford. At 31 December 2013, he held in his own name, 138,477 ALTEN shares or 0.43% of the Company's capital.

Ms Catherine Behar-Azoulay, a French national, born 18 November 1958 in Paris (14<sup>th</sup> arrondissement) does not hold any shares in the Company as at 31 December 2013.

Mr Bruno Benoliel, a French national, born 13 May 1964 in Paris (17<sup>th</sup> arrondissement) holds as at 31 December 2013, 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 2013, 4,330 ALTEN shares, i.e. 0.01% of the Company's capital.

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

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

In accordance with the provisions of the French law on job security of 14 June 2013, the Extraordinary General Meeting scheduled for 18 June 2014 will vote on the amendments to the Articles of Association of the Company necessary to instigate the nomination procedures for Board members representing employees.

At its meeting on 25 February 2014, the Board of Directors opted for the Alten SA Works Council to nominate Board members.

At its meeting on 6 March 2014, the Works Council issued a favourable opinion on this nomination procedure.

#### 1.1.2 Representation of men and women on the Board of Directors

The French Warsmann law of 27 January 2011 introduced rules promoting professional equality between men and women, particularly in terms of achieving a gender balance on company Boards. Since the appointment of Ms Luna as a director by the Combined General Meeting of 22 June 2011, the Board of Directors of the Company has two women out of five members in total.

In accordance with the provisions of the law of 27 January 2011, the Board of Directors met on 31 January 2014 to consider recent developments regarding professional equality and equal pay in 2013.

The Board will meet again to review the latest changes affecting professional equality and equal pay in 2014.

#### 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 2013 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 office in any listed company other



than ALTEN SA, in accordance with the seventh recommendation of the Reference Code).

#### 1.1.4 Convening meetings of the Board of Directors

In accordance with the law and the Internal Rules, Directors are convened by ordinary letter, fax, e-mail or orally. On average, Board meetings were convened eight days in advance in 2013 (compared with seven and a half days in 2012).

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 were 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 meetings of the Board of Directors in 2013.

#### 1.1.5 Director information

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

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

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

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

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

#### 1.1.6 Representation of Directors

Directors may be represented at meetings of the Board of Directors by another Director. The proxy must be given in writing. No Directors exercised this right during financial year 2013.

#### 1.1.7 Use of videoconferences and telecommunications

The Company's Articles of Association and the Internal Rules of the Board of Directors allow the Directors to take part in the Board's deliberations via videoconference or telecommunication. Directors who take part in Board deliberations using this method are deemed to be present when calculating the quorum and the majority, except

when taking decisions where such methods are forbidden by law or regulation (currently financial statements and the management report).

This option was only used once by the Board in 2013, at its meeting on 29 October 2013.

#### 1.1.8 Chairmanship of meetings

Mr Simon Azoulay, the Chairman, presided over eight (8) of the nine (9) meetings of the Board of Directors that were held during 2013.

Pursuant to the Articles of Association and provisions of Article L. 225-50 of the French Commercial Code, the Board of Directors, at its meeting on 29 April 2013, appointed a Director to act as Board Chairman on an exceptional basis and for that meeting only.

#### 1.1.9 Guests invited to Board meetings

During the 2013 financial year, the Group's Chief Legal Officer, Mr Arnaud Flandé, attended all Board meetings. He also carried out the role of Board Secretary.

#### 1.1.10 Board meetings taking the form of Audit Committees

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

During the next General Meeting, a motion will be put to the shareholders to appoint at least one independent director and a director with accounting and financial expertise. If these proposals are approved, the Board of Directors could then form an independent Audit Committee.

The Company complies with the twelfth recommendation of the Middenext Code on the creation of committees, as the Board of Directors meets in Audit Committee form.

Pursuant to Articles L. 823-19 et seq. of the French Commercial Code, the Board of Directors, in the presence of Bruno Benoliel, Deputy Chief Executive Officer in charge of Finance, met in Audit Committee form on 3 April and 24 September 2013 in order to review:

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

#### 1.1.11 Evaluation of the Board

In accordance with the provisions of the fifteenth Recommendation of the Reference Code, the Board of Directors regularly discusses subjects such as the composition of the Board of Directors, its work, its delegations of powers and its decisions. These deliberations are transcribed in minutes. In particular, the Board discussed the subjects and work completed during the 2013 financial year when it met on 29 January 2014.

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.

During its meeting on 24 January 2014, the Board of Directors approved the balance of the governance bodies and, in particular, considered that it was necessary for the governance of Alten for the same person to hold the positions of Chairman and Chief Executive Officer given the operational duties performed by Mr Simon Azoulay, essential duties within the framework of managing and growing the company.

A procedure aimed at allowing a formal assessment will be implemented once an independent director has been appointed to the Board of Directors.

### 1.2 Frequency of meetings and Directors' average attendance rate

The Board of Directors met nine (9) times during financial year 2013, at the registered office, with an average attendance rate of 60%, thus complying with the thirteenth Recommendation of the Reference Code.

### 1.3 Primary duties

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

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

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

In 2013, the Board of Directors authorised a term deposit pledge for €20 million as security for a loan arranged by an associate, prepared the annual financial statements for 2012, the interim statement at 30 June 2013 and management forecasts, examined and authorised financial press releases, approved the remuneration payable to corporate officers, examined and authorised all acquisition proposals, and delegated authority to the Chairman and Chief Executive Officer to issue bonds, guarantees and securities subject to certain conditions and limits.

### 1.4 Limitation of the powers of General Management

On 28 June 2002, the Company's Board of Directors combined the duties of Chairman of the Board of Directors and Chief Executive Officer. Since that time, Mr Simon Azoulay has been responsible for the general management of the Company.

At its meeting on 19 June 2013, the Board of Directors resolved to combine the offices of Chairman and Chief Executive Officer and

therefore re-elected Simon Azoulay as Chairman and Chief Executive Officer.

Simon Azoulay is the founding partner of Alten. He still has a key operational role in the Company's management and development. For that reason, the combined appointment is essential for Alten's governance.

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

The Board's Internal Rules also impose limitations on the powers of the General Management. The following transactions are subject to prior approval by the Board of Directors: (i) acquisitions (companies or business assets), (ii) disposals (corporate securities or business assets), (iii) creation of jointly-held companies with third parties, (iv) issue of bonds, guarantees and securities.

### 1.5 Remuneration policy for corporate officers

#### 1.5.1 Remuneration paid by Alten SA

##### Fixed remuneration

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

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

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

The Board of Directors has also renewed Pierre Marcel's employment contract following his appointment as Deputy Chief Executive Officer, considering that his employment contract with ALTEN SUD OUEST, a wholly-owned subsidiary of Alten SA, predates his appointment as corporate officer and that this corresponds to the salaried position held by him since 1 April 1996, namely Manager at ALTEN SUD OUEST.

The total gross fixed remuneration paid to the Chairman and Chief Executive Officer and the Deputy Chief Executive Officers of Alten SA is set out in paragraph 15.1 of this document.

##### Variable remuneration

Variable remuneration may also be paid to certain corporate officers subject to the achievement of performance criteria linked to the results of Alten SA and set previously by the Board.

The Chairman and Chief Executive Officer and the Deputy Chief Executive Officers did not receive variable remuneration during the 2013 financial year.

#### *Extraordinary remuneration*

No extraordinary remuneration or benefits in kind were paid to the Chairman and Chief Executive Officer and the Deputy Chief Executive Officers during the 2013 financial year.

#### *Benefits in kind*

Certain executive corporate officers have a company car at their disposal. See paragraph 15.1 of this Registration Document.

#### *Directors' fees*

Company directors have not received directors' fees from Alten SA for the 2013 financial year.

However, certain executive corporate officers received directors' fees from companies within the group. See paragraph 15.1 of this Registration Document.

#### *Deferred remuneration, severance pay or pension obligations*

To date, the corporate officers of Alten SA have not received any deferred remuneration, termination benefits or retirement benefits, under the third and fourth recommendations of the Reference Code.

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

#### *Share subscription or purchase options*

No share options were granted during 2013.

#### *Performance-based shares*

No performance shares were awarded during 2013.

#### *Share warrants*

No share warrants were awarded during 2013.

### **1.5.2 Remuneration paid by companies controlled by Alten SA (within the meaning of Article L. 233-16 of the French Commercial Code)**

Directors' fees may be paid to executive corporate officers of Alten SA as remuneration for the positions they hold in companies controlled by Alten SA.

The Chairman and Chief Executive Officer and Deputy Chief Executive Officers thus received, during 2013, the amounts as described in paragraph 15.1.

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

### **1.6 Shares owned and securities transactions**

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

- members of the Board of Directors will declare to the Autorité des Marchés Financiers (AMF) and the Company (according

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

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

A resolution proposing to amend the Company's Articles of Association was submitted to a shareholders' vote during the Combined General Meeting on 23 June 2009;

- like any shareholder, members of the Board of Directors shall inform the AMF when they cross any legal or regulatory threshold related to capital and/or voting rights, whether upwards or downwards. These declarations must be submitted to the AMF within a maximum period of four (4) stock market trading days. Board members shall also provide the Company's Legal Division with a copy of the declaration submitted to the AMF.

With regard to exceeding the thresholds specified in the Articles of Association, article 9 of said Articles of Association specifies that all natural persons or legal entities acting individually or in concert holding shares exceeding 3% of the share capital or voting rights, must inform the company of the total number of shares and voting rights that they hold by registered letter with acknowledgement of receipt, no later than fifteen days with effect from the date on which the 3% threshold was exceeded. The information mentioned in this paragraph is also provided in the same period of time when the shareholding or voting rights fall below the 3% threshold.

### **1.7 The Executive Committee and the Divisional Committees**

Since 1 January 2013, the Board of Directors has been supported in preparing its decisions by the work of the Executive Committee and the Divisional Committees.

#### **1.7.1 Executive Committee**

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

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

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

- the Group's communication policy;

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

The second part focuses on operational issues:

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

### 1.7.2 The Divisional Management Committees

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

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

### 1.7.3 The Divisional Administrative Committees

These Committees exist for each Division and meet once (1) a week. They are composed of the CFO, the Operational Director and the heads of the administrative departments. They are chaired by the Division's CFO. Members of the Divisional Management Committee may attend.

### 1.8 Statutory Auditors

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

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

Requests by shareholders to submit draft resolutions or items for the agenda must be sent to the head office by registered letter with acknowledgement of receipt or by electronic telecommunication and be received no later than twenty-five days before the General Meeting. They may not be sent more than twenty days after the publication of the convening notice in the BALO.

## 3 Elements liable to influence a public offer

All information on the elements likely to have an influence in the event of a public offer is described in paragraph 18.2 of the Registration Document.

## II Internal audit and risk management procedures

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

### 1 Definition and objectives of internal audit and risk management – Scope

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

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

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

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

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

### 2 References and components of ALTEN's internal audit system

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

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

The Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Items of particular significance for the company are prepared centrally. The Group Finance Division is thus responsible for testing Company assets for impairment and reporting on mergers and acquisitions and investments.

Consolidated financial statements are prepared using software that provides all necessary functions for traceability, accuracy and security of data and processing. Subsidiaries submit separate financial statements for consolidation at Group level, with no intermediate consolidation level.

All Group companies issue monthly reports on their operations and finances, including management and operational guidance indicators, which are approved by the Management Control Department. Each quarterly report is subject to meticulous examination.

In the case of foreign entities, which do not come under central Group services, additional financial audits are performed annually in accordance with procedures established by the Finance Division (for International Management Control) based on risk exposure. International Management Control also has a role in implementing and developing finance/management structures at foreign subsidiaries (processes/tools/recruitment) to support their development and ensure the accuracy of financial and operational information.

Monthly and even weekly financial, sales and technical reviews based on quarterly reports are carried out.

Furthermore, the specific rules established by the ALTEN Group's various functional divisions are set forth below:

#### Recruitment

The hiring of staff members follows a process that is set out and regularly updated by the Group Human Resources Division (procedures to be followed, standard employment contracts). Once hired, information on new employees is promptly recorded in the Group's IT Systems. The payroll functions for 90% of all employees in France are handled centrally.

#### Sales

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

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

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

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

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

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

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

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

The Legal Division is always included in this process.

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

#### Purchasing

All purchases are subject to independent verifications:

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

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

The Group has strong General Purchasing Conditions.

#### Legal

Legal procedures are in place at Group level to involve the Legal Division in the various levels of pre-existing processes.

Legal audits of Group subsidiaries are carried out on a regular basis, based on a preliminary self-assessment questionnaire.

#### Acquisitions

The identification of targets and their preliminary approval are first handled by a special division and then validated by General Management, the Financial Division and the Operational Division of the relevant Division.

Proposed acquisitions are submitted to the Board of Directors for approval following an operational, financial, HR, tax and legal audit designed to ascertain that the entities fit the business model, that they are financially sound and that potential risks have been identified.

Once the project is approved, finalisation of the transaction is managed by the Legal Division, which drafts the supporting documentation.



Acquired entities are immediately incorporated into the Group's operational reporting system and management process. Depending on the entity's size, the Group's information systems may be used to ensure the reliability of the data. They are reassessed on an annual basis.

### Real estate

The statement of requirements when looking for new premises is prepared by the Operational Manager, confirmed by the Director of Operations and sent to Group General Services for processing. Review of the project and approval of selected premises falls within the purview of General Management.

The Legal Division is also involved in the various stages of lease negotiations, overseeing them with the General Services Department. A property committee meets regularly to maintain a constant flow of information between the Legal Division, General Services and Management Control so as to update data on current property and analyse ongoing and future projects.

### Financial communications

The ALTEN Group uses all available resources to provide regular, reliable, clear and transparent information both to its shareholders and to financial analysts.

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

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

### Delegations of authority

The existing system for delegating authority has a threefold purpose:

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

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

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

### Information systems

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

- to achieve productivity gains;
- to secure the flow of financial information; and
- to oversee operations carried out by the various Group companies and have pertinent operational information enabling responsive management of the business.

The main application software currently in use is:

- Customer Relationship Management (CRM);

- Human Resources, employee management;
- payroll;
- sales management and invoicing;
- employee management and time management (in conjunction with employee and project management);
- cost management and oversight (in conjunction with time and project management);
- general and analytic accounting, management control and financial management;
- consolidation;
- cash management.

Interfaces have been established between various software applications in order to provide access to dependable and consistent information at all stages of data processing.

### Work completed in 2013 – Projects for 2014

Following the deployment of the SAP ERP at the Group's major French entities, 2013 was essentially devoted to optimising business processes.

For entities outside core business France and International, an ERP core model with identical functionalities to those of the SAP core model was developed based on the ERP Agresso solution, whose financial management modules have been used for around 10 years.

The deployment of this core model began in mid-2013 at certain entities outside core business France.

The deployment plan will continue at ALTEN's Spanish entity, in line with the Group's IT strategy launched in 2012.

In terms of the CRM (Oracle solution), upgrades were carried out to optimise engineer recruitment processes.

As a result, ALTEN received the Oracle 2014 award last February in recognition of its CRM project, and specifically the resulting business process optimisation.

In terms of infrastructure and in accordance with the IT strategic plan, all France infrastructure was outsourced to a tier4+ data centre based in the Ile-de-France region. The same operation took place simultaneously in Belgium and will continue to be rolled out in other countries in 2014.

This initial phase was immediately followed by the launch of a private cloud to give the ALTEN Group the necessary flexibility and security to optimise its IT energy consumption.

This vision will be rounded out in 2014 with the addition of a public cloud (Microsoft Office 365) to give ALTEN a comprehensive and robust solution to support the Group's expansion.

### 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 2013 – Projects for 2014**

Cash-pooling covers the full scope of France. A study is currently underway (legal, tax and technical aspects) with a view to the deployment of the cash-pooling solution outside France to support the Group's strong international growth.

The Treasury Division would thereby have efficient means of cash management for subsidiaries and to support the Group's growth financially.

**3 Risk management**

Identified risks and the resources used to manage them are described in Chapter 4 of this Registration Document.

**4 Conclusion – Outlook**

The continuous improvement of the ALTEN internal audit procedures initiated by the Group several years ago will continue in 2014.

2 April 2014

Chairman of the Board of Directors

Simon Azoulay

## 16.4.2 STATUTORY AUDITORS' REPORT PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF ALTEN

To the shareholders,

As Statutory Auditors of ALTEN and in application of the provisions of Article L. 225-235 of the French Commercial Code, we hereby present you with our report concerning the report drawn up by the Chairman of your company in accordance with the provisions of Article L. 225-37 of the French Commercial Code in respect of the financial year ended 31 December 2013.

The Chairman shall write and submit to the Board of Directors for its approval a report setting out the internal control and risk management procedures put in place within the company and providing the other information required by Article L. 225-37 of the French Commercial Code concerning in particular the arrangements made with regard to corporate governance.

It is our responsibility:

- to report to you on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information; and
- to certify that the report includes the other information required by Article L. 225-37 of the French Commercial Code, it being specified that it is not within our remit to verify the veracity of this other information.

We conducted our work in accordance with professional standards applicable in France.

### Information concerning the internal control and risk management procedures relating to the preparation and processing of financial and accounting information

Professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management

procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report.

These procedures mainly consisted of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, and of the existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Board's report, prepared in accordance with Article L. 225-37 of the French Commercial Code.

### Other information

We hereby certify that the report of the Chairman of the Board of Directors includes the other information required by Article L. 225-37 of the French Commercial Code.

Paris, 18 April 2014

The Statutory Auditors

Grant Thornton  
French member of Grant Thornton International  
Vincent Frambourt  
Partner

Cabinet Dauge et Associés

Christian Laplane  
Partner



# EMPLOYEES

# 17

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## 17.1 WORKFORCE BREAKDOWN

### ALTEN GROUP WORKFORCE, YEAR-END

	31/12/2013	31/12/2012	31/12/2011
Consultants <sup>(1)</sup>	14,100	14,100	13,100
Internal staff <sup>(2)</sup>	1,900	1,850	1,700
<b>TOTAL</b>	<b>16,000</b>	<b>15,950</b>	<b>14,800</b>

(1) Salaried employee performing technical projects on customer premises, services billed to customers.

(2) Internal operating staff; not billed to clients.

See also Chapter 6, paragraph 6.1 of this Registration Document.

## 17.2 PROFIT-SHARING AND STOCK OPTIONS

See 15.1.

## 17.3 AGREEMENT ON EMPLOYEE PROFIT-SHARING

### 17.3.1 DISCRETIONARY PROFIT-SHARING PLAN

ALTEN has not implemented any discretionary employee profit-sharing plans.

### 17.3.2 MANDATORY PROFIT-SHARING PLAN

With regard to mandatory employee profit-sharing plans, Group companies with more than 50 employees and which record a profit have implemented profit-sharing plans as required by law.

Companies	Date of agreement
ALTEN SA	27/05/1992
ALTEN SIR	12/02/2009
ALTEN Sud-Ouest	15/12/2001
Anotech Energy	06/12/2007
MI-GSO	15/11/2006
Avenir Conseil Formation	20/01/2009
Atexis France	14/12/2009

In addition, all companies benefit from the Multipar Sécurité and Multipar Solidaire Dynamique FCPs.

All mandatory employee profit-sharing plans at Group companies stipulate the same terms and conditions and offer the employee a choice of the following funds:

- FCP ALTEN;

- FCP Épargne Entreprise Prudence;
- FCPE Épargne Entreprise Équilibre;
- FCP Multipar Solidaire Dynamique.

All of these funds have been approved by the AMF.

#### AMOUNTS PAID TO EMPLOYEES UNDER EMPLOYEE PROFIT-SHARING PLANS OVER THE PAST THREE YEARS

ALTEN SA	2013	2012	2011
Employee profit-sharing (in thousands of euros)	3,265	3,263	1,889

## 17.4 COLLECTIVE AGREEMENTS

In 2013, the following collective agreements were signed by subsidiaries:

At ALTEN SA:

- Signing of the third amendment to the agreement on working time and reduction in working hours on 24 April 2013;
- Signing of the agreement relating to the generation contract on 26 September 2013.

At ALTEN SIR:

- Signing of the third amendment to the agreement on working time and reduction in working hours on 24 May 2013.

At ALTEN SUD OUEST:

- Signing of the 2013 NAO agreement on 20 February 2013;
- Signing of the agreement on the organisation of working time on 26 July 2013;
- Signing of the agreement relating to the generation contract on 7 November 2013.

At MI-GSO:

- Signing of the agreement relating to the generation contract on 23 September 2013.

## 17.5 EMPLOYEE-RELATED AND ENVIRONMENTAL CONSEQUENCES OF ALTEN SA'S ACTIVITY

### 17.5.1 EMPLOYMENT WITHIN ALTEN SA

	Workforce	
Total workforce as of 31/12/2013	4,717	
Employees recruited on permanent contracts	1,216	
Employees recruited on fixed-term contracts	59	
Total departures	1,492	%
Resignations	800	53.62%
Redundancies	300	20.11%
End of trial period	190	12.43%
End of fixed-term employment contract	34	2.28%
Other (including transfers)	168	11.26%

### 17.5.2 EMPLOYMENT AND RECRUITMENT OF FOREIGN EMPLOYEES

At 31 December 2013, there were 458 employees of foreign nationality, including 319 from outside the European Union, in ALTEN's workforce.

	Workforce
French employees	4,259
Foreign employees	458
EU	139
Non-EU	319

### 17.5.3 EMPLOYMENT AND INTEGRATION OF EMPLOYEES WITH DISABILITIES

In line with its policy of integrating people with disabilities, ALTEN has doubled the number of its disabled employees.

The Company now has 21 employees registered as disabled.

An e-learning course on disability in the workplace has been designed in order to raise awareness among all employees. The aim is to show that various forms of disability are compatible with having a job.

In addition, as part of its active recruitment policy, in 2013 ALTEN was present in the disability section of the "Top Ingénieurs" recruitment fair for engineers.

Finally, ALTEN subcontracts from certain associations in the sheltered employment sector that advocate for the employment of disabled persons and purchases certain supplies from these organisations.

ALTEN SA paid a contribution of €1,303,450 to the French disability agency AGEFIPH in 2013.

## 17.5.4 WORKING TIME

	Number	
<b>Full-time employees</b>	<b>4,643</b>	
<b>Part-time employees</b>	<b>74</b>	
> 20 hours	64	
< 20 hours	10	
<b>Overtime worked</b>	<b>13,375.14</b>	
<b>Absenteeism</b>	<b>Number (hours)</b>	<b>%</b>
Sabbaticals, paternity leave, family events	4,778	10.68%
Maternity leave	10,590	23.67%
Sick leave	18,856.55	42.15%
Work accident	747.50	1.67%
Other causes (unpaid leave)	9,447.32	21.12%
		<b>9.29 days absence per employee absence</b>
<b>Total Absenteeism</b>	<b>44,727.58</b>	

## 17.5.5 EMPLOYEE RELATIONS

Companies within the Group actively pursue dialogue with their labour relations partners.

ALTEN SA met with the Works Council 17 times and with employee representatives 12 times during 2013.

The Works Council was also consulted on 6 March 2014 on the procedure chosen by the Board of Directors on 25 February 2014 for the nomination of Board members representing employees. The Board opted for nomination by the Works Council, which issued a favourable opinion on 6 March 2014.

## 17.5.6 HEALTH AND SAFETY

ALTEN SA's Health and Safety Committee met nine times in 2013. The other Group subsidiaries that met the regulatory threshold also established Health and Safety Committees which met periodically as required by law.

The majority of consultants work on customer premises, in laboratories or offices. Other employees working on Company premises provide functional services.

Given ALTEN's business activities, its employees are not subject to difficult working conditions or the performance of repetitive tasks (assembly line work).

## 17.5.7 REMUNERATION, MANDATORY AND DISCRETIONARY PROFIT-SHARING AND SAVINGS PLANS

At 31 December 2013, payroll taxes amounted to €88,426,000.

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 €226,000 for ALTEN SA at 31 December 2013.

### 17.5.8 CHARITABLE AND CULTURAL WORKS

The budget allocated to welfare benefits represented 0.8% of the total payroll.

### 17.5.9 SUBCONTRACTING AND TEMPORARY STAFF

Alten SA mainly uses subcontractors from within the Group. For 2013, subcontracting costs came to €86,888,000.

The ALTEN Group ensures that its subsidiaries comply with the fundamental provisions of national and international labour laws in their relations with subcontractors.

In particular, ALTEN ensures that its subcontractors and affiliates comply with a code of ethics, especially the provisions of the ILO, given that most engineers are from European Union member countries that have adopted the ILO's fundamental principles.

The use of temporary workers cost Alten SA €148,000 in 2013.

The social and environmental consequences of the Alten Group's activity are presented on pages 68 to 81 of the business report.

# MAIN SHAREHOLDERS

# 18

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## 18.1 SHAREHOLDING STRUCTURE

### 18.1.1 SHAREHOLDING STRUCTURE

#### 18.1.1.1 Position as of 31 March 2014

	Number of shares	% of capital	Theoretical voting rights	% theoretical voting rights	OGM voting rights	% OGM	EGM voting rights	% EGM
Public	20,303,795	61.19%	20,346,461	52.72%	20,346,461	53.36%	20,346,461	53.36%
SGTI <sup>(1)</sup>	3,622,058	10.91%	7,244,116	18.77%	8,447,116	22.15%	7,244,116	19.00%
SGTI 2 <sup>(1)</sup>	2,040,001	6.15%	2,040,001	5.28%	2,040,001	5.35%	2,040,001	5.35%
Simon Azoulay <sup>(2)</sup>	1,778,235	5.36%	3,511,785	9.10%	2,308,785	6.06%	3,511,785	9.21%
<b>SUBTOTAL (SIMON AZOULAY AND RELATED PARTIES)</b>	<b>7,392,581</b>	<b>22.42%</b>	<b>12,795,902</b>	<b>33.15%</b>	<b>12,795,902</b>	<b>33.56%</b>	<b>12,795,902</b>	<b>33.56%</b>
Fidelity International Ltd	1,943,459	5.86%	1,943,459	5.04%	1,943,459	5.10%	1,943,459	5.10%
International Value Advisers LLC	1,673,322	5.04%	1,673,322	4.34%	1,673,322	4.39%	1,673,322	4.39%
Harris Associates Ltd	943,325	2.84%	943,325	2.44%	943,325	2.47%	943,325	2.47%
Treasury shares	467,221	1.41%	467,221	1.21%	-	-	-	-
ALTEN FCOPE	267,000	0.80%	267,000	0.69%	267,000	0.70%	267,000	0.70%
Gérald Attia	88,477	0.27%	100,167	0.26%	100,167	0.26%	100,167	0.26%
Bruno Benoliel	52,800	0.16%	52,800	0.14%	52,800	0.14%	52,800	0.14%
Emily Luna	3,600	0.01%	7,200	0.02%	7,200	0.02%	7,200	0.02%
<b>TOTAL</b>	<b>38,183,293</b>	<b>100%</b>	<b>38,596,857</b>	<b>100%</b>	<b>38,129,636</b>	<b>100%</b>	<b>38,129,636</b>	<b>100%</b>

(1) Companies controlled at the highest level by Simon Azoulay.

(2) Of which 601,500 Alten shares held in usufruct following the transfer made by Simon Azoulay (see AMF decision 211C2232 and two AMF declarations 212C0013 and 212D0036 and return of usufruct, see AMF declaration 214C0099).

There have been no significant changes since 31 March 2014.

To the Company's knowledge, no other shareholder holds, directly or indirectly, individually or in concert, more than 3%<sup>(1)</sup> of the Company's capital or voting rights.

#### Cash management shares

As of 31 December 2013, none of ALTEN's subsidiaries held ALTEN shares.

(1) This is a statutory threshold, as defined in Article 9 of the Articles of Association.



### 18.1.1.2 Position as of 31 December 2013

Persons who, as of 31 December 2013, directly or indirectly held more than 3%, 5%, 10%, 15%, 20%, 25%, 30%, 33.33%, 50%, 66.66%, 90% or 95% of the Company's share capital and voting rights at General Meetings are named below.

	Number of shares	% of capital	Theoretical voting rights	% theoretical voting rights	OGM voting rights	% OGM	EGM voting rights	% EGM
Public	19,205,041	58.06%	19,244,932	49.58%	19,244,932	50.20%	19,244,932	50.20%
SGTI <sup>(1)</sup>	3,952,959	11.95%	7,905,918	20.37%	9,108,918	23.76%	7,905,918	20.62%
SGTI 2 <sup>(1)</sup>	2,040,001	6.17%	2,040,001	5.26%	2,040,001	5.32%	2,040,001	5.32%
Simon Azoulay <sup>(2)</sup>	1,778,235	5.38%	3,511,785	9.05%	2,308,785	6.02%	3,511,785	9.16%
<b>SUBTOTAL (SIMON AZOULAY AND RELATED PARTIES)</b>	<b>7,771,195</b>	<b>23.50%</b>	<b>13,457,704</b>	<b>34.67%</b>	<b>13,457,704</b>	<b>35.10%</b>	<b>13,457,704</b>	<b>35.10%</b>
Fidelity International Ltd	1,943,459	5.88%	1,943,459	5.01%	1,943,459	5.07%	1,943,459	5.07%
International Value Advisers LLC	1,673,322	5.06%	1,673,322	4.31%	1,673,322	4.36%	1,673,322	4.36%
Harris Associates Ltd	1,591,707	4.81%	1,591,707	4.10%	1,591,707	4.15%	1,591,707	4.15%
Treasury shares	474,970	1.44%	474,970	1.22%	-	-	-	-
ALTEN FCPE	270,000	0.82%	270,000	0.70%	270,000	0.70%	270,000	0.70%
Gérald Attia	88,477	0.27%	100,167	0.26%	100,167	0.26%	100,167	0.26%
Bruno Benoliel	52,800	0.16%	52,800	0.14%	52,800	0.14%	52,800	0.14%
Emily Luna	4,330	0.01%	8,660	0.02%	8,660	0.02%	8,660	0.02%
<b>TOTAL</b>	<b>33,075,301</b>	<b>100%</b>	<b>38,817,721</b>	<b>100%</b>	<b>38,342,751</b>	<b>100%</b>	<b>38,342,751</b>	<b>100%</b>

(1) Companies controlled at the highest level by Simon Azoulay.

(2) Of which 601,500 Alten shares held in usufruct following the transfer made by Simon Azoulay (see AMF decision 211C2232 and two AMF declarations 212C0013 and 212D0036 and return of usufruct, see AMF declaration 214C0099).

To the Company's knowledge, no other shareholders directly or indirectly, individually or in concert, hold 3% or more of the company's share capital and voting rights.

## 18.1.2 CHANGES IN SHAREHOLDING STRUCTURE

### 18.1.2.1 Changes to the capital structure over the past three years

	Position as of 31 December 2013			Position as of 31 December 2012			Position as of 31 December 2011		
	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights
Public	19,209,371	58.08%	50.22%	18,331,365	56.54%	47.99%	17,998,734	55.78%	44.57%
Simon Azoulay*	7,771,195	23.50%	35.10%	8,784,195	27.10%	39.63%	9,884,195	30.63%	46.25%
Fidelity International Ltd	1,943,459	5.88%	5.07%	2,134,308	6.58%	5.46%	1,574,009	4.88%	3.69%
International Value Advisers LLC	1,673,322	5.06%	4.36%	1,225,623	3.78%	3.14%			
Harris Associates Ltd	1,591,707	4.81%	4.15%	961,966	2.97%	2.46%	1,655,813	5.13%	3.88%
Treasury shares	474,970	1.44%	-	478,019	1.47%	-	476,252	1.48%	-
ALTEN FCPE	270,000	0.82%	0.70%	315,000	0.97%	0.81%	333,000	1.03%	0.78%
Gérald Attia	88,477	0.27%	0.26%	138,477	0.43%	0.38%	296,874	0.92%	0.71%
Bruno Benoliel	52,800	0.16%	0.14%	52,800	0.16%	0.14%	52,800	0.16%	0.12%
<b>TOTAL</b>	<b>33,075,301</b>	<b>100%</b>	<b>100%</b>	<b>32,421,753</b>	<b>100%</b>	<b>100%</b>	<b>32,271,677</b>	<b>100%</b>	<b>100%</b>

\* Simon Azoulay and those in the same category (SGTI and SGTI 2).

**18.1.2.2 Public purchase or exchange offer**

No public purchase offer, exchange offer or standing market offer was launched by third parties for the Company's shares.

In addition, the Company has launched no public exchange offer on the shares of another company on a regulated market.

**18.1.2.3 Shareholders' agreements**

To the best of the Company's knowledge, there are currently no shareholders' agreements in effect.

**18.1.3 NOTIFIABLE INTERESTS**

To the Company's knowledge, the only reporting thresholds breached during financial year 2013 were the following:

Declarant's name	Transaction date	AMF Reference	Type of threshold breach
FMR LLC.	22/02/2013	213C0268	Decrease below the 5% voting rights threshold
SGTI	27/02/2013	213C0307	Decrease below the following thresholds: <ul style="list-style-type: none"> <li>• 33.33% of voting rights at OGM</li> <li>• 25% of voting rights at EGM</li> <li>• 20% of capital</li> </ul>
Simon Azoulay	12/03/2013	213C0353	Decrease below <sup>(1)</sup> the 25% capital threshold
FMR LLC	15/04/2013	213C0436	Exceeding the 5% voting rights threshold
International Value Advisers LLC	24/04/2013	213C0549	Exceeding the 5% capital threshold
Harris Associates LP	07/08/2013	213C1232	Exceeding the 5% capital threshold
Harris Associates LP	01/10/2013	213C1487	Decrease below the 5% capital threshold
SGTI	08/10/2013	213C1538	Decrease below <sup>(2)</sup> the 30% voting rights threshold (OGM)

(1) Decrease below the 25% capital threshold, directly and indirectly via the companies SGTI and SGTI 2, controlled by Simon Azoulay.

(2) Simon Azoulay did not cross any threshold on this occasion.

The instances of the thresholds being exceeded since the closing of the financial year 2013 are, as far as the Company is aware and on the date of drawing up this report, as follows:

Declarant's name	Transaction date	AMF Reference	Type of threshold breach
SGTI	05/03/2014	214C035	Falling below <sup>(1)</sup> the 20% voting rights threshold in EGM
Simon Azoulay	18/03/2014	214C0444	Falling below <sup>(2)</sup> the 33.33% voting rights threshold

(1) Mr Simon Azoulay did not breach any threshold on this occasion.

(2) Falling below the 33.33% voting rights threshold, directly and indirectly via SGTI and SGTI 2 controlled by Mr Simon Azoulay.

## 18.2 ELEMENTS LIABLE TO INFLUENCE A PUBLIC OFFER

ALTEN's capital structure and the Company's known direct and indirect equity interests and all other information on this matter, set forth in paragraph 18.1, show that the major shareholders (Mr Simon Azoulay and related parties, including SGTI and SGTI 2) together hold 33.56% of actual voting rights at 31 March 2014.

There are no statutory restrictions on transferring the shares.

There are no statutory restrictions on the exercising of voting rights, except for the removal of voting rights from shares which were not the subject of a statutory threshold breach declaration which can be requested by one or more shareholders holding at least 3% of the share capital (Article 9 of the Articles of Association).

There are no shares giving special control rights other than those conferring double voting rights.

Moreover, Article 14 of ALTEN's Articles of Association stipulates that "all fully paid-up shares which have been registered in the same name for a continuous period of at least four years are assigned double voting rights. In the event of an increase in capital by the incorporation of reserves, profits or issue premiums, this double voting right is also conferred from the time of issue to new shares awarded free of charge to a shareholder by virtue of former shares for which the shareholder had already been granted this right".

The rules governing the appointment and dismissal of members of the Board of Directors and rules governing amendment of the Articles of Association are governed by common law.

There are no specific agreements stipulating the payment of compensation should a Board Member cease to be in office or should

an employee cease to be in office due to resignation or redundancy without real or serious grounds or due to loss of employment due to a public offering.

Delegations and authorisations granted by the Board of Directors which are currently in effect are described in paragraph 21.1.1 of this Document.

ALTEN is also duly informed of any significant investments (direct or indirect) in its share capital:

- pursuant to Articles L. 233-7 and L. 233-12 of the French Commercial Code;
- pursuant to Article 9 of the Company's Articles of Association, which provides that "any natural person or legal entity acting individually or in concert that crosses the threshold (upwards or downwards) of 3% of the share capital or voting rights must inform the Company of the total number of shares and voting rights owned by registered letter with acknowledgement of receipt within fifteen days from the date on which such 3% threshold was crossed".

To the Company's knowledge, there are no shareholders' agreements.

The "club deal" concluded by the ALTEN Group contains a change of control clause according to which the lenders may request, under certain conditions, the compulsory repayment of the advances granted and/or refuse to grant further advances.

Voting rights attached to ALTEN shares held by employees through ALTEN FCPE shares are exercised by a representative appointed by the FCPE Supervisory Board to represent it at the General Meeting.

## 18.3 DIRECT OR INDIRECT CONTROL

The Company is controlled as described in 18.1 above. However, the Company believes that there is no risk that control will be exercised in an abusive manner.

## 18.4 AGREEMENTS WHICH WHEN IMPLEMENTED COULD CAUSE A CHANGE IN CONTROL

See Chapter 20.3.1, Note 4.8.

# 18

## MAIN SHAREHOLDERS

# TRANSACTIONS WITH RELATED PARTIES

# 19

## **19.1 AGREEMENTS GOVERNED BY ARTICLE L. 225-38 OF THE FRENCH COMMERCIAL CODE**

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## **19.2 SPECIAL REPORT OF THE STATUTORY AUDITORS ON REGULATED AGREEMENTS AND COMMITMENTS (GENERAL MEETING CALLED TO APPROVE THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013)**

**167**

## 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 Tax consolidation

- Signing on 20 December 2013, with retroactive effect to 1 January 2013, of a tax consolidation agreement between Alten and the company PEGASE Systèmes d'Information, authorised by the Board of Directors at its meeting on 20 December 2013.

#### 19.1.1.2 Service provision

- Signing on 25 September 2013 of an agreement under which Alten agrees to provide administrative, accounting and financial management services to SGTI 2. This agreement was pre-authorised by the Board of Directors at its meeting on 24 September 2013.

### 19.1.2 AGREEMENTS ENTERED INTO DURING A PREVIOUS FINANCIAL YEAR BUT THE EFFECTS OF WHICH CONTINUED DURING THE PAST FINANCIAL YEAR

#### 19.1.2.1 Service provision

SGTI and ALTEN entered into a service provision agreement on 3 July 2009. Under this agreement, ALTEN performs administrative services for SGTI. This agreement was approved at the Combined General

Meeting of 19 June 2012 in accordance with Article L. 225-42 of the French Commercial Code. ALTEN has invoiced a sum of €15,000 in respect of the 2013 financial year.

#### 19.1.2.2 Tax consolidation

Companies	Date the Board of Directors authorised the agreement	Signing date of the agreement	Effective date	Common executive corporate officers	Holds more than 10% of voting rights
ALTEN Aerospace	30/12/2005	02/01/2006	01/01/2006	None	Yes
ALTEN Cash Management	03/01/2005	03/01/2005	01/01/2005	Bruno Benoliel	Yes
ALTEN Europe	03/01/2005	03/01/2005	01/01/2005	Simon Azoulay	Yes
ALTEN SIR	03/01/2000	05/01/2000	01/01/2000	Simon Azoulay	Yes
ALTEN Sud-Ouest	06/01/2004	05/01/2004	01/01/2004	Simon Azoulay	Yes
Anotech Energy	26/09/2008	29/09/2008	01/01/2008	None	Yes
Avenir Conseil Formation	06/05/2008	07/05/2008	01/01/2008	Gérald Attia	Yes
Atexis France	06/05/2008	07/05/2008	01/01/2008	Pierre Marcel	Yes
HPTI	26/09/2008	29/09/2008	01/01/2008	None	Yes
MI-GSO	06/01/2004	05/01/2004	01/01/2004	None	Yes
ID'APPS	19/06/2012	19/06/2012	01/01/2012	Gérald Attia	Yes
Elitys Consulting	19/06/2012	19/06/2012	01/01/2012	Pierre Marcel	Yes

The tax saving realised by ALTEN SA during the 2013 financial year as a result of tax consolidation was €1,459,069.

**19.1.2.3 Signing of a commercial lease by Alten SA and SIMALEP**

Signing by ALTEN SA of a commercial lease with SIMALEP, a company under civil law, with share capital of €1,524.49, whose registered office is at 221 Boulevard Jean Jaurès, 92100 Boulogne-Billancourt, registered with the Trade and Companies Register of Nanterre under the number 329 341 101, for office space at an annual total rent of €96,000 net of taxes, adjustable every year depending on

the benchmark index, but without exceeding the quarterly change in the construction cost index published by INSEE.

SIMALEP is 55% owned by Mr Azoulay, also Manager of SIMALEP. Ms Emily Luna, a director of ALTEN SA, also holds a 25% stake in SIMALEP.

This lease was approved by the ALTEN SA Board of Directors at its meeting on 28 July 2011.

**19.1.3 AGREEMENTS TERMINATED DURING THE FINANCIAL YEAR**

No agreements were terminated during the last financial year.

## **19.2 SPECIAL REPORT OF THE STATUTORY AUDITORS ON REGULATED AGREEMENTS AND COMMITMENTS (GENERAL MEETING CALLED TO APPROVE THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013)**

To the shareholders,

In our capacity as Statutory Auditors of your Company, we hereby present to you our report on regulated agreements and commitments.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements indicated to us or those we may have discovered during the course of our audit, without expressing an opinion on their utility and appropriateness or identifying such other agreements, if any.

It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Moreover, it is our responsibility, where necessary, to forward you the information specified in Article L. 225-38 of the French Commercial Code relating to executing, during the completed year, the agreements and commitments already approved by the General Meeting.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source document.

**AGREEMENTS AND COMMITMENTS SUBMITTED TO THE APPROVAL OF THE SHAREHOLDERS' MEETING****Agreements and commitments authorised during the period**

In application of Article L. 225-38 of the French Commercial Code, we have been informed of the following agreements and commitments which have obtained prior authorisation from your Board of Directors.

**Tax consolidation agreement**

The tax consolidation agreement signed by your company and its subsidiaries has been extended to PEGASE SYSTEMES D'INFORMATION with effect from 1 January 2013.

This extension to the agreement was approved by the ALTEN Board of Directors at its meeting on 20 December 2013.

**Services provision agreement**

Directors and shareholders concerned: Mr Simon Azoulay and SGTI 2.

Following the agreement signed on 25 September 2013, ALTEN provides SGTI 2 with administrative, accounting and financial services.

For the 2013 financial year, the amount of €10,000 (excluding taxes) was charged for these services.

This agreement received the prior authorisation of the ALTEN Board of Directors during its meeting on 24 September 2013.

## AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

### Agreements and commitments authorised during previous years and continuing to be in place during the year

In accordance with Article R. 225-30 of the French Commercial Code (*Code de commerce*), we have been advised that the following agreements and commitments previously authorised by the Shareholders' Meeting were still in effect during the period.

#### Services provision agreement

Director and shareholders involved: Mr Simon Azoulay and SGTI.

Nature and purpose: following the agreement signed on 3 July 2009, ALTEN provides SGTI with general and administrative services.

For the year ended 31 December 2013, ALTEN recorded income of €15,000 (excluding taxes) for these services.

#### Tax consolidation agreement

Directors and shareholders concerned: Simon Azoulay, Gérald Attia and Bruno Benoliel.

The tax consolidation agreement signed between your Company and ALTEN SIR, MI-GSO, ALTEN Sud-Ouest, ALTEN Cash Management,

ALTEN Europe, ALTEN Aerospace, ATEXIS France, Avenir Conseil Formation, ANOTECH Energy France, B2I, HPTI, ID APPS and Elytis Consulting remained in force during the course of this financial year.

This agreement generated net income in this financial year of €1,459,069.

#### Signing a commercial lease with SIMALEP

Directors involved: Mr Simon Azoulay, Chairman, and Ms Emily Luna, Director.

A commercial lease was signed on 28 July 2011 with SIMALEP, a company under civil law (*Société Civile*) registered with the Nanterre Trade and Companies register under No. 329 341 101, for premises at 119-121 Grande Rue, Sèvres, France. The premises cover a total of approximately 444 sq.m. and nine parking spaces, for an annual rent totalling €96,000 excluding tax, to be revised every three years in line with the rental value of the premises leased but without exceeding the change in the quarterly construction costs index published by INSEE.

The expense incurred in 2013 was €147,424 including fees and taxes.

Drawn up in Paris on 18 April 2014

The Statutory Auditors

Grant Thornton  
French member of Grant Thornton International  
Vincent Frambourt  
Associate

Cabinet Dauge et Associés  
Christian Laplane  
Associate



# FINANCIAL INFORMATION

# 20

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## 20.1 HISTORICAL FINANCIAL INFORMATION

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Pursuant to Article 28 of European Regulation 809/2004, the following information is incorporated by reference in this Registration Document:

- the separate and consolidated financial statements at 31 December 2012 and our Statutory Auditors' reports, found on pages 163 to 226 of Registration Document No. D. 13-0448 filed with the AMF on 26 April 2013;
- the separate and consolidated financial statements at 31 December 2011 and our Statutory Auditors' reports, found on pages 173 to 239 of Registration Document No. D. 12-0454 filed with the AMF on 27 April 2012.

## 20.2 PRO FORMA FINANCIAL INFORMATION

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None.

## 20.3 2013 CONSOLIDATED FINANCIAL STATEMENTS

### 20.3.1 2013 CONSOLIDATED FINANCIAL STATEMENTS

#### 1. CONSOLIDATED FINANCIAL STATEMENTS

##### Consolidated financial statements

##### ASSETS

<i>(in thousands of euros)</i>	Notes	31/12/2013	31/12/2012 restated*	31/12/2012 published	31/12/2011 published
Goodwill	3.1	228,286	200,572	200,572	184,400
Intangible assets	3.2	8,686	10,053	10,053	9,857
Property, plant and equipment	3.2	18,311	14,061	14,061	12,609
Equity-accounted stakes	3.3	38	4,717	4,717	3,027
Non-current financial assets	3.4	43,516	26,827	26,827	24,976
Tax credits	3.5	8,808	9,942	10,192	8,818
<b>NON-CURRENT ASSETS</b>		<b>307,645</b>	<b>266,172</b>	<b>266,422</b>	<b>243,686</b>
Trade receivables	3.6	397,185	402,753	402,753	385,972
Other current assets	3.6	55,255	40,664	40,664	34,940
Cash and cash equivalents	3.7	96,952	66,523	66,523	59,614
<b>CURRENT ASSETS</b>		<b>549,391</b>	<b>509,941</b>	<b>509,941</b>	<b>480,526</b>
<b>TOTAL ASSETS</b>		<b>857,036</b>	<b>776,113</b>	<b>776,363</b>	<b>724,212</b>

\* Since 1 January 2013, the Group has applied IAS 19 (revised) «Employee Benefits». Accordingly, the figures have been adjusted and restated in Note 2.4.

##### LIABILITIES

<i>(in thousands of euros)</i>	Notes	31/12/2013	31/12/2012 restated*	31/12/2012 published	31/12/2011 published
Share capital		33,618	32,953	32,953	32,801
Additional paid-in capital		36,951	25,443	25,443	22,708
Consolidated reserves		356,864	310,641	310,091	283,778
Consolidated earnings		73,780	78,160	78,168	59,552
<b>EQUITY (GROUP SHARE)</b>		<b>501,212</b>	<b>447,197</b>	<b>446,655</b>	<b>398,838</b>
<b>NON-CONTROLLING INTERESTS</b>		<b>1,136</b>	<b>456</b>	<b>453</b>	<b>466</b>
<b>TOTAL EQUITY</b>		<b>502,348</b>	<b>447,652</b>	<b>447,107</b>	<b>399,304</b>
Provisions	3.11	15,348	12,630	13,424	13,023
Non-current financial liabilities	3.8	7,515	1,517	1,517	1,798
Other non-current liabilities	3.9	4,653	5,487	5,487	4,000
<b>NON-CURRENT LIABILITIES</b>		<b>27,516</b>	<b>19,633</b>	<b>20,428</b>	<b>18,821</b>
Provisions	3.11	6,410	6,496	6,496	4,548
Current financial liabilities	3.10	15,439	7,936	7,936	15,036
Trade payables		48,822	38,100	38,100	34,111
Other current liabilities	3.11	256,501	256,296	256,296	252,392
<b>CURRENT LIABILITIES</b>		<b>327,172</b>	<b>308,828</b>	<b>308,828</b>	<b>306,087</b>
<b>TOTAL LIABILITIES</b>		<b>857,036</b>	<b>776,113</b>	<b>776,363</b>	<b>724,212</b>

\* Since 1 January 2013, the Group has applied IAS 19 (revised) «Employee Benefits». Accordingly, the figures have been adjusted and restated in Note 2.4.

## Consolidated income statement

<i>(in thousands of euros)</i>	Notes	31/12/2013	31/12/2012*	31/12/2011
<b>Revenue</b>	<b>3.22</b>	<b>1,216,188</b>	<b>1,198,009</b>	<b>1,065,659</b>
Purchases consumed	3.13	(93,411)	(93,927)	(80,948)
Payroll expenses	3.14	(865,042)	(850,855)	(752,179)
External charges	3.15	(123,029)	(117,176)	(108,871)
Taxes other than on income	3.16	(6,606)	(7,063)	(6,814)
Depreciation and amortisation		(10,530)	(8,355)	(7,947)
Other operating expenses	3.17	(6,573)	(6,884)	(5,811)
Other operating income	3.17	6,577	6,836	5,246
<b>OPERATING PROFIT ON ACTIVITY</b>		<b>117,574</b>	<b>120,586</b>	<b>108,335</b>
Share-based payments	3.18	(336)	(279)	(309)
<b>PROFIT FROM ORDINARY ACTIVITIES</b>		<b>117,238</b>	<b>120,307</b>	<b>108,026</b>
Non-current operating expenses	3.19	(3,940)	(5,848)	(12,274)
Non-current operating income	3.19	2,417	1,954	2,853
Income from asset disposals			(33)	(142)
Impairment of goodwill	3.19	(4,950)		(3,131)
<b>OPERATING PROFIT</b>		<b>110,764</b>	<b>116,380</b>	<b>95,332</b>
Net borrowing costs	3.20	(324)	(728)	(688)
Other financial expenses	3.20	(6,634)	(3,679)	(3,255)
Other financial income	3.20	4,195	3,695	2,427
Income tax expense	3.21	(36,243)	(38,955)	(35,030)
<b>EARNINGS OF CONSOLIDATED ENTITIES</b>		<b>71,758</b>	<b>76,713</b>	<b>58,786</b>
Earnings of equity-accounted companies	3.3	2,299	1,689	804
<b>NET OVERALL EARNINGS</b>		<b>74,057</b>	<b>78,402</b>	<b>59,590</b>
Of which:				
• Minority interests		277	234	38
• Attributable to owners of the Company		73,780	78,168	59,552
Earnings per share in euros (Group share)	3.23	2.29	2.46	1.87
Diluted earnings per share in euros (Group share)	3.23	2.27	2.43	1.85

\* Since the change in method resulting from the adoption of IAS 19 (revised) has not had a material impact on the presentation of the income statement, the comparative data has not been restated.

## Statement of comprehensive income

<i>(in thousands of euros)</i>	31/12/2013	31/12/2012*	31/12/2011
Net income, Group share	73,780	78,168	59,552
Earnings attributable to minority interests	277	234	38
<b>CONSOLIDATED NET EARNINGS</b>	<b>74,057</b>	<b>78,402</b>	<b>59,590</b>
Change in fair value of sellable financial assets (net of income tax)	2,242	(775)	1,001
Translation adjustments	(1,371)	185	139
<b>INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY AND TRANSFERABLE TO PROFIT OR LOSS</b>	<b>871</b>	<b>(590)</b>	<b>1,140</b>
<b>TOTAL INCOME FOR THE PERIOD</b>	<b>74,928</b>	<b>77,812</b>	<b>60,730</b>
Including:			
• Attributable to owners of the Company	74,651	77,578	60,692
• Minority interests	277	234	38

\* Since the change in method resulting from the adoption of IAS 19 (revised) has not had a material impact on the presentation of the statement of comprehensive income, the comparative data has not been restated.

## Statement of consolidated cash flows

<i>(in thousands of euros)</i>	Notes	31/12/2013	31/12/2012	31/12/2011
<b>Consolidated net earnings</b>		<b>74,057</b>	<b>78,402</b>	<b>59,590</b>
Earnings of equity-accounted companies	3.3	(2,299)	(1,689)	(804)
Depreciation, amortisation and operating provisions	3.25	16,016	9,927	14,443
Share-based payments	3.18	336	279	309
Income tax expense	3.21	36,243	38,955	35,030
Capital gains or losses from disposals		(64)	302	333
Net borrowing costs	3.20	324	728	688
Financial cost on update and provisions		11	64	676
<b>Gross cash flow before borrowing costs and tax</b>		<b>124,624</b>	<b>126,968</b>	<b>110,265</b>
Taxes paid	3.25	(43,132)	(35,451)	(40,318)
Change in working capital requirements	3.25	12,866	(11,511)	(2,165)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>94,358</b>	<b>80,006</b>	<b>67,782</b>
Acquisition of tangible and intangible assets		(8,704)	(9,320)	(8,895)
Acquisition of financial assets		(2,027)	(3,437)	(11,092)
Impact of changes in scope and earn-outs	3.25	(45,564)	(22,518)	(15,533)
Disposals of tangible and intangible assets		501	81	69
Reductions in financial assets		2,756	1,227	1,450
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>(53,038)</b>	<b>(33,967)</b>	<b>(34,001)</b>
Net financial interest paid		(340)	(731)	(691)
Dividends paid to shareholders		(32,262)	(31,822)	(34,996)
Capital increase	3.25	12,249	2,887	5,900
Acquisitions and disposals of treasury shares		(2)	(172)	(1,541)
Repayment of long-term financial debt		4,133	(155)	(28)
Change in current financial liabilities		5,892	(9,299)	(906)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>(10,330)</b>	<b>(39,292)</b>	<b>(32,262)</b>
<b>IMPACT OF EXCHANGE RATE MOVEMENTS ON CASH</b>		<b>(562)</b>	<b>161</b>	<b>104</b>
<b>CHANGE IN CASH POSITION</b>		<b>30,428</b>	<b>6,908</b>	<b>1,622</b>
Cash at beginning of period	3.7	66,523	59,614	57,992
Cash at end of period	3.7	96,952	66,523	59,614
Change		30,429	6,909	1,622

Investments through lease-financing operations in 2013 totalled €467,000.

In accordance with IAS 7 identifying bank borrowings and loans with financing activities, the table below shows the change in positive cash flow items (see Note 3.7).

The Group's net cash position breaks down as follows:

<i>(in thousands of euros)</i>	Note	31/12/2013	31/12/2012	31/12/2011
Cash at end of period		96,952	66,523	59,614
Bank overdrafts	3.10	(4,806)	(7,086)	(14,064)
Bank loans		(17,751)	(1,071)	(1,472)
Net cash position		74,395	58,366	44,079

## Change in consolidated shareholders' equity

<i>(in thousands of euros)</i>	Number of shares in circulation	Number of shares issued	Capital	Additional paid-in capital	Reserves	Treasury shares	Translation reserve	Earnings (Group share)	Shareholders' equity
<b>AT 31 DECEMBER 2011</b>	<b>31,795,425</b>	<b>32,271,677</b>	<b>32,801</b>	<b>22,708</b>	<b>291,834</b>	<b>(9,020)</b>	<b>962</b>	<b>59,552</b>	<b>398,838</b>
2011 allocation of earnings					59,552			(59,552)	0
Capital increase <sup>(1)</sup>	150,076	150,076	153	2,734					2,887
Dividends paid to shareholders					(31,823)				(31,823)
Other variations <sup>(2)</sup>					(933)				(933)
Treasury shares	(1,768)					(172)			(172)
Share-based payments					279				279
<b>Transactions with shareholders</b>	<b>148,308</b>	<b>150,076</b>	<b>153</b>	<b>2,734</b>	<b>27,075</b>	<b>(172)</b>		<b>(59,552)</b>	<b>(29,762)</b>
Total income for the period					(775)		185	78,168	77,578
Earnings attributable to minority interests								1,689	1,689
<b>Profit and income and expenses in shareholders' equity</b>					<b>(775)</b>		<b>185</b>	<b>78,168</b>	<b>77,578</b>
Change in method					550			(8)	542
<b>AT 31 DECEMBER 2012 (RESTATED)</b>	<b>31,943,734</b>	<b>32,421,753</b>	<b>32,954</b>	<b>25,442</b>	<b>318,684</b>	<b>(9,192)</b>	<b>1,147</b>	<b>78,160</b>	<b>447,197</b>
2012 allocation of earnings					78,160			(78,160)	0
Capital increase <sup>(1)</sup>	653,548	653,548	664	11,509					12,173
Dividends paid to shareholders					(32,262)				(32,262)
Other variations <sup>(2)</sup>					(881)				(881)
Treasury shares	3,049					(2)			(2)
Share-based payments					336				336
<b>Transactions with shareholders</b>	<b>32,600,331</b>	<b>33,075,301</b>	<b>33,618</b>	<b>36,951</b>	<b>364,037</b>	<b>(9,194)</b>	<b>1,147</b>	<b>0</b>	<b>426,561</b>
Total income for the period					2,242		(1,371)	73,780	74,651
Earnings attributable to minority interests								2,299	2,299
<b>Profit and income and expenses in shareholders' equity</b>					<b>2,242</b>		<b>(1,371)</b>	<b>73,780</b>	<b>74,651</b>
<b>AT 31 DECEMBER 2013</b>	<b>32,600,331</b>	<b>33,075,301</b>	<b>33,618</b>	<b>36,951</b>	<b>366,279</b>	<b>(9,194)</b>	<b>(224)</b>	<b>73,780</b>	<b>501,212</b>

(1) Capital increases linked to the exercising of stock-options.

(2) Effect of scope changes involving Anotech Energy France, Anotech Energy UK and Atexis Spain (in 2012 only).

## Change in shareholders' equity, minority interest share

<i>(in thousands of euros)</i>	Reserves	Earnings	Shareholders' equity
<b>AT 31 DECEMBER 2011</b>	<b>427</b>	<b>38</b>	<b>466</b>
2011 allocation of earnings	38	(38)	
Change in scope <sup>(1)</sup>	(248)		(248)
2012 earnings		234	234
Change in method (IAS 19 revised)	4		4
<b>AT 31 DECEMBER 2012 (RESTATED)</b>	<b>221</b>	<b>234</b>	<b>456</b>
2012 allocation of earnings	234	(234)	0
Change in scope <sup>(2)</sup>	320		320
Capital increase	82		82
2013 earnings		277	277
<b>AT 31 DECEMBER 2013</b>	<b>857</b>	<b>277</b>	<b>1,135</b>

(1) In 2012, the change in scope related to the buyout of minority interests in Anotech Energy France, Anotech Energy UK and Atexis Spain.

(2) In 2013, the change in scope relates to the acquisition of ITEKNA and the buyback of shares in Anotech Energy France and Anotech Energy UK.

Detailed contents of the notes to the financial statements

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## 2. NOTES TO THE FINANCIAL STATEMENTS

### 2.1 General information on the Group

The ALTEN Group is the European leader in the engineering and technology consulting (ETC) market. ALTEN is a French public limited company (*Société Anonyme*) with a Board of Directors subject to French law. It is the parent company and Group head. Its registered offices are at 40, avenue André-Morizet in Boulogne-Billancourt (92513). The company was formed on 28 October 1988 for a duration of 99 years.

ALTEN carries out design and research projects for the Technical and Information Systems divisions of major customers in the industrial, telecommunications and service sectors.

The business consists of three operating segments: Engineering and Technology Consulting (73% of revenue), Networks and Telecommunications (19% of revenue) and IT, Finance and Services (8% of revenue).

ALTEN works with its customers through various types of contracts:

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

ALTEN has been ISO certified since 1998 and has continued its Group structuring approach, mainly through implementation of the CMMI certification process, strengthening of the Structured Projects Division by skills sectors, and systematic training of managers and consultants experienced in “structured project” management. ALTEN has been certified CMMI level 3 since 2012.

The consolidated financial statements presented in this document were approved by the Board meetings of 25 February and 2 April 2014. They are presented in thousands of euros, unless otherwise indicated.

The consolidated financial statements of the issuer are published on its website dedicated to said purpose: [www.ALTEN.fr/finance/informations-financieres-ALTEN.htm](http://www.ALTEN.fr/finance/informations-financieres-ALTEN.htm).

#### 2.1.1 Business activity

The economic environment proved challenging in 2013, particularly in Spain, and to a lesser extent in France and the Benelux countries. Despite this, ALTEN was still able to grow market share and maintain its operating profit.

Growth was mainly driven by the following business sectors: (i) Aerospace (18.5% of revenue), (ii) Energy and Life Sciences (20.2% of revenue), and (iii) Defence and Security (5.8% of revenue).

Recruitment remains a major challenge, but ALTEN succeeded in recruiting over 3,200 people during the year to secure its development, thanks to its know-how and the technological content of its projects.

#### 2.1.2 Legal reorganisations

The Group carried out the following legal reorganisations during 2012:

- in France, ALTEN SA merged with the company B2I;
- in Sweden, the companies X DIN Oresund, X DIN Linköping and X DIN Stockholm merged to form X DIN AB, which was subsequently renamed Alten Sverige AB.

#### 2.1.3 Acquisitions/creations

##### Acquisitions

**VCTH Group – QUASUS (2012 revenue of €13 million; 115 consultants)**

Acquisition in Belgium and the Netherlands of technology consultancies (BPM and PMO) specialising in Telecoms and Services. Consolidation since 1 July 2013.

**ADDS Group (2012 revenue of €3.2 million; 30 consultants)**

Acquisition of companies specialising in Life Sciences. Consolidation since 1 July 2013.

**Pcubed Group (2012 revenue of €42 million; 300 consultants)**

Acquisition in the United States and Europe (mainly the UK) of technology and management consultancies and project management companies. Consolidated since 31 December 2013.

**G-FIT France and Morocco (2012 revenue of €12 million; 140 consultants)**

Acquisition of companies specialising in information technology. Consolidated since 31 December 2013.

**In Germany (2012 revenue of €26 million; 280 consultants)**

Acquisition of two companies specialising in real-time embedded systems and infotainment. Consolidated since 31 December 2013 for INVENTIVE GmbH and 1 January 2014 for MATIS.

None of the acquisitions during the year affected the Group's balance sheet, revenue or operating profit by more than 10%.



### Creations

The Group created several companies during the year, namely:

Company name	% interest	Country of operation	Comments
ALTEN TECHNOLOGY LTD	70.00	Great Britain	Created in 03/2013
APROVA	80.00	Belgium	Created on 01/07/2013
MI GSO EMP SPAIN	100.00	Spain	Created in 05/2013
ALTEN USA	100.00	United States	Created on 01/07/2013
ANOTECH ENERGY USA	100.00	United States	Created on 11/07/2013
ALTEN TECHNOLOGY USA	100.00	United States	Created on 15/07/2013
ALTEN NORWAY	100.00	Norway	Created in 04/2013
X-DIN TECHNOLOGY INC	100.00	United States	Created on 02/12/2013
ANOTECH NORGE AS	80.00	Norway	Created on 30/04/2013

#### 2.1.4 Dividends

During the first half of 2013, €32.3 million of dividends were paid to ALTEN SA shareholders in respect of financial year 2012.

#### 2.1.5 Other information

- In July 2013, a tax audit commenced at ALTEN SA for the 2010, 2011 and 2012 financial years. So far, a provision has been recognised in the 2013 financial statements following a tax reassessment notice received for 2010. However, the audit is still ongoing for the 2011 and 2012 financial years.

#### 2.1.6 Events after the reporting period

- Acquisition of a technology consultancy in Italy specialising in real-time embedded systems and communication systems (revenue of €5 million; 80 consultants; Defence and Security, Avionics, Naval and Telecoms sectors).

- Acquisition of an IT consultancy in the United States (revenue of €9 million; 110 consultants; Telecommunications, Virtualisation and Cloud Computing sectors).
- The commercial courts of Paris and Nanterre have ratified the agreement to sell GECE ENGINEERING, comprising the companies GECE Systèmes and its subsidiaries (France), GECE GmbH (Germany) and its subsidiary, GECE Ingeniería (Spain) and GECE Engineering Services (Romania). The deeds of sale were signed on 7 March 2014. GECE ENGINEERING specialises in airframe construction, mechanical and electrical systems integration and manufacturing engineering. It is a preferred supplier of major European project owners in the aerospace, naval and rail industries. This acquisition allows ALTEN to enhance its offer and broaden its areas of expertise and know-how for strategic customers in Europe. GECE ENGINEERING should generate annual revenue of around €35 million in 2014.
- An URSSAF audit began in early 2013 at ALTEN SIR and ALTEN SUD OUEST.

## 2.2 Accounting policies

In accordance with Regulation (EC) No. 1606/2002 of 19 July 2002, the Group's consolidated financial statements have been prepared in accordance with IFRSs (International Financial Reporting Standards) as adopted by the European Union. These standards are available on the European Commission website at [ec.europa.eu/internal\\_market/accounting/ias/index\\_en.htm](http://ec.europa.eu/internal_market/accounting/ias/index_en.htm).

The accounting policies used to prepare the consolidated financial statements for the year ended 31 December 2013 are identical to those used for the year ended 31 December 2012. However, the new standards and interpretations mandatory as of 1 January 2013 have also been adopted by the Group:

Standards, amendments or interpretations	Effective for financial years beginning on or after
IAS 19 (revised) "Employee Benefits"	1 January 2013
Amendment to IAS 1 "Presentation of Items of Other Comprehensive Income (OCI)"	1 July 2012
Annual improvements (2009-2011)	1 January 2013
IFRS 13 "Fair Value Measurement"	1 January 2013
Amendments to IAS 12 "Deferred Tax: Recovery of Underlying Assets"	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

Only the application of IAS 19 (revised) "Employee Benefits" has an impact on the consolidated financial statements. This impact is described in paragraph 2.4 on the change in method.

The Group did not apply in advance the latest standards, amendments or interpretations published by the IASB and adopted at European level but whose application was not mandatory at 1 January 2013. The standards are as follows:

Standards, amendments or interpretations	Effective for financial years beginning on or after
IFRS 10 "Consolidated financial statements"	1 January 2014
IFRS 11 "Joint arrangements"	1 January 2014
IFRS 12 "Disclosure of Interests in Other Entities"	1 January 2014
IFRS 10, 11, 12 "Transition Guidance"	1 January 2014
Revised IAS 28 "Investments in associates"	1 January 2014
Amendments to IFRS 10, IFRS 12, IAS 27 "Investment Entities"	1 January 2014
Amendment to IAS 32 "Offsetting financial assets and financial liabilities"	1 January 2014
IFRIC 21 "Leases"	1 January 2014
Amendment to IAS 36 "Recoverable Amount Disclosures for Non-Financial Assets"	1 January 2014
Amendments to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"	1 January 2014

The new standards and interpretations that take effect on 1 January 2014 should not have a material impact on the consolidated financial statements of the ALTEN Group.

### 2.2.1 Management's estimates

The preparation of financial statements in accordance with IFRS standards requires that certain estimates and assumptions be made which may affect the amounts shown in the financial statements. These estimates and assessments are continuously made on the basis of past experience and other factors considered reasonable.

The main estimates made by management when preparing the consolidated financial position concerned measurement of goodwill (Note 3.1), securities held for sale (Note 3.4), deferred taxes (Note 3.5), earn-outs (Notes 3.9 and 3.11), retirement obligations and provisions (Note 3.12) and research tax credits (Note 2.2.22).

In the current fast-changing economic environment, it is harder to define the Group's business outlook and the random nature of some estimates can be accentuated, especially where profits and cash flow are concerned.

### 2.2.2 Financial indicators

The Group mainly relies on the following financial indicators:

- revenue;
- "operating profit on activity", i.e. operating profit before accounting for the cost of stock options (which never results in an outflow of resources), gains or losses on the disposal of assets, impairment of goodwill and other non-recurring items not directly related to the Company's business activity;
- "profit from ordinary activities", i.e., operating profit on activity after taking into account share-based payments;
- "operating profit", i.e. profit from ordinary activities after accounting for gains or losses on the disposal of assets, impairment of goodwill and other non-recurring items and those not directly related to the Company's business activity;

- the operating profit on activity ratio, which is the ratio between operating profit on activity and revenue. This ratio measures the performance of operating activities excluding non-recurring items and those not directly related to the Company's business activity;
- the financial debt ratio (net financial debt/equity);
- gearing, which is the ratio of net financial debt/consolidated equity.

### 2.2.3 Operating segments

According to IFRS 8 "Operating Segments", which came into force on 1 January 2009, means that operating segment information reflects the internal information system used by Group management to assist the decision-making process. Group activity is presented by geographic region, distinguishing between France and overseas (see Note 3.22).

### 2.2.4 Translation of foreign currency accounts

The items included in the financial statements of each of the Group's entities are valued according to the currency of the main economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in euros, the parent company's functional currency.

The financial statements of foreign entities located outside the euro zone are prepared using the entity's functional currency and translated according to the following principles:

- balance sheet items (with the exception of equity) are translated at closing rates;
- equity is translated at the historical rate;
- the income statement is translated using the average rate for the period;
- translation variances are directly recognised under equity in the "translation reserve".

These payments are based on the various plans described below:

Country	Currency	2013 financial year		2012 financial year	
		Average price	Price at year-end	Average price	Price at year-end
Switzerland	CHF 1 = EUR	0.812400	0.814598	0.829655	0.828363
Great Britain	GBP 1 = EUR	1.177510	1.199472	1.232878	1.225340
Romania	RON 1 = EUR	0.226194	0.223664	0.224313	0.224997
United States	USD 1 = EUR	0.752927	0.725111	0.777847	0.757920
Poland	PLN 1 = EUR	0.238261	0.240714	0.238986	0.245459
Czech Republic	CZK 1 = EUR	0.038481	0.036460	0.039768	0.039760
Sweden	SEK 1 = EUR	0.115600	0.112878	0.114854	0.116523
India	INR 1 = EUR	0.012841	0.011714	0.014571	0.013782
Brazil	BRL 1 = EUR	0.348804	0.306974	0.398451	0.369877
Nigeria	NGN 1 = EUR	0.004710	0.004540	0.004878	0.004855
China	CNY 1 = EUR	0.122467	0.119773	0.124579	0.121644
Hong Kong	HKD 1 = EUR	0.097071	0.093517	0.101207	0.097790
Canada	CAD 1 = EUR	0.730754	0.681617	0.778331	0.761209
Morocco	MAD 1 = EUR	0.089449	0.088904		
Australia	AUD 1 = EUR	0.726216	0.648382		
Norway	NOK 1 = EUR	0.128122	0.119574		
Singapore	SGD 1 = EUR	0.601754	0.574251		
Israel	ILS 1 = EUR	0.208534	0.208855		

## 2.2.5 Goodwill

Acquired companies' assets, liabilities and contingent liabilities that comply with the definition of identifiable assets or liabilities are recognised at their fair value on the acquisition date.

The acquisition date, from which the Group consolidates the acquired company's accounts, corresponds to the actual takeover date.

On the acquisition date, the Company's contingent liabilities are recognised as liabilities and accounted for at fair value when they can be reliably valued.

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

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

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

## 2.2.6 Intangible assets

According to IAS 38 "Intangible Assets", development costs are considered intangible assets if the company is able to demonstrate:

- the technical feasibility necessary to complete the development project in anticipation of its placement into service or sale;
- its intention and technical and financial ability to complete the development project;
- that the future economic benefits to be derived from these development expenses are likely to go to the Company;
- and that the cost of the asset can be measured reliably.

All expenses directly attributable to the creation, production and preparation of the asset in view of its planned use are fixed.

These expenses are amortised on a straight-line basis according to the applicable asset's probable useful life.

Information systems are amortised over six to ten years. The Vision project, which covers the implementation of an ERP within the ALTEN Group has been amortised over ten years since 1 January 2009.

Residual value and anticipated lifespan are reviewed at least annually and adjusted accordingly if they differ significantly from previous estimates.

## 2.2.7 Property, plant and equipment

### Gross value

According to IAS 16 "Property, Plant and Equipment", the gross value of property, plant and equipment corresponds to their acquisition cost. They are not subject to any revaluation.

Maintenance and repair costs are recognised as charges once incurred, with the exclusion of costs related to an increase in productivity or the prolongation of the useful life of the asset.

Residual value and anticipated lifespan are reviewed at least annually and adjusted accordingly if they differ significantly from previous estimates.

### Depreciation

The depreciation period is based on the estimated useful lives of each of the different categories of assets, depreciated on a straight-line basis:

- computer equipment 2 to 5 years;
- transport equipment 3 to 5 years;
- office equipment 3 to 5 years;
- fixtures and fittings 3 to 10 years;
- buildings 25 years.

### 2.2.8 Impairment of property, plant and equipment

According to IAS 36, "Impairment of assets", the useful value of intangible assets and property, plant and equipment with a fixed lifespan is tested as soon as an indication of loss of value is noted and reviewed at each reporting date. For goodwill, which has an indefinite lifespan, impairment tests are conducted at least annually.

For the purpose of this test, property, plant and equipment are grouped into Cash Generating Units (CGU).

CGUs are homogeneous groups of assets that generate cash inflows through continuous use which are largely independent of the cash inflows from other assets or groups of assets. CGUs mainly correspond to legal entities in France and to groups of legal entities overseas.

The going concern value of these units is the present value of discounted future net cash flows.

When this value is less than the net carrying amount of the CGU, the difference is recorded under operating profit; any impairment is first allocated to goodwill.

Whether such impairment loss is recognised is determined on the basis of the discounted cash flow, for which the Group expects to obtain flows from the cash generating unit. This projection is based on the following assumptions (see Note 3.1):

- a four-year financial budget prepared by entity and validated by the Group's Finance Division, updated when the year-end budget is prepared. Cash flow beyond four years is extrapolated on the basis of a growth rate to infinity;
- growth rate to infinity: this growth rate does not exceed the long-term average growth rate for the business sector;
- weighted average cost of capital, derived from risk-free interest rates, risk premiums, beta and additional premiums if applicable;
- sensitivity table.

Net tax rates are used as the discount rates.

### 2.2.9 Leases

Any agreements for the lease of property, plant and equipment and intangible assets under which the ALTEN Group incurs almost

all risks and advantages related to the ownership of the property in question are considered lease-financing agreements and are subject to restatement. A lease agreement is appraised on the basis of criteria stipulated under IAS 17 "Leases".

Assets that are the object of lease-financing agreements are recorded in the balance sheet under property, plant and equipment and intangible assets. Such assets are amortised over the duration of their estimated useful life (on the liabilities side, the restated amount of the agreements is recorded under financial liabilities).

Operating leases are recognised as financial commitments (Note 4.5).

### 2.2.10 Equity-accounted stakes

Application of IAS 28, "Investments in Associates", requires that investments in associates are recognised using the equity method and are presented separately under non-current assets. Profit from these investments attributable to owners of the Company is recognised separately in the income statement.

Under the equity method, the investment is initially recognised at cost and the carrying amount is increased or decreased to account for the share attributable to owners of the Company in the results of the company held after the acquisition date.

### 2.2.11 Financial assets

Financial assets include loans and receivables, sometimes not related to investments, financial assets available for sale and financial assets held to maturity (deposits and guarantees, etc.).

ALTEN owns minority interests in certain entities over which it does not exercise notable influence or control. These unconsolidated investment securities are treated as securities held for sale and are thus valued at their fair value at each year-end closure. They are included in non-current assets unless the Group has to sell within twelve months following the closing date. The fair value is determined by reference to the last quoted share price for listed securities. In the absence of an active market, they are kept in the balance sheet at the amount which the Group believes represents their fair value. The value is determined based on financial criteria such as equity share, the net revalued asset and profitability outlook. If there is a sustained decline in their fair value, an impairment loss is recognised. Fair value variations are recorded under equity or profit/loss when impairment is deemed to be irreversible.

### 2.2.12 Deferred taxes

In accordance with IAS 12 "Income Taxes", deferred taxes are recognised whenever there is a temporary difference between the carrying amount of assets and liabilities and their taxation values, and on any recoverable tax losses, according to the variable carry-forward method. Differences are considered temporary when they must be reversed in the relatively near future.

Tax loss carry-forwards are the object of a deferred tax asset in the balance sheet when they are likely to be recovered. Recoverability of these taxes is calculated according to the entity's budgets and the applicable tax regulations in the country. The outlook is established over a three-year period and assumptions are reviewed at least annually.

Deferred taxes are valued at the known tax rate applicable at the date of issue of the financial statements.

In accordance with IAS 12, deferred tax assets and liabilities are not discounted.

### 2.2.13 Trade receivables

Trade receivables are valued at nominal value. They are individually valued and, where applicable, depreciated to account for any difficulties in collecting certain amounts.

### 2.2.14 Other current assets

They are valued at nominal value less any impairment arising from recovery difficulties.

### 2.2.15 Cash and cash equivalents

Cash includes bank balances, investments in money market funds and marketable, short-term debt securities (initial maturity of less than three months) and present no material risk in terms of loss of value should interest rates fluctuate. In accordance with IAS 7, bank borrowings are treated like financing items in the cash flow statement.

### 2.2.16 Treasury shares

All treasury shares held by the Group are deducted at acquisition cost from equity.

Any gains on the disposal of treasury shares directly increase equity and therefore, any gains/losses on disposals do not affect year-end earnings.

### 2.2.17 Provisions

In accordance with IAS 37 "Provisions, contingent liabilities and contingent assets", a provision is recognised whenever the Group has an obligation towards a third party and it is probable or certain to result in an outflow of resources for the benefit of such a third party, with no anticipated consideration of equal value. The Group's legal department assesses the probability of the risks being realised and estimates the provisions to make.

Non-current provisions mainly include:

- provisions intended to cover any legal disputes involving the Group that are expected to be settled in more than one year;
- retirement obligations.

Current provisions mainly include provisions intended to cover any legal disputes involving the Group that are expected to end in the short term.

Provisions are discounted when their maturity is estimated to be over one year and when their amount represents a significant factor for the Group.

A restructuring provision is recognised when the Group has approved a formal restructuring plan and has either begun to put it into effect or made it public.

A provision for loss-making contracts is recognised whenever the economic benefits expected to flow from a contract are less than the direct costs of meeting the contracted commitments.

### Employee benefits

The Group offers certain benefits in the form of defined contribution pension plans. With regard to these plans, the Group's only other commitment is the payment of premiums carried as a charge on the income statement for the financial year.

The Group has not established employee benefits as part of defined benefit plans. Its commitment is limited to retirement obligations which, pursuant to IAS 19 (revised) "Employee Benefits", are valued by an independent actuary according to the projected unit credit method.

According to this method, each period of service results in an additional right to benefits and each of these units is valued separately in order to determine the final obligation.

This final obligation is then discounted. These calculations incorporate two types of assumptions (see Note 4.5):

### Financial assumptions

- a financial discount rate;
- an inflation rate;
- a salary revaluation rate;
- an employer contribution rate.

### Demographic assumptions

- the assumption of a retirement age of 65, the age at which a French employee will have reached the number of years of contributions entitling the employee to the full pension amount granted under the national pension plan;
- INSEE mortality tables;
- average staff turnover rates, by age and employment category;
- age of first employment;
- number of retiring employees.

These estimates take place every year.

### 2.2.18 Financial liabilities

Financial liabilities concern borrowings, long-term financial debt and bank overdrafts.

The distribution between current and non-current financial liabilities is based on the short-term and long-term maturity of the items in question.

### 2.2.19 Other liabilities

Other liabilities include social security, tax, other debt and unearned income and earn-outs.

Non-current liabilities mainly include time savings accounts and debts owed to former shareholders of certain subsidiaries acquired during prior years (earn-out clause). At the date on which the debt is recognised, the fair value corresponds to the value of future outflows discounted at the market rate if such amount is material.

The distribution between other current and non-current liabilities is based on the short-term and long-term maturity of the items in question.



### 2.2.20 Minority interest obligations

In accordance with IAS 27 “Consolidated financial statements and accounting for investments in subsidiaries” and IAS 32 “Financial Instruments”, commitments related to the purchase of firm minority interests are considered a share purchase and recognised under other liabilities in consideration of a reduction in minority interests. The difference between the fair value of the buyback agreement and the contractual price is recorded as financial income.

### 2.2.21 Revenue recognition

Group revenue is recognised over the period in which services are rendered and made up of invoiced services (issued or to be issued):

- on a cost basis: income is equal to time spent multiplied by an hourly, daily or monthly rate;
- fixed price: income is recognised according to the percentage of completion method in proportion to expenses incurred. Loss-making contracts give rise to recognition of a contract loss provision corresponding to the total expected loss less any losses already recorded in advance. Services for which a fixed price is charged account for less than 10% of revenue;
- “workpackage” method: recognition of revenue varies according to the nature of the resource commitment. When the workpackage is part of a global cost-based scheme, income is equal to time spent multiplied by an hourly, daily or monthly sales rate; when it is part of an outsourced platform for which billing is on a monthly or quarterly fixed-price basis, income is recognised on a monthly basis according to the amount of the agreement, independent of the real time spent by consultants; lastly, when it is part of a service commitment package, revenue is recognised as and when deliverables and/or performance indicators (work units) are received/validated by the customer and for which the price has been fixed in the workpackage contract.

### 2.2.22 Subsidies and tax credits

Operating subsidies and tax credits are recorded as deductions under the expenses they are intended to offset (mainly employee costs for research tax credits and the tax credit for encouraging competitiveness and jobs (CICE)).

### 2.2.23 Stock option plans

Stock options are granted to certain Group employees. In accordance with IFRS 2 “Share-based payments”, options are valued by an independent expert as of their award date. To value stock options, the Group uses the Black and Scholes model.

Changes in value after the date on which they are awarded have no impact on this initial valuation.

The value of options is based on their anticipated lifespan which the Group deems to correspond to at least the holding period. This value is recognised under employee benefits expenses on a straight-line basis between the dates on which they are awarded and their maturity date - the period required to acquire the relevant rights - in consideration of equity.

### 2.2.24 Other non-current income and expenses

Significant non-recurring transactions that may distort comparisons of recurring operating performance are classified as “other non-current operating income and expenses” in accordance with the CNC recommendation of 2 July 2009. They include:

- capital gains or losses on sales or significant and unusual impairment of property, plant and equipment or intangible assets;
- restructuring costs resulting from plans of an unusual nature and size that might distort comparisons of profit on ordinary activities from year to year;
- very large provisions and other costs, notably expenses related to security acquisitions;
- non-recurring transactions.

### 2.2.25 Net financial income

Net financial income comprises net borrowing costs and other financial income and expenses.

#### *Cost of net financial indebtedness*

This includes:

- income from cash and cash equivalents (interest income, income from the disposal of cash equivalents);
- the gross cost of financial debt (interest charges on financing transactions).

#### *Other financial income and expenses*

Other financial income and expenses includes financial income and expenses not included in net borrowing costs:

- financial income (dividends, profits on the disposal of unconsolidated shares, interest income 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 measured at fair value through profit or loss, other financial income);
- financial expenses (impairment of unconsolidated securities, losses on disposals of unconsolidated securities, impairment and losses on the disposal of other financial assets (excluding cash and cash equivalents), translation losses, discounted financial expenses, decrease in the fair value of financial assets and liabilities measured at fair value through profit or loss, other financial expenses).

### 2.2.26 Information on net earnings per share and diluted earnings per share

Earnings per share are the ratio of net earnings as compared with the weighted average number of ordinary shares in circulation during the financial year, excluding treasury shares.

Diluted earnings per share are the ratio of net earnings as compared with the potential weighted average number of shares adjusted to take into account the effects of any potentially diluting events (share warrants, options, free shares). The dilution effect is obtained by the number of potential shares which would result from the diluted instruments, less the number of shares which could be bought back at market rates using the funds gained from exercising the instruments concerned. The market price retained is that of the average share price during the financial year. The dilutive effect of the equity instrument is

taken into account when the exercise price is less than the average price of the ordinary share market.

## 2.3 Financial risk factors

### Liquidity risk

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 €160 million of available but unused credit facilities (at year-end), of which €150 million was confirmed in December 2012 under a club deal for a maximum period of three years, and €21.5 million of short-term unconfirmed lines of credit that are renewable annually.

This club deal requires the following ratios to be met for each six-month and 12-month period while the contract is in force and an advance is outstanding:

- ratio 1 – “Consolidated net financial debt/Consolidated operating profit on activity”. This ratio must be less than 2.1;
- ratio 2 – “Consolidated net financial debt/Increased equity”. This ratio must be less than 0.7.

At 31 December 2013, these ratios had been met.

### Credit risk

Credit risk represents the risk of financial loss in the event that a client does not fulfil its contractual obligations.

The Group does not have a significant concentration of credit risk.

See Note 3.6 Current assets - breakdown of the portfolio of trade receivables by age of the account.

### Interest rate risk

The Group's interest rate risk relates to the club deal agreed in December 2012 and indexed to the Euribor for the corresponding period.

It therefore incurs an exchange rate risk based on changes in the reference index. Due to the structure of its financing, the Group has not implemented interest rate hedging. At 31 December 2013 this line was unused and therefore the Group was not exposed to interest rate risk.

### Foreign exchange risk

As most of its services are provided within each country, the foreign exchange risk stemming from the flow between currency zones is very limited. The Group has therefore not hedged this risk. The Group's main exposure to foreign exchange risk is to the Swedish Krona (SEK).

	2013	2013	2013
(millions)	SEK	GBP	USD
Trade receivables	298	19	13
Trade payables	39	6	2
<b>GROSS BALANCE SHEET EXPOSURE</b>	<b>259</b>	<b>13</b>	<b>11</b>

The breakdown of revenue by non-euro zone country is shown below:

	2013		2012	
Consolidated revenue	(in € million)	(as % of revenue)	(in € million)	(as % of revenue)
Sweden	101.7	8.4%	110.6	9.2%
UK	47.3	3.9%	43.4	3.6%
USA	25.3	2.1%	21.3	1.8%
Other	21.8	1.8%	9.7	0.8%
<b>FOREIGN CURRENCY REVENUE EXPOSURE</b>	<b>196.1</b>	<b>16.1%</b>	<b>163.8</b>	<b>13.7%</b>
<b>TOTAL CONSOLIDATED REVENUE</b>	<b>1,216.2</b>	<b>100%</b>	<b>1,198.0</b>	<b>100%</b>

## 2.4 Change in method

Since 1 January 2013, the Group has applied IAS 19 (revised) "Employee Benefits". In accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the financial statements for the year ended 31 December 2012 were restated as if the standard had been adopted on 1 January 2012. Since the

impact is not material, the financial statements for the year ended 31 December 2011 and the 2012 income statement have not been restated.

The main change resulting from the adoption of this new standard derives from the impossibility of using the corridor method in the treatment of actuarial gains and losses.

The impact of this change in method is presented below.

	31/12/2012 published	Change in method	31/12/2012 restated
<b>Assets</b>			
Goodwill	200,572		200,572
Intangible assets	10,053		10,053
Property, plant and equipment	14,061		14,061
Equity-accounted stakes	4,717		4,717
Non-current financial assets	26,827		26,827
Tax credits	10,192	(250)	9,942
<b>NON-CURRENT ASSETS</b>	<b>266,422</b>	<b>(250)</b>	<b>266,172</b>
Trade receivables	402,753		402,753
Other current assets	40,664		40,664
Cash and cash equivalents	66,523		66,523
<b>CURRENT ASSETS</b>	<b>509,941</b>	<b>0</b>	<b>509,941</b>
<b>TOTAL ASSETS</b>	<b>776,363</b>	<b>(250)</b>	<b>776,113</b>
<b>Liabilities</b>			
Share capital	32,953		32,953
Additional paid-in capital	25,443		25,443
Consolidated reserves	310,091	550	310,641
Consolidated earnings	78,168	(8)	78,160
<b>EQUITY (GROUP SHARE)</b>	<b>446,655</b>	<b>542</b>	<b>447,197</b>
<b>NON-CONTROLLING INTERESTS</b>	<b>453</b>	<b>3</b>	<b>456</b>
<b>TOTAL EQUITY</b>	<b>447,107</b>	<b>545</b>	<b>447,652</b>
Provisions	13,424	(795)	12,630
Non-current financial liabilities	1,517		1,517
Other non-current liabilities	5,487		5,487
<b>NON-CURRENT LIABILITIES</b>	<b>20,428</b>	<b>(795)</b>	<b>19,633</b>
<b>CURRENT LIABILITIES</b>	<b>308,828</b>	<b>0</b>	<b>308,828</b>
<b>TOTAL LIABILITIES</b>	<b>776,363</b>	<b>(250)</b>	<b>776,113</b>

## 2.5 Scope of consolidation

The percentage of interest and control set forth below include firm or conditional commitments to dispose of minority interests, even if the disposals are not yet completed, in accordance with IFRS 3 and IAS 27 as revised.



**FRANCE**

Company name	Siret no.	Basis of consolidation*	% interest	% control
ALTEN SA <sup>(1)</sup>	34860741700055	FC	-	-
ALTEN SIR	40035788500021	FC	100.00	100.00
ALTEN TRAINING CENTER	35390354500062	FC	99.70	99.70
ALTEN SUD-OUEST	40419144700048	FC	100.00	100.00
MI-GSO SAS	38054561600050	FC	100.00	100.00
ALTEN CASH MANAGEMENT	48011617700019	FC	100.00	100.00
ALTEN EUROPE	48016830100012	FC	100.00	100.00
ELITYS CONSULTING	48420799800010	FC	100.00	100.00
PEGASE SI	48484024400012	FC	100.00	100.00
ATEXIS FRANCE	43904555000019	FC	100.00	100.00
ALTEN AEROSPACE	48761023100019	FC	100.00	100.00
AVENIR CONSEIL FORMATION	40246017400038	FC	100.00	100.00
ANOTECH ENERGY France	49304667600018	FC	100.00	100.00
HPTI	49967035400012	FC	100.00	100.00
ALTEN SIR GTS	52190314600012	FC	51.00	51.00
ID.APPS	52910153700015	FC	100.00	100.00
APTECH SAS	53296422800011	FC	80.00	80.00
ADDS SAS	40252087800024	FC	100.00	100.00
G-FIT SAS	41865181600054	FC	100.00	100.00
PCUBED SAS	43868487000050	FC	100.00	100.00

\* FC = Full consolidation.

(1) Consolidating entity.

## ABROAD

Company name	Basis of consolidation*	% interest	% control	Country of operation
MI-GSO GMBH	FC	100.00	100.00	Germany
ALTEN TECHNOLOGY GMBH	FC	100.00	100.00	Germany
ATEXIS GMBH	FC	100.00	100.00	Germany
ALTEN GMBH	FC	100.00	100.00	Germany
BARDENHEUER GMBH	FC	100.00	100.00	Germany
INVENTIVE ENGINEERING GMBH	FC	100.00	100.00	Germany
PROGRAM PLANNING PROFESSIONALS GMBH	FC	100.00	100.00	Germany
PROGRAM PLANNING PROFESSIONALS PTY LTD	FC	100.00	100.00	Australia
ALTEN BELGIUM	FC	100.00	100.00	Belgium
APROVA	FC	80.00	80.00	Belgium
VCTH BVBA	FC	100.00	100.00	Belgium
QUASUS NV	FC	100.00	100.00	Belgium
ANOTECH DO BRASIL	FC	100.00	100.00	Brazil
ALTEN CANADA	FC	100.00	100.00	Canada
PCUBED CANADA INC	FC	100.00	100.00	Canada
SESAME GROUP BEIJING	FC	100.00	100.00	China
ALTEN SPAIN	FC	100.00	100.00	Spain
ATEXIS SPAIN	FC	100.00	100.00	Spain
MI GSO EMP SPAIN	FC	100.00	100.00	Spain
ALTEN USA	FC	100.00	100.00	United States
ANOTECH ENERGY USA	FC	100.00	100.00	United States
ALTEN TECHNOLOGY USA	FC	100.00	100.00	United States
X-DIN INC	FC	100.00	100.00	United States
X-DIN TECHNOLOGY INC	FC	100.00	100.00	United States
CALSOFT LABS INC. (USA)	FC	100.00	100.00	United States
PROGRAM PLANNING PROFESSIONALS INC	FC	100.00	100.00	United States
ANOTECH ENERGY UK	FC	100.00	100.00	Great Britain
ALTEN LTD	FC	100.00	100.00	Great Britain
MI-GSO LTD	FC	100.00	100.00	Great Britain
ALTEN TECHNOLOGY LTD	FC	70.00	70.00	Great Britain
PROGRAM PLANNING PROFESSIONALS LTD	FC	100.00	100.00	Great Britain
SESAME GROUP LIMITED	FC	100.00	100.00	Hong Kong
ALTEN INDIA	FC	100.00	100.00	India
CALSOFT LABS INDIA	FC	100.00	100.00	India
SESAME INDIA	FC	100.00	100.00	India
ADDS LTD	FC	100.00	100.00	Israel
ALTEN ITALIA	FC	100.00	100.00	Italy
G-FIT MAROC SARL	FC	100.00	100.00	Morocco
ANOTECH NIGERIA	FC	100.00	100.00	Nigeria
ALTEN NORWAY	FC	100.00	100.00	Norway
ANOTECH NORGE AS	FC	80.00	80.00	Norway
ALTEN NEDERLAND	FC	100.00	100.00	The Netherlands
ALTEN DDA	FC	100.00	100.00	The Netherlands
ORION	FC	100.00	100.00	The Netherlands
QUASUS BV	FC	100.00	100.00	The Netherlands
IMP POLAND	FC	100.00	100.00	Poland

\* FC = Full consolidation.

Company name	Basis of consolidation*	% interest	% control	Country of operation
ITEKNA POLSKA	FC	65.00	65.00	Poland
ALTEN SI TECHNO ROMANIA	FC	100.00	100.00	Romania
ATEXIS SRL	FC	100.00	100.00	Romania
PROGRAM PLANNING PROFESSIONALS PTE LTD	FC	100.00	100.00	Singapore
ALTEN Sverige AB (ex-XDIN AB)	FC	100.00	100.00	Sweden
ALTEN SWITZERLAND SARL	FC	100.00	100.00	Switzerland
ADDS SRO	FC	100.00	100.00	Czech Republic

\* FC = Full consolidation.

### 3. DETAILS OF THE CONSOLIDATED FINANCIAL STATEMENTS

#### 3.1 Goodwill

Goodwill, allocated by country, breaks down as follows:

#### GROSS VALUE

(in thousands of euros)	France	Great Britain	Belgium	The Netherlands	Spain	Germany	Poland	Italy	Romania	Czech Republic	India	Sweden	United States	China	Total
31/12/2011	105,410	5,087	3,104	12,824	27,514	18,127		7,783	1,389	0	0	16,582	6,347		204,166
Earn-out adjustments	(33)														(33)
Acquisitions <sup>(1)</sup>						2,230						10,693		3,282	16,205
Reclassifications															
31/12/2012	105,377	5,087	3,104	12,824	27,514	20,357		7,783	1,389	0	0	27,275	6,347	3,282	220,339
Earn-out adjustments <sup>(2)</sup>	(2,115)					(305)								1,039	(1,381)
Acquisitions <sup>(2)</sup>	7,753		5,323			4,354	996			308	23		15,289		34,046
Reclassifications															
31/12/2013	111,015	5,087	8,426	12,824	27,514	24,406	996	7,783	1,389	308	23	27,275	21,636	4,321	253,003

#### IMPAIRMENTS

	France	Great Britain	Belgium	The Netherlands	Spain	Germany	Poland	Italy	Romania	Czech Republic	India	Sweden	United States	China	Total
31/12/2011	10,468	3,852			2,573	1,929		600	344	0	0				19,766
Impairment															
31/12/2012	10,468	3,852			2,573	1,929		600	344	0	0				19,766
Impairment <sup>(2)</sup>					4,950										4,950
31/12/2013	10,468	3,852	0	0	7,523	1,929	0	600	344	0	0	0	0	0	24,716

## NET VALUES

	France	Great Britain	Belgium	The Netherlands	Spain	Germany	Poland	Italy	Romania	Czech Republic	India	Sweden	United States	China	Total
31/12/2011	94,942	1,235	3,104	12,824	24,941	16,198		7,183	1,044	0	0	16,582	6,347		184,400
31/12/2012	94,909	1,235	3,104	12,824	24,941	18,428		7,183	1,044	0	0	27,275	6,347	3,282	200,572
31/12/2013	100,547	1,235	8,426	12,824	19,991	22,477	996	7,183	1,044	308	23	27,275	21,636	4,321	228,287

(1) In 2012:

a. Acquisition of three companies in Sweden (X DIN Oresund, X DIN Services Stockholm and X DIN Services Linköping). This acquisition was for a total of around €15 million without earn-out;

b. Acquisition of an engineering business in Germany and two companies in China.

(2) In 2013:

a. Details of these acquisitions can be found in paragraph 2.1.3;

b. The acquisition of the Pcubed Group was provisionally allocated entirely to the United States CGU;

c. In France, the price reduction results from the execution of a liability guarantee (IFRS 3);

d. An extraordinary impairment loss of €4,950,000 was recognised for Spain.

The table below details the main modelling factors in the assumptions used to calculate annual impairment tests for the main CGUs:

Country	2013				2012			
	Goodwill	Average annual revenue growth rate 2013-2017	Perpetual growth rate	Weighted average cost of capital (WACC)	Goodwill	Average annual revenue growth rate 2012-2016	Perpetual growth rate	Weighted average cost of capital (WACC)
France	100,547	3%	2%	9.01%	94,909	4%	2%	9.50%
Germany	22,477	5%	2%	9.01%	18,428	10%	2%	9.50%
Spain	19,991	3%	2%	10.80%	24,941	1%	2%	10.16%
The Netherlands	12,824	7%	2%	9.01%	12,824	4%	2%	9.50%
Belgium	8,426	4%	2%	9.30%	3,104	5%	2%	9.50%
Italy	7,183	8%	2%	10.16%	7,183	5%	2%	10.04%
Sweden	27,275	8%	2%	9.01%	27,275	7%	2%	9.50%
United States	21,636	9%	2%	9.01%	6,347	10%	2%	9.50%

Assumptions of average growth and the weighted average cost of capital used to value the cash-generating units were revised in light of general market data.

The main operating assumptions made in drawing up the budget are in line with observed historical data for each CGU.

The Group presents sensitivity analyses to the key assumptions used in the WACC, the perpetual growth rate and normative operating profit on activity. The results of these analyses as regards impairment of goodwill are summarised in the table below. For the purposes of the

test, only companies in which goodwill is allocated are shown below. Note that a country may group together several entities without this representing the totality of the values of utilities in that country.

Country	2013				
	Goodwill	Test margin****	WACC + 1 point*	Zero growth rate**	Normative operating profit on activity - 1 point***
France	100,547	242,905	-	-	-
Germany	22,477	99,888	-	-	-
Spain	19,991	-	(3,566)	(3,730)	(4,076)
The Netherlands	12,824	35,075	-	-	-
Belgium	8,426	20,222	-	-	-
Italy	7,183	22,626	-	-	-
Sweden	27,275	123,044	-	-	-
United States	21,636	10,832	-	-	-
Great Britain	1,235	82,809	-	-	-
Romania	1,044	5,940	-	-	-
China	4,321	3,791	-	-	-
Czech Republic	308	1,299	-	-	-
Poland	996	4,659	-	-	-
India	23				N/A
<b>TOTAL</b>	<b>228,287</b>	<b>653,090</b>	<b>(3,566)</b>	<b>(3,730)</b>	<b>(4,076)</b>

Country	2012				
	Goodwill	Test margin****	WACC + 1 point*	Zero growth rate**	Normative operating profit on activity - 1 point***
France	94,909	344,731	-	-	-
Germany	18,428	93,514	-	-	-
Spain	24,941	3,936	-	-	-
The Netherlands	12,824	27,932	-	-	-
Belgium	3,104	22,308	-	-	-
Italy	7,183	9,113	-	-	-
Sweden	27,275	93,882	-	-	-
United States	6,347	1,480	(253)	(507)	(544)
Great Britain	1,235	70,680	-	-	-
Romania	1,044	2,798	-	-	-
China	3,282	721	-	-	-
<b>TOTAL</b>	<b>200,572</b>	<b>671,095</b>	<b>(253)</b>	<b>(507)</b>	<b>(544)</b>

\* At constant growth rate.

\*\* At constant discount rate.

\*\*\* At constant growth rate and discount rate.

\*\*\*\* Test margin = Value in use - goodwill value.

## 3.2 Non-current assets, depreciation and amortisation

## GROSS VALUE

<i>(in thousands of euros)</i>	Intangible assets	Property, plant and equipment	Total
<b>31/12/2011</b>	<b>27,632</b>	<b>37,845</b>	<b>65,477</b>
Change in scope	(2,486)	1,018	(1,468)
Exchange rate variations	(10)	41	31
Acquisitions and transfers	4,834	7,405	12,238
Divestments and disposals <sup>(1)</sup>	(275)	(4,359)	(4,634)
<b>31/12/2012</b>	<b>29,694</b>	<b>41,950</b>	<b>71,644</b>
Change in scope	2,492	6,729	9,221
Exchange rate variations	(42)	(247)	(289)
Acquisitions and transfers	1,879	7,530	9,408
Divestments and disposals <sup>(1)</sup>	(718)	(6,098)	(6,816)
<b>31/12/2013</b>	<b>33,305</b>	<b>49,864</b>	<b>83,168</b>

(1) Concerns mainly the scrapping of fittings as a result of a business transfer.

## DEPRECIATION

<i>(in thousands of euros)</i>	Intangible assets	Property, plant and equipment	Total
<b>31/12/2011</b>	<b>17,774</b>	<b>25,236</b>	<b>43,011</b>
Change in scope	(159)	655	497
Exchange rate variations	(3)	55	53
Provisions and transfers	2,303	6,053	8,355
Decreases	(275)	(4,111)	(4,386)
<b>31/12/2012</b>	<b>19,641</b>	<b>27,889</b>	<b>47,530</b>
Change in scope	2,644	2,237	4,881
Exchange rate variations	(31)	(126)	(157)
Provisions and transfers	3,080	7,281	10,361
Decreases	(715)	(5,727)	(6,443)
<b>31/12/2013</b>	<b>24,619</b>	<b>31,553</b>	<b>56,172</b>

NET VALUES<sup>(1)</sup>

<i>(in thousands of euros)</i>	Intangible assets	Property, plant and equipment	Total
<b>31/12/2011</b>	<b>9,857</b>	<b>12,609</b>	<b>22,466</b>
<b>31/12/2012</b>	<b>10,053</b>	<b>14,061</b>	<b>24,114</b>
<b>31/12/2013</b>	<b>8,686</b>	<b>18,311</b>	<b>26,997</b>

<i>(1) Including financial leases:</i>	Intangible assets	Property, plant and equipment	Total
<b>AT 31/12/2011</b>	<b>1,426</b>	<b>606</b>	<b>2,032</b>
<b>AT 31/12/2012</b>	<b>1,223</b>	<b>796</b>	<b>2,018</b>
<b>AT 31/12/2013</b>	<b>1,019</b>	<b>783</b>	<b>1,801</b>

### 3.3 Equity-accounted stakes

<i>(in thousands of euros)</i>	Amount
<b>At 31 December 2011</b>	<b>3,027</b>
Profit for the year	1,689
<b>At 31 December 2012</b>	<b>4,717</b>
Profit for the year	2,299
Change in scope <sup>(1)</sup>	(6,977)
<b>At 31 December 2013</b>	<b>38</b>

(1) This investment, accounted for using the equity method in 2012, was transferred at the end of 2013 to a holding company created in 2013 and in which the Group has a 37.5% stake. This new investment has been equity-accounted since 31 December 2013.

### 3.4 Financial assets

<i>(in thousands of euros)</i>	Note	Financial assets at fair value through equity	Loans and receivables at amortised cost	Financial assets at fair value through income statement	Total
<b>TOTAL FINANCIAL ASSETS AT 31/12/2011</b>		<b>18,681</b>	<b>398,251</b>	<b>59,614</b>	<b>476,545</b>
Financial assets available for sale		20,239			20,239
Deposits and guarantees			4,105		4,105
Other long-term assets			2,483		2,483
<b>TOTAL NON-CURRENT FINANCIAL ASSETS</b>		<b>20,239</b>	<b>6,588</b>		<b>26,827</b>
Trade receivables	3.6		402,753		402,753
Other current assets*	3.6		5,398		5,398
Cash and cash equivalents	3.7			66,523	66,523
<b>TOTAL CURRENT FINANCIAL ASSETS</b>			<b>408,151</b>	<b>66,523</b>	<b>474,674</b>
<b>TOTAL FINANCIAL ASSETS AT 31/12/2012</b>		<b>20,239</b>	<b>414,739</b>	<b>66,523</b>	<b>501,501</b>
Financial assets available for sale		20,459			20,459
Deposits and guarantees			13,320		13,320
Other long-term assets			9,737		9,737
<b>TOTAL NON-CURRENT FINANCIAL ASSETS</b>		<b>20,459</b>	<b>23,057</b>		<b>43,516</b>
Trade receivables	3.6		397,185		397,185
Other current assets*	3.6		4,222		4,222
Cash and cash equivalents	3.7			96,952	96,952
<b>TOTAL CURRENT FINANCIAL ASSETS</b>			<b>401,407</b>	<b>96,952</b>	<b>498,359</b>
<b>TOTAL FINANCIAL ASSETS AT 31/12/2013</b>		<b>20,459</b>	<b>424,464</b>	<b>96,952</b>	<b>541,874</b>

\* Excluding tax and social security receivables and prepaid expenses.

Securities held for sale include the following:

Company	%	Fair value at opening	Acquisition (disposal)	Impairment	Change in fair value	Fair value at closing	Revenue	Shareholders' equity	Net Earnings	Comments
AUSY	9.33%	7,656			2,242	9,898	163,910	87,134	2,979	30/06/2013
X-ANGE	5.96%	3,365	(1,805)			1,561		28,540	(4,936)	31/12/2012
SMART TRADE	4.19%	634	(64)			570	N/A	14,701	711	31/03/2013
PHOEBE INGENICA	19.00%	0				0				In the process of liquidation
PHINERGY LTD	16.52%	8,391				8,391		1,747	(3,615)	31/12/2012
MISCELLANEOUS		193	(154)			40				
<b>TOTAL</b>		<b>20,239</b>	<b>(2,022)</b>	<b>0</b>	<b>2,242</b>	<b>20,459</b>				

An investor took a stake in Phinergy in April 2013. Following this transaction, ALTEN Europe's stake was diluted, reducing its holding from 19.49% to 16.52%. However, the securities valuation was not affected, in view of the ratios used for the capital increase reserved for this investor. Phinergy is a start-up which has filed several patents for electrical batteries. At 31 December 2013, the level of expenditure was in line with the budget and the company has sufficient cash flow to continue operating.

The Group recognises irreversible depreciation when it observes a very significant and long-lasting deterioration in the entity's results.

#### Valuation levels at 31 December 2013

##### Level 1 - Fair value determined using the share price on an active market

This level is used for the Ausy securities, valued using their market price at 31 December 2013 at €9,898,000 and cash equivalents (see Note 3.7).

##### Level 2 - Fair value determined using observable market data

None.

##### Level 3 - Fair value determined in the absence of market data

The other available-for-sale assets valued using this method totalled €10,561,000 at 31 December 2013. The criteria applied are presented in Note 2.2.11.

Other items (loans, deposits and guarantees, other non-current assets), totalling €23,056,000 at 31 December 2013, were kept at their historic cost adjusted by depreciation to their recoverable value, where this was estimated to be lower.

### 3.5 Tax credits

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Employee profit-sharing	803	3,115	2,229
Retirement benefits	3,554	2,876	2,466
Other timing differences	2,052	896	1,500
Tax-loss carry-forwards	2,136	2,141	2,292
<b>TOTAL DEFERRED TAXES</b>	<b>8,545</b>	<b>9,029</b>	<b>8,487</b>
Including:			
<b>DEFERRED TAX ASSETS</b>	<b>8,808</b>	<b>9,942</b>	<b>8,818</b>
<b>DEFERRED TAX LIABILITIES</b>	<b>(263)</b>	<b>(914)</b>	<b>(331)</b>



The variation in deferred taxes is broken down as follows:

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
<b>Deferred taxes at start of year</b>	<b>9,029</b>	<b>8,487</b>	<b>7,100</b>
Change in method (IAS 19 revised)	250	(250)	
Change in scope	(179)	223	422
Exchange rate variations	(54)	(25)	(3)
Expenses (or income) for the period (Note 3.21)	(501)	594	969
<b>DEFERRED TAXES AT YEAR-END</b>	<b>8,545</b>	<b>9,029</b>	<b>8,487</b>

Unrecognised deferred taxes (to be carried forward indefinitely) for tax-loss carryforwards amounted to €889,000 (€3,187,000 basis) at 31/12/2013.

### 3.6 Current assets

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
<b>TRADE RECEIVABLES</b>			
Gross value	402,200	409,396	394,246
Impairments	(5,015)	(6,643)	(8,274)
<b>TOTAL</b>	<b>397,185</b>	<b>402,753</b>	<b>385,972</b>
<b>OTHER CURRENT ASSETS</b>			
Inventory	85	77	57
Social security receivables	2,515	1,845	943
Tax receivables <sup>(1)</sup>	40,064	27,254	23,357
Other receivables <sup>(2)</sup>	4,369	11,693	12,156
Impairment of other receivables <sup>(2)</sup>	(506)	(6,373)	(6,229)
Prepaid expenses	8,727	6,167	4,656
<b>TOTAL</b>	<b>55,255</b>	<b>40,664</b>	<b>34,940</b>

(1) In 2013, the increase is mainly linked to the tax credit for encouraging competitiveness and jobs (CICE).

(2) In 2013, the change is linked to the withdrawal from the current account with Idestyle following the compulsory liquidation during the year. Net of impairment, other receivables remained stable between 2012 and 2013.

The following table presents the breakdown of the portfolio of trade receivables by age of the account:

(in thousands of euros)	31/12/2013					31/12/2012					31/12/2011				
	Un-matured	Less than 6 months	Six months to one year	More than one year	Balance	Un-matured	Less than 6 months	Six months to one year	More than one year	Balance	Un-matured	Less than 6 months	Six months to one year	More than one year	Balance
<b>TRADE RECEIVABLES</b>															
Gross value	346,596	52,114	1,928	1,562	402,200	343,934	56,135	4,358	4,969	409,396	312,698	68,169	4,450	8,929	394,246
Provisions		(406)	(542)	(4,067)	(5,015)		(617)	(1,115)	(4,911)	(6,643)		(601)	(191)	(7,482)	(8,274)
<b>NET VALUES</b>	<b>346,596</b>	<b>51,708</b>	<b>1,386</b>	<b>(2,505)</b>	<b>397,185</b>	<b>343,934</b>	<b>55,518</b>	<b>3,243</b>	<b>58</b>	<b>402,753</b>	<b>312,698</b>	<b>67,568</b>	<b>4,259</b>	<b>1,447</b>	<b>385,972</b>

Based on its experience and given its trade debt collection policies, the Group estimates that the level of impairment for the financial year is in accordance with the risks incurred.

## 3.7 Cash and cash equivalents

<i>(in thousands of euros)</i>	31/12/2013	31/12/2012	31/12/2011
Marketable securities	12,052	13,034	2,139
Cash and equivalents	84,900	53,489	57,475
<b>TOTAL</b>	<b>96,952</b>	<b>66,523</b>	<b>59,614</b>

Marketable securities are valued at fair value. They are made up of money market funds and term deposits with a maturity of less than three months. Income from money market funds is not significant.

## 3.8 Non-current financial liabilities

<i>(in thousands of euros)</i>	31/12/2013	31/12/2012	31/12/2011
Bank loans <sup>(1)</sup>	6,824		150
Other loans and related debt	525	450	555
Deposits and guarantees received	167	1,066	1,093
<b>TOTAL</b>	<b>7,515</b>	<b>1,517</b>	<b>1,798</b>

(1) Of which €1.8 million from additions to the scope of consolidation and €5 million subscribed at 31 December 2013 repayable over three years (three-month Euribor variable rate +0.5% per annum).

## 3.9 Other non-current liabilities

<i>(in thousands of euros)</i>	31/12/2013	31/12/2012	31/12/2011
Earn-outs <sup>(1)</sup>	486	421	
Social security debt <sup>(2)</sup>	3,904	4,153	3,635
Deferred tax liabilities	263	914	331
Other debt			34
<b>TOTAL</b>	<b>4,653</b>	<b>5,487</b>	<b>4,000</b>

(1) The counterparty for earn-outs on companies acquired in 2013 is in goodwill. Fair value is determined using observable market data (level 2).

(2) Debt relating to time savings accounts.

## 3.10 Current financial liabilities

<i>(in thousands of euros)</i>	31/12/2013	31/12/2012	31/12/2011
Bank loans <sup>(1)</sup>	10,114		103
Other loans and related debt	289	621	633
Overdrafts	4,806	7,086	14,064
Employee profit-sharing	230	229	237
<b>TOTAL</b>	<b>15,439</b>	<b>7,936</b>	<b>15,036</b>

(1) Of which €9 million subscribed at the end of November 2013 and fully repaid in January 2014.

### 3.11 Other current liabilities

<i>(in thousands of euros)</i>	31/12/2013	31/12/2012	31/12/2011
Social security liabilities	131,405	130,920	124,159
Tax liabilities	79,326	87,867	83,110
Earn-outs	2,285	676	1,325
Other liabilities	27,728	22,694	26,456
Deferred income	15,757	14,139	17,342
<b>TOTAL</b>	<b>256,501</b>	<b>256,296</b>	<b>252,392</b>

### 3.12 Provisions

<i>(in thousands of euros)</i>	Corporate disputes <sup>(2)</sup>	Commercial disputes	Miscellaneous risks	Retirement benefits	Total
<b>AT 31/12/2011</b>	<b>3,644</b>	<b>1,444</b>	<b>5,083</b>	<b>7,399</b>	<b>17,571</b>
Change in method				(795)	(795)
Reclassifications					
Exchange rate variations					
Provisions for the financial year <sup>(1)</sup>	4,125	353	1,932	1,980	8,390
Reversals (provisions used)	(1,149)	(919)	(141)		(2,209)
Reversals (surplus provisions)	(533)	(822)	(2,478)		(3,832)
<b>AT 31/12/2012 RESTATED</b>	<b>6,088</b>	<b>57</b>	<b>4,397</b>	<b>8,583</b>	<b>19,125</b>
Change in scope	274		144	266	684
Reclassification <sup>(4)</sup>	(8)		8	694	694
Exchange rate variations			(0)		(0)
Provisions for the financial year <sup>(3)</sup>	2,156	668	3,352	1,323	7,499
Reversals (provisions used)	(3,168)	(17)	(1,344)		(4,529)
Reversals (surplus provisions)	(1,027)	(13)	(613)	(62)	(1,716)
<b>AT 31/12/2013</b>	<b>4,316</b>	<b>695</b>	<b>5,943</b>	<b>10,804</b>	<b>21,758</b>

(1) In 2012, the increase in miscellaneous risks mainly reflects a provision to restore premises whose lease was cancelled at the end of the year and the restructuring provision (see Note 3.19).

(2) Corporate disputes are individually insignificant.

(3) Of which €787,000 in provisions recognised in non-recurring profit.

(4) Reclassification of commitments in Italy previously recognised in social security liabilities.

### NON-CURRENT PROVISIONS

<i>(in thousands of euros)</i>	31/12/2013	31/12/2012	31/12/2011
Corporate disputes	1,728	1,260	1,211
Commercial disputes	549	12	10
Miscellaneous risks	2,408	2,775	4,403
Retirement benefits	10,663	8,583	7,399
<b>TOTAL</b>	<b>15,348</b>	<b>12,630</b>	<b>13,023</b>

**CURRENT PROVISIONS**

<i>(in thousands of euros)</i>	31/12/2013	31/12/2012	31/12/2011
Corporate disputes	2,588	4,829	2,433
Commercial disputes	146	45	1,434
Miscellaneous risks	3,535	1,622	681
Retirement benefits	141	0	0
<b>TOTAL</b>	<b>6,410</b>	<b>6,496</b>	<b>4,548</b>

Non-current provisions were not discounted.

**3.13 Purchases consumed**

<i>(in thousands of euros)</i>	31/12/2013	31/12/2012	31/12/2011
Purchasing and subcontracting business	(85,181)	(84,772)	(74,931)
Non-stock purchases	(8,229)	(9,155)	(6,016)
<b>TOTAL</b>	<b>(93,411)</b>	<b>(93,927)</b>	<b>(80,948)</b>

**3.14 Payroll expenses**

<i>(in thousands of euros)</i>	31/12/2013	31/12/2012	31/12/2011
Salaries and benefits	(852,780)	(829,621)	(734,871)
Corporate disputes	2,057	(344)	745
Retirement benefits (Note 3.12)	(867)	(1,980)	(1,524)
Taxes levied on wages	(11,075)	(10,405)	(11,110)
Employee profit sharing	(2,376)	(8,505)	(5,419)
<b>TOTAL</b>	<b>(865,042)</b>	<b>(850,855)</b>	<b>(752,179)</b>

At 31 December 2013, social security charges paid under defined contribution pension plans totalled €199,662,000, compared with €205,835,000 at 31/12/2012 and €184,680,000 at 31/12/2011 (company contribution).

**3.15 External charges**

<i>(in thousands of euros)</i>	31/12/2013	31/12/2012	31/12/2011
Rentals, maintenance	(33,451)	(29,582)	(23,821)
External personnel, fees	(18,855)	(17,682)	(15,248)
Transportation and travel	(51,537)	(51,057)	(52,218)
Other external charges	(19,186)	(18,854)	(17,584)
<b>TOTAL</b>	<b>(123,029)</b>	<b>(117,176)</b>	<b>(108,871)</b>

**3.16 Taxes and levies**

<i>(in thousands of euros)</i>	31/12/2013	31/12/2012	31/12/2011
Business tax	(789)	(495)	(569)
Property tax	(772)	(1,340)	(971)
Other taxes and levies	(5,045)	(5,227)	(5,273)
<b>TOTAL</b>	<b>(6,606)</b>	<b>(7,063)</b>	<b>(6,814)</b>

### 3.17 Other operating income and expenses

<i>(in thousands of euros)</i>	31/12/2013	31/12/2012	31/12/2011
<b>Expenses</b>			
Provisions for impairment	(1,019)	(1,819)	(2,109)
Losses on unrecoverable receivables	(1,937)	(2,766)	(894)
Provisions for long-term contingencies	(3,233)	(1,971)	(2,564)
Book value of fixed assets sold	(373)	(172)	(302)
Other expenses	(11)	(157)	57
<b>TOTAL EXPENSES</b>	<b>(6,573)</b>	<b>(6,884)</b>	<b>(5,811)</b>
<b>Income</b>			
Reversal of provisions for receivables	4,105	4,606	3,458
Reversals of provisions for long-term contingencies	1,970	2,143	1,419
Proceeds from sale of fixed assets	501	82	88
Other income	0	6	280
<b>TOTAL INCOME</b>	<b>6,577</b>	<b>6,836</b>	<b>5,246</b>

### 3.18 Share-based payments

These payments are based on the various plans described below:

#### Share warrants

The Board meeting of 7 September 2009 allocated 487,000 stock warrants in accordance with the authorisation granted by the Combined General Meeting of 23 June 2009.

These stock warrants, which are not admitted to a regulated market, give their holders the right to subscribe for ordinary shares at the

rate of one (1) new ALTEN share for one (1) stock warrant (maximum number of shares to be issued: 487,000 shares). These new shares shall be comparable to existing shares upon their admission to listing on the Euronext Paris - Compartment B market.

The subscription price was set at one euro nineteen euro cents (€1.19) based on a report issued by an independent expert. The exercise price was fixed at fifteen euros and eighty-five euro cents (€15.85).

The exercise period is from 7 September 2013 to 7 September 2017. Maximum term of the stock warrants is eight (8) years, beyond which date the warrants expire.

History of past awards of share warrants:

<b>2009 Plan</b>	
Date of the General Meeting	23/06/2009
Date of grant by the Board	07/09/2009
Number of beneficiaries	7
<b>Number allocated</b>	<b>487,000</b>
including number of shares granted to corporate officers	285,000
Exercise price for the warrants (in €)	15.85
First possible exercise date	07/09/2013
Last possible exercise date	07/09/2017
Number of warrants exercised at 31 December 2013	81,000
<b>NUMBER OF WARRANTS OUTSTANDING AT 31 DECEMBER 2013</b>	<b>406,000</b>

### Stock option plans

The stock option plans are valued according to the Black & Scholes model. The following plans are in effect:

Plan	1	2	3	4	5	6	Total
Date of grant by the Board	06/01/2004	24/03/2005	23/10/2006	18/02/2008	07/09/2009	19/10/2010	
Number of beneficiaries	259	356	598	794	689	6	
<b>Number of options granted</b>	<b>318,970</b>	<b>496,500</b>	<b>1,189,780</b>	<b>622,790</b>	<b>574,330</b>	<b>120,000</b>	<b>3,322,370</b>
including number of options granted to employees	318,970	496,500	1,173,780	622,790	574,330	120,000	3,306,370
including number of options granted to corporate officers			16,000				16,000
Exercise price	10.7	17.9	24.1	19.1	15.2	22.4	
Weighted average exercise price in 2011	10.7	17.9	24.1				
Fair value of the option in euros	7.13	6.83	10.58	7.86	3.12	4.09	
First possible exercise date	06/01/2008	29/03/2009	23/10/2010	18/02/2012	07/09/2013	19/10/2014	
Last possible exercise date	06/01/2012	29/03/2013	23/10/2014	18/02/2016	07/09/2017	19/10/2018	
Date of first possible disposal	06/01/2008	29/03/2009	23/10/2010	18/02/2012	07/09/2013	19/10/2014	
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AT 1 JANUARY 2011</b>	<b>70,310</b>	<b>204,203</b>	<b>408,180</b>	<b>391,105</b>	<b>480,120</b>	<b>120,000</b>	<b>1,681,053</b>
Number of options granted							
Number of options waived							
Number of options exercised at 31 December 2011	54,110	115,178	129,060				304,983
Number of options expired at 31 December 2011	8,700	6,400	43,920	71,325	90,525		221,370
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AT 31 DECEMBER 2011</b>	<b>7,500</b>	<b>82,625</b>	<b>235,200</b>	<b>319,780</b>	<b>389,595</b>	<b>120,000</b>	<b>1,154,700</b>
<b>2011 annual charge</b>				<b>(176)</b>	<b>(64)</b>	<b>(69)</b>	<b>(309)</b>
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AT 1 JANUARY 2012</b>	<b>7,500</b>	<b>82,625</b>	<b>235,200</b>	<b>319,780</b>	<b>389,595</b>	<b>120,000</b>	<b>1,154,700</b>
Number of options granted							
Number of options waived						30,000	30,000
Number of options exercised at 31 December 2012	2,200	50,825	18,680	78,371			150,076
Number of options expired at 31 December 2012	5,300	(1,800)	3,320	26,600	55,470		88,890
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AT 31 DECEMBER 2012</b>	<b>0</b>	<b>33,600</b>	<b>213,200</b>	<b>214,809</b>	<b>334,125</b>	<b>90,000</b>	<b>885,734</b>
<b>2012 annual charge</b>					<b>(223)</b>	<b>(56)</b>	<b>(279)</b>
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AT 1 JANUARY 2013</b>	<b>0</b>	<b>33,600</b>	<b>213,200</b>	<b>214,809</b>	<b>334,125</b>	<b>90,000</b>	<b>885,734</b>
Number of options granted							
Number of options waived							
Number of options exercised at 31 December 2013		31,800	158,160	175,034	207,554		572,548
Number of options expired at 31 December 2013		1,800	0	(600)	23,380		24,580
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AT 31 DECEMBER 2013</b>	<b>0</b>	<b>0</b>	<b>55,040</b>	<b>40,375</b>	<b>103,191</b>	<b>90,000</b>	<b>288,606</b>
<b>2013 annual charge</b>					<b>(232)</b>	<b>(104)</b>	<b>(336)</b>

## Free share allocation plan

Plan	Total
Date of grant by the Board	11/04/2008
Number of beneficiaries	2
<b>Number of options granted</b>	<b>105,600</b>
including number of shares granted to employees	52,800
including number of shares granted to corporate officers	52,800
Fair value of the option in euros	20.08
<b>Date of final award</b>	<b>11/04/2010</b>
First possible exercise date	11/04/2012
Last possible exercise date	11/04/2017
Date of first possible disposal	11/04/2012
<b>NUMBER OF SHARES AWARDED AT 1 JANUARY 2011</b>	<b>52,800</b>
Number of shares vested at 1 January 2011	
Number of shares abandoned at 31 December 2011	
Number of shares vested at 31 December 2011	
<b>NUMBER OF SHARES AWARDED AT 31 DECEMBER 2011</b>	<b>52,800</b>
<i>2011 annual charge</i>	<i>0</i>
<b>NUMBER OF SHARES AWARDED AT 1 JANUARY 2012</b>	<b>52,800</b>
Number of shares vested at 1 January 2012	
Number of shares abandoned at 31 December 2012	
Number of shares vested at 31 December 2012	
<b>NUMBER OF SHARES AWARDED AT 31 DECEMBER 2012</b>	<b>52,800</b>
<i>2012 annual charge</i>	<i>0</i>
<b>NUMBER OF SHARES AWARDED AT 1 JANUARY 2013</b>	<b>52,800</b>
Number of shares vested at 1 January 2013	
Number of shares exercised at 31 December 2013	
Number of shares vested at 31 December 2013	
<b>NUMBER OF SHARES AWARDED AT 31 DECEMBER 2013</b>	<b>52,800</b>
<i>2013 annual charge</i>	<i>0</i>

## 3.19 Other non-current income and expenses

## NON-RECURRING PROFIT

<i>(in thousands of euros)</i>	31/12/2013	31/12/2012	31/12/2011
<b>Expenses</b>			
Restructuring costs <sup>(1)</sup>	(1,951)	(3,067)	(337)
Social security and tax adjustments	(628)		(7,034)
Acquisition costs	(1,290)	(1,489)	(4,101)
Other	(71)	(1,292)	(803)
<b>TOTAL EXPENSES</b>	<b>(3,940)</b>	<b>(5,848)</b>	<b>(12,274)</b>
<b>Income</b>			
Net research tax credits over previous financial years <sup>(2)</sup>			893
Closure of Idestyle Technologies			575
Refunds on social security and tax claims	811	425	
Settlement agreement on previous acquisition <sup>(3)</sup>	961		
Provision that has ceased to be relevant	417	1,529	998
Other	228		388
<b>TOTAL INCOME</b>	<b>2,417</b>	<b>1,954</b>	<b>2,853</b>

(1) Related to specific measures taken to offset the deterioration of the economic environment (partial unemployment, reduction in headcount, site mergers, etc.). In 2012, this item related to costs paid or provisioned in Spain. In 2013, this item related to costs incurred in Spain and in the Benelux countries.

(2) Net research tax credits for previous years which distort comparisons of current operating performance are reclassified as "Other non-current income".

(3) On adoption of IFRS 3 (revised).

## IMPAIRMENT OF GOODWILL

	31/12/2013	31/12/2012	31/12/2011
France			(3,131)
Abroad	(4,950)		
<b>TOTAL</b>	<b>(4,950)</b>	<b>0</b>	<b>(3,131)</b>

In 2011, goodwill from Winwise was irreversibly impaired in the interim financial statements for €3,131,000. In 2013, goodwill impairment of €4,950,000 was recognised for Spain.



### 3.20 Net financial income

<i>(in thousands of euros)</i>	31/12/2013	31/12/2012	31/12/2011
Bank interest charges	(765)	(1,190)	(1,142)
Interest on lease-financing agreements	(48)	(36)	(25)
<b>GROSS BORROWING COSTS</b>	<b>(813)</b>	<b>(1,227)</b>	<b>(1,167)</b>
Income from loans and receivables	489	498	400
Proceeds from the disposal of marketable securities		1	79
<b>NET BORROWING COSTS</b>	<b>(324)</b>	<b>(728)</b>	<b>(688)</b>
Abandonment of financial receivables			(101)
Foreign exchange losses	(5,379)	(3,220)	(1,777)
Other financial expenses	(849)	(459)	(548)
Discounting expenses			(55)
Financial provisions	(407)		(774)
<b>Other financial expenses</b>	<b>(6,634)</b>	<b>(3,679)</b>	<b>(3,255)</b>
Foreign exchange gains	3,629	2,913	1,833
Other financial income	566	781	340
Reversal of financial provisions		1	254
<b>Other financial income</b>	<b>4,195</b>	<b>3,695</b>	<b>2,427</b>
<b>OTHER NET FINANCIAL INCOME AND EXPENSES</b>	<b>(2,439)</b>	<b>16</b>	<b>(828)</b>
<b>NET FINANCIAL INCOME (EXPENSES)</b>	<b>(2,763)</b>	<b>(712)</b>	<b>(1,516)</b>

In 2011, financial provisions related to Phoebe Ingenica investment securities. In 2013, financial provisions mainly related to the financial portion of the provision for retirement benefits (€394,000).

## 3.21 Breakdown of income tax expense

<i>(in thousands of euros)</i>	31/12/2013	31/12/2012	31/12/2011
Net Earnings: Group and minority interests	74,057	78,402	59,590
Earnings of equity-accounted companies	(2,299)	(1,689)	(804)
Impairment of goodwill	4,950	0	3,131
Stock options	336	279	309
Income tax expense	36,243	38,955	35,030
<b>PRE-TAX EARNINGS</b>	<b>113,287</b>	<b>115,947</b>	<b>97,256</b>
Tax rate of the consolidating company	34.43%	34.43%	34.43%
Theoretical income tax expense	39,009	39,924	33,489
Special 3% tax on dividends paid	968	0	0
Additional contribution 10.7% (5% in 2012)	1,303	755	571
Difference in tax rate versus foreign companies	(3,389)	(3,235)	(2,730)
Miscellaneous tax credits*	(6,496)	(5,791)	(5,431)
Unactivated deferred tax assets	153	(88)	711
CVAE (value added tax) reclass.	6,526	6,490	6,095
Other permanent differences	(1,830)	901	2,325
<b>TAX EXPENSE RECOGNISED</b>	<b>36,243</b>	<b>38,955</b>	<b>35,030</b>
<b>EFFECTIVE INCOME TAX RATE</b>	<b>31.99%</b>	<b>33.60%</b>	<b>36.02%</b>
Income tax distribution:			
Deferred taxes	501	(594)	(969)
Income tax payable	35,742	39,549	35,999
<b>TOTAL</b>	<b>36,243</b>	<b>38,955</b>	<b>35,030</b>

\* Tax free income.

## 3.22 Operating segments

In accordance with IFRS 8 "Operating segments", the financial information published below was used by the main operational decision-maker (the Chairman) to internally assess the performance of the segments.

<i>(in thousands of euros)</i>	31/12/2013			31/12/2012			31/12/2011		
	France	Abroad	Total	France	Abroad	Total	France	Abroad	Total
Revenue	787,197	524,687	<b>1,311,884</b>	797,557	492,657	<b>1,290,214</b>	753,219	376,771	<b>1,129,990</b>
Inter-segment and intra-group neutralisation	(36,239)	(59,457)	<b>(95,696)</b>	(39,876)	(52,330)	<b>(92,205)</b>	(37,517)	(26,814)	<b>(64,331)</b>
Net revenue	750,958	465,230	<b>1,216,188</b>	757,681	440,327	<b>1,198,009</b>	715,703	349,957	<b>1,065,659</b>
Operating profit on activity	69,563	48,010	<b>117,574</b>	67,129	53,457	<b>120,586</b>	64,133	44,203	<b>108,335</b>
Rate of Operating profit on activity/revenue for the segment	9.3%	10.3%	<b>9.7%</b>	8.8%	12.1%	<b>10.1%</b>	8.9%	12.6%	<b>10.2%</b>
Profit from ordinary activities	69,227	48,010	<b>117,237</b>	66,850	53,457	<b>120,307</b>	63,824	44,203	<b>108,026</b>
Operating profit	68,963	41,800	<b>110,763</b>	68,427	47,953	<b>116,380</b>	53,444	41,888	<b>95,332</b>
Net financial income	(1,846)	(917)	<b>(2,763)</b>	(145)	(567)	<b>(712)</b>	(1,063)	(452)	<b>(1,516)</b>
Income tax expense	(25,204)	(11,039)	<b>(36,243)</b>	(25,039)	(13,916)	<b>(38,955)</b>	(22,058)	(12,972)	<b>(35,030)</b>
Earnings of consolidated entities	41,914	29,844	<b>71,758</b>	43,244	33,469	<b>76,713</b>	30,323	28,463	<b>58,786</b>
<b>NET OVERALL EARNINGS</b>	<b>44,213</b>	<b>29,844</b>	<b>74,057</b>	<b>44,933</b>	<b>33,469</b>	<b>78,402</b>	<b>31,127</b>	<b>28,463</b>	<b>59,590</b>

(in thousands of euros)	31/12/2013			31/12/2012			31/12/2011		
	France	Abroad	Total	France	Abroad	Total	France	Abroad	Total
Goodwill	100,547	127,739	<b>228,286</b>	94,909	105,663	<b>200,572</b>	94,942	89,458	<b>184,400</b>
Impairment over the financial year		(4,950)	<b>(4,950)</b>				(3,131)		<b>(3,131)</b>
Equity-accounted stakes <sup>(1)</sup>	38		<b>38</b>	4,717		<b>4,717</b>	3,027		<b>3,027</b>
Workforce at Year End	9,060	6,940	<b>16,000</b>	9,300	6,650	<b>15,950</b>	8,940	5,860	<b>14,800</b>
Cash at end of period	57,609	39,342	<b>96,952</b>	38,332	28,191	<b>66,523</b>	29,986	29,628	<b>59,614</b>
Financial liabilities	21,541	1,393	<b>22,934</b>	8,402	1,051	<b>9,453</b>	15,599	1,235	<b>16,835</b>
<b>NET INVESTMENTS FOR THE PERIOD</b>	<b>7,290</b>	<b>45,747</b>	<b>53,037</b>	<b>9,008</b>	<b>24,958</b>	<b>33,966</b>	<b>18,968</b>	<b>15,033</b>	<b>34,001</b>

(1) See Note 3.3.

In 2013, newly acquired companies contributed €295,000 to consolidated net earnings (France and abroad) and €13.3 million to revenue.

One customer represented more than 10% of consolidated revenue at 31 December 2013. Despite this, there is no identified risk of dependency with regard to a specific customer.

### 3.23 Earnings per share

(in euros)	31/12/2013	31/12/2012	31/12/2011
<b>Earnings</b>	<b>73,779,724</b>	<b>78,167,566</b>	<b>59,551,667</b>
Weighted average number of shares	32,280,297	31,839,040	31,794,116
<b>Earnings per share</b>	<b>2.29</b>	<b>2.46</b>	<b>1.87</b>

(in euros)	31/12/2013	31/12/2012	31/12/2011
Earnings	73,779,724	78,167,566	59,551,667
Dilutive effect of stock warrants	0	(134,978)	(198,732)
<b>Diluted earnings</b>	<b>73,779,724</b>	<b>78,032,588</b>	<b>59,352,935</b>
Weighted average number of shares	32,280,297	31,839,040	31,794,116
Effect of dilutions	259,367	276,919	367,007
Weighted average number of shares after potential dilution	32,539,664	32,115,959	32,161,123
<b>Diluted earnings per share</b>	<b>2.27</b>	<b>2.43</b>	<b>1.85</b>

There are no undiluted instruments.

### 3.24 Dividends per share

	2014*	2013	2012
Date dividends paid on the profit from the previous financial year		25-Jun-13	25-Jun-12
Date of the General Meeting deciding on the dividend distribution proposal	18-Jun-14	19-Jun-13	19-Jun-12
Total distribution amount (in thousands of euros) on the profit from the previous financial year		32,261	31,822
Dividend per share on the profit from the previous financial year (in euros and per share)	1.00	1.00	1.00

\* Subject to approval by the General Meeting.

## 3.25 Cash flow statement

## CHANGES IN DEPRECIATION, AMORTISATION AND PROVISIONS NET OF REVERSALS

	31/12/2013	31/12/2012	31/12/2011
Amortisation of intangible assets	3,045	2,059	3,369
Depreciation of property, plant and equipment	6,767	5,717	4,055
Impairment of goodwill	4,950	0	3,131
Provisions for risks and expenses	1,254	2,151	3,887
<b>TOTAL</b>	<b>16,016</b>	<b>9,927</b>	<b>14,443</b>

## BREAKDOWN OF TAXES PAID

	31/12/2013	31/12/2012	31/12/2011
Repayments received	2,055	6,343	1,102
Payments made	(45,187)	(41,794)	(41,420)
<b>TOTAL</b>	<b>(43,132)</b>	<b>(35,451)</b>	<b>(40,318)</b>

## BREAKDOWN OF CASH FLOWS ON WORKING CAPITAL REQUIREMENT

	31/12/2013	31/12/2012	31/12/2011
Changes in net WCR - customers	29,511	(5,181)	(379)
Changes in net WCR - suppliers	2,977	21	931
Changes in net WCR – other receivables and operating payables	(19,622)	(6,351)	(2,717)
<b>TOTAL</b>	<b>12,866</b>	<b>(11,511)</b>	<b>(2,165)</b>

## IMPACT OF CHANGES IN SCOPE AND EARN-OUTS

	31/12/2013	31/12/2012	31/12/2011
Acquisitions of consolidated subsidiaries	(55,965)	(24,941)	(15,810)
Cash from new consolidated subsidiaries	10,401	2,699	277
Cash from deconsolidated subsidiaries		(277)	
<b>TOTAL</b>	<b>(45,564)</b>	<b>(22,518)</b>	<b>(15,533)</b>

## CAPITAL INCREASE

	31/12/2013	31/12/2012	31/12/2011
Share options exercised	12,249	2,887	5,801
Cancellation of treasury shares			(2)
Issue of stock warrants			
Subscription to the capital of new companies			101
<b>TOTAL</b>	<b>12,249</b>	<b>2,887</b>	<b>5,900</b>

## 4. OTHER INFORMATION

### 4.1 Related party transactions

#### Compensation granted to corporate officers

In the Company, in controlled companies and in the controlling company<sup>(1)</sup>:

	2013		2012	
	Amount paid	Amount due	Amount paid	Amount due
<b>Simon Azoulay</b>				
• Fixed remuneration	€99,000	€99,000	€109,080	€120,000
• Variable remuneration	None	None	None	None
• Extraordinary remuneration	None	None	None	None
• Directors' fees <sup>(2)</sup>	None	None	€260,000	€260,000
• Benefits in kind	€1,630	€1,630	None	None
<b>TOTAL</b>	<b>€100,630</b>	<b>€100,630</b>	<b>€369,080</b>	<b>€380,000</b>
<b>Gérald Attia</b>				
• Fixed remuneration	€178,224	€178,224	€178,224	€178,224
• Variable remuneration	None	None	None	None
• Extraordinary remuneration	None	None	None	None
• Directors' fees <sup>(3)</sup>	€134,671	€84,000	€33,329	€84,000
• Benefits in kind	€3,873	€3,873	€3,873	€3,873
<b>TOTAL</b>	<b>€316,768</b>	<b>€266,097</b>	<b>€215,426</b>	<b>€266,097</b>
<b>Bruno Benoliel</b>				
• Fixed remuneration	€159,141	€159,141	€159,141	€159,141
• Variable remuneration	None	None	None	None
• Extraordinary remuneration	None	None	None	None
• Directors' fees <sup>(4)</sup>	€2,645	None	€57,355	€60,000
• Benefits in kind	None	None	None	None
<b>TOTAL</b>	<b>€161,786</b>	<b>€159,141</b>	<b>€216,496</b>	<b>€219,141</b>
<b>Pierre Marcel</b>				
• Fixed remuneration	€180,253	€180,253	Not applicable	
• Variable remuneration	None	None		
• Extraordinary remuneration	None	None		
• Directors' fees	None	None		
• Benefits in kind	€5,038	€5,038		
<b>TOTAL</b>	<b>€185,291</b>	<b>€185,291</b>		

(1) Amounts are expressed in gross values.

(2) €150,000 corresponds to the amounts paid to Mr Simon Azoulay in December 2012 for financial year 2012 by ALTEN Spain SAU, a company formed under Spanish law and a 100% subsidiary of ALTEN Europe, itself a 100% subsidiary of ALTEN SA, as director's fees for his role as Consejero. €110,000 was also paid by the UK company ALTEN Ltd, wholly-owned subsidiary of ALTEN Europe, to Mr Simon Azoulay in respect of attendance fees for his position as Director for financial year 2012.

The company SGTI, of which Mr Simon Azoulay is Chairman and sole shareholder, received €150,000 from ALTEN Ltd, the wholly-owned UK subsidiary of ALTEN Europe, in directors' fees for its role as Director in 2013. It also received €150,000 from ALTEN SPAIN SAU, the wholly-owned Spanish subsidiary of ALTEN Europe, itself a wholly-owned subsidiary of ALTEN SA, in directors' fees for its role as Consejero, and €150,000 from ATEXIS SPAIN SLU, the wholly-owned Spanish subsidiary of ALTEN SPAIN SAU, in directors' fees for its role as Administrador único in 2013.

(3) This amount corresponds to sums paid to Mr Gérald Attia by ALTEN SPAIN SAU, the wholly-owned Spanish subsidiary of ALTEN Europe, itself a wholly-owned subsidiary of Altén SA, in directors' fees for his role as Consejero. The balance of €50,671 at 31 December 2012 was paid to him in January 2013.

(4) This amount corresponds to sums paid to Mr Bruno Benoliel in December 2012 by ALTEN SPAIN SAU, the wholly-owned Spanish subsidiary of ALTEN Europe, itself a wholly-owned subsidiary of Altén SA, in directors' fees for his role as Consejero during the 2012 financial year. The balance of €2,645 was paid to him in January 2013.

## Benefits granted to corporate officers

Beneficiaries	SO plan of 23/10/2006	Free share plan of 11/04/2008	Share warrant plan of 07/09/2009	Total
Simon Azoulay			150,000	150,000
Gérald Attia	16,000		75,000	91,000
Bruno Benoliel		52,800	60,000	112,800
Pierre Marcel			75,000	75,000
<b>TOTAL (IN QUANTITY)</b>	<b>16,000</b>	<b>52,800</b>	<b>360,000</b>	<b>428,800</b>

## Information concerning defined-contribution schemes for corporate officers

In 2013, social contributions for managers amounted to €282,000.

## Related party transactions

Unconsolidated subsidiaries, companies affiliated to the Group or companies controlled directly by directors of the Group.

## In the income statement:

	31/12/2013	31/12/2012	31/12/2011
Revenue	71	137	1,392
Other operating income (expenses) <sup>(1)</sup>	(3,818)	(4,000)	(4,305)
Financial income (expenses)	19	575	182
<b>TOTAL</b>	<b>(3,728)</b>	<b>(3,289)</b>	<b>(2,731)</b>

## In the balance sheet:

	31/12/2013	31/12/2012	31/12/2011
Long-term financial assets <sup>(3)</sup>	9,347	1,800	1,800
Trade receivables	37	134	1,233
Current account <sup>(2)</sup>	964	960	1,850
Other receivables	26	17	18
<b>ASSETS</b>	<b>10,374</b>	<b>2,911</b>	<b>4,901</b>
Trade payables	786	1,036	713
<b>LIABILITIES</b>	<b>786</b>	<b>1,036</b>	<b>713</b>

(1) Of which €212,000 in 2011 under the service agreement with SGTI.

(2) Changes in this item in 2012 reflect a cash advance made by ALTEN to its controlling shareholder (SGTI). The advance pays interest of three-month Euribor +2% (€1.4 million outstanding at 31 December 2011) and was repaid in 2012 in full on schedule.

(3) As a vendor's credit guarantee granted to an associate.

## Relations between ALTEN and its subsidiaries

The main relations between ALTEN and its subsidiaries are detailed below:

## Service agreements

ALTEN provides its subsidiaries with general services (Group services) as required, as well as more specific services if necessary (subleasing of facilities). These relationships are defined by a framework agreement between ALTEN and its French and foreign subsidiaries.

## Use of the ALTEN brand

ALTEN invoices its subsidiaries for use of the ALTEN brand.

## Listing agreements

Listing contracts are signed with certain subsidiaries. In this respect, ALTEN invoices a percentage of revenue received by these companies from customers who are listed.

## Carrying agreements

Carrying agreements have been signed between ALTEN and certain of its subsidiaries. Within the scope of these agreements, which were implemented in response to certain customers' requests to have one contact person within the Group's subsidiaries, ALTEN acts as an intermediary between the customer and the subsidiary. As a result, even if all services are carried out by the subsidiary, ALTEN invoices the customer and is invoiced in turn by the subsidiary, and thus carries invoicing costs and default risks. Each subsidiary remunerates ALTEN for the service provided and its related costs at a percentage

of annual revenue generated with the customer for whom the carrying agreement was implemented.

## 4.2 Contingent assets and liabilities

### Contingent assets

A dispute over adjustments made by URSSAF (for €6.3 million) was initiated by Group companies. No assets have been recognised in the financial statements in respect of these disputes pending court decisions.

### Contingent liabilities

The Group has an ongoing dispute with a minority associate of one of its subsidiaries. The total amount of the plaintiff's claim, disputed by ALTEN, is approximately €2 million. The maturity date is undefined.

The amounts the Company considers it owes are recognised in the consolidated financial statements as goodwill under assets and as debts under liabilities, in accordance with IFRS.

## 4.3 Share capital

Number of shares (nominal value €1.016)	Shares issued	Treasury shares	Shares in circulation
<b>At 31 December 2012</b>	<b>32,421,753</b>	<b>(478,019)</b>	<b>31,943,734</b>
Exercise of options/warrants	653,548		653,548
Capital increase			
<b>Treasury shares</b>			
Purchasing			
Sales			
Transfers			
Liquidity contract transactions		3,049	3,049
<b>AT 31 DECEMBER 2013</b>	<b>33,075,301</b>	<b>(474,970)</b>	<b>32,600,331</b>

## 4.4 Treasury shares

Within the scope of a share buyback programme, during the financial year the Company made the following treasury share transactions:

	31/12/2013	31/12/2012	31/12/2011
<b>UNALLOCATED SHARES</b>			
Shares held at start of year	460,022	464,022	397,441
Shares purchased			66,677
Shares sold			(96)
Reclassifications		(4,000)	
Shares held at closing	460,022	460,022	464,022
<b>FREE SHARE ALLOCATION PLAN</b>			
Purchased treasury shares not yet allocated at start of year			
Shares purchased			
Free shares allocated			
Waivers			
Reclassifications			
Repurchased shares not yet allocated on closure			
<b>LIQUIDITY CONTRACT</b>			
Shares held at start of year	17,997	12,230	4,486
Shares purchased	375,139	241,340	131,016
Shares sold	(378,188)	(245,572)	(123,272)
Reclassifications		10,000	
Shares held at closing	14,948	17,997	12,230

Giving a total of 474,970 treasury shares at a value of €9,191,000, liquidated through shareholders' equity at 31 December 2013.

## 4.5 Financial commitments

## COMMITMENTS RELATED TO THE GROUP SCOPE

<i>(in thousands of euros)</i>	31/12/2013	maturity	31/12/2012	31/12/2011
<b>Pledges and guarantees given</b>				
ALTEN SA <sup>(1)</sup>	15,000	24/06/2014		
ALTEN SA <sup>(1)</sup>	5,000	24/06/2015		
ALTEN SA		01/09/2013	107	107
ALTEN Belgium			178	178
ALTEN Italia			32	
ALTEN Spain	2,041		2,270	
<b>TOTAL</b>	<b>22,041</b>		<b>2,587</b>	<b>285</b>
<b>Bank guarantees received</b>				
(collateral guarantees of liabilities)				
ALTEN Europe	750	30/06/2015		
ALTEN SIR	600	19/12/2014		
ALTEN PTS		31/12/2012		90
B2I Automotive		31/12/2012		300
BBR		31/12/2012		100
Burke (merged with ALTEN Spain)		19/09/2012		150
HPTI		31/01/2012		400
Winwise (merged with Alten SIR)		28/02/2012		100
<b>TOTAL</b>	<b>1,350</b>			<b>1,140</b>

(1) Term account pledge for €20 million as security for a loan arranged by an associate.

## COMMITMENTS RELATED TO GROUP FINANCING

<i>(in thousands of euros)</i>	31/12/2013	31/12/2012	31/12/2011
Unused credit lines	170,000	170,000	110,000

## COMMITMENTS RELATED TO OPERATING ACTIVITIES

<i>(in thousands of euros)</i>	31/12/2013	31/12/2012	31/12/2011
Operating leases <sup>(1)</sup>	53,422	48,801	50,825
Financial leases <sup>(2)</sup>	926	889	688

(1) Of which property leases: €45,663,000 (of which €12,817,000 in less than one year, €25,010,000 in two to five years, and €7,836,000 in more than five years).

(2) Royalties unpaid at 31 December 2013 are as follows:

<b>Type of property</b> <i>(in thousands of euros)</i>	Royalties unpaid			Amount payable in less than one year	Amount payable in one to five years
	Capital	Interest	Total		
Intangible assets					
Property, plant and equipment	811	115	926	335	591
<b>TOTAL</b>	<b>811</b>	<b>115</b>	<b>926</b>	<b>335</b>	<b>591</b>



Assets pledged	Amount (in thousands of euros)	Type of asset
Lease-financing transactions	782	Fixed assets

### 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.

- ITEKNA: under the terms of the purchase MOU at end-2012, the parties signed a promise to buy out/sell the non-controlling shareholder's 35% stake.

At the end of the financial year, except for the commitments set forth above, management does not believe that there are other commitments which will materially impact the Group's financial position.

### Retirement benefits

#### Charge posted in the income statement

	31/12/2013	31/12/2012	31/12/2011
Operating profit (Note 3.14)	(867)	(1,980)	(1,524)
Net financial income (Note 3.20)	(394)		
<b>Charge posted in the income statement</b>	<b>(1,261)</b>	<b>(1,980)</b>	<b>(1,524)</b>

The change in the provision on the balance sheet is as follows:

	31/12/2013	31/12/2012	31/12/2011
<b>Balance at beginning of period</b>	<b>9,378</b>	<b>7,399</b>	<b>5,876</b>
Change in method (IAS 19 revised)	(795)		
<b>Balance at beginning of period, restated</b>	<b>8,583</b>	<b>0</b>	<b>5,876</b>
Impact on the balance sheet			
Changes in scope and reclassifications	960		
<b>Impact on the balance sheet</b>	<b>960</b>	<b>0</b>	<b>0</b>
Impact on earnings			
Cost of services provided	1,571	1,595	1,225
Financial cost over the period	394	355	297
Spreading (recovery) of actuarial differences	(704)	30	1
<b>Charge posted in the income statement</b>	<b>1,261</b>	<b>1,980</b>	<b>1,523</b>
<b>Balance at end of period</b>	<b>10,804</b>	<b>9,378</b>	<b>7,399</b>

The following actuarial assumptions were used:

	31/12/2013	31/12/2012	31/12/2011
Discount rate*	3.70%	3.60%	4.25%
Revaluation rate for employees	1.50%	1.50%	3.06%
Employer contribution rate			
• Managerial staff	46.89%	46.89%	46.89%
• Non-managerial staff	46.49%	46.49%	46.49%
Mortality table			
• Women	TV 2004-2006	TV 2004-2006	TV 2004-2006
• Men	TD 2004-2006	TD 2004-2006	TD 2004-2006
Age 1 <sup>st</sup> job			
• Managerial staff	24 years	25 years	25 years
• Non-managerial staff	20 years	21 years	21 years
Age of retirement	65-67 years	65-67 years	65-67 years

\* The Group uses a rate curve ranging from 0.2 to 3.7%.

The staff turnover rate is recorded from company to company in accordance with observed historical data. In France, the change in discount rate in calculating retirement benefit obligations is presented below:

(in thousands of euros)	Discount rate -1%	Middle values	Discount rate +1%
Provisions for retirement benefits	12,440	10,048	8,186

#### 4.6 Audit fees

	DAUGE ET ASSOCIÉS				GRANT THORNTON			
	Amount excluding tax		%		Amount excluding tax		%	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>Audit</b>								
Statutory audit, certification, review of accounts:								
• Issuer	199	191	60%	67%	208	204	35%	44%
• Fully consolidated subsidiaries	100	95	30%	33%	303	259	51%	56%
Other duties and services directly related to the Statutory Auditors' assignment:								
• Issuer	2		0%	-	20		3%	-
• Fully consolidated subsidiaries	32		10%	-	58		10%	-
<b>SUBTOTAL</b>	<b>333</b>	<b>286</b>	<b>100%</b>	<b>100%</b>	<b>588</b>	<b>463</b>	<b>100%</b>	<b>100%</b>
<b>Other services</b>								
Legal, tax, corporate								
• Issuer	-	-	-	-	-	-	-	-
• Fully consolidated subsidiaries	-	-	-	-	-	-	-	-
Other								
• Issuer	-	-	-	-	-	-	-	-
• Fully consolidated subsidiaries	-	-	-	-	-	-	-	-
<b>SUBTOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>333</b>	<b>286</b>	<b>100%</b>	<b>100%</b>	<b>588</b>	<b>463</b>	<b>100%</b>	<b>100%</b>

#### 4.7 Consolidating entity

The ALTEN Group was fully consolidated by SGTI in 2012, and then equity-accounted by SGTI from 30 June 2013. Since 1 July 2013, the ALTEN Group has no longer been consolidated by SGTI.

#### 4.8 Securities pledged as collateral

To the best of the Company's knowledge, the ALTEN shares described below have been used as collateral for various bank loans, bank guarantees and cash management agreements:

Name	Number of ALTEN shares pledged	Maturity date	Type	Percentage of authorised capital
Simon Azoulay	500,000	28/11/2018	Bank loan collateral	1.5%
		31/12/2016	Bank loan collateral	
SGTI	4,003,000	25/06/2015	Bank loan collateral	12.1%

## 20.3.2 2013 SEPARATE FINANCIAL STATEMENTS

## 1. BALANCE SHEET

## ASSETS

<i>(in thousands of euros)</i>	Gross	Depreciation, amortisation and provisions	31/12/2013	31/12/2012
Intangible assets	52,126	14,055	38,070	33,717
Property, plant and equipment	22,724	15,187	7,537	7,560
Financial assets	184,306	873	183,433	153,450
<b>CAPITALISED ASSETS</b>	<b>259,156</b>	<b>30,116</b>	<b>229,040</b>	<b>194,727</b>
Work in progress	63		63	60
Advance payments on orders	89		89	1,465
Trade receivables	136,455	1,989	134,467	145,154
Other receivables	27,968	116	27,852	20,092
Marketable securities	489		489	521
Cash and equivalents	22,046		22,046	3,309
Prepaid expenses	4,939		4,939	4,448
<b>CURRENT ASSETS</b>	<b>192,050</b>	<b>2,104</b>	<b>189,945</b>	<b>175,049</b>
Translation adjustment	4		4	1
<b>TOTAL</b>	<b>451,209</b>	<b>32,220</b>	<b>418,989</b>	<b>369,778</b>

## LIABILITIES

<i>(in thousands of euros)</i>	31/12/2013	31/12/2012
Capital	33,618	32,953
Paid-in capital	36,951	25,443
Reserves and Retained Earnings	126,786	131,105
Profit for the year	70,615	27,725
<b>SHAREHOLDERS' EQUITY</b>	<b>267,970</b>	<b>217,226</b>
<b>PROVISIONS FOR RISKS AND EXPENSES</b>	<b>9,600</b>	<b>8,546</b>
Other loans and related debt	3,552	4,041
Miscellaneous financial borrowings and liabilities	7,153	6,943
Trade payables	31,962	30,569
Taxes and social security charges payable	79,678	86,445
Other debt	16,670	13,404
Deferred income	2,029	2,466
<b>DEBT</b>	<b>141,045</b>	<b>143,869</b>
Translation adjustment	374	137
<b>TOTAL</b>	<b>418,989</b>	<b>369,778</b>

## 2. INCOME STATEMENT

<i>(in thousands of euros)</i>	<b>2013</b>	<b>2012</b>
<b>NET REVENUE</b>	<b>442,091</b>	<b>452,616</b>
Reversal of depreciation, amortisation & provisions, transfer of expenses, other income	8,850	12,442
Other income	10,200	10,071
<b>Operating revenue</b>	<b>461,141</b>	<b>475,130</b>
Other external purchases and costs	148,616	152,069
Taxes other than on income	14,608	16,041
Payroll expenses	265,699	269,224
Charges to depreciation, amortisation and provisions	9,060	8,387
Other operating expenses	1,651	1,235
<b>Operating expenses</b>	<b>439,633</b>	<b>446,957</b>
<b>OPERATING PROFIT</b>	<b>21,508</b>	<b>28,173</b>
<b>NET FINANCIAL INCOME</b>	<b>52,066</b>	<b>10,215</b>
<b>PROFIT (LOSS) BEFORE TAX</b>	<b>73,574</b>	<b>38,388</b>
<b>NON-RECURRING LOSS</b>	<b>(565)</b>	<b>(347)</b>
Employee profit-sharing	229	3,263
Income tax	2,164	7,053
<b>PROFIT FOR THE YEAR</b>	<b>70,615</b>	<b>27,725</b>

## Detailed contents of the notes to the financial statements

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### 3. NOTES TO THE 2013 SEPARATE FINANCIAL STATEMENTS

#### 3.1 General information on ALTEN SA

Founded in 1988, ALTEN is the European leader in the engineering and technology consulting (ETC) market.

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

ALTEN works with its customers through various types of contracts:

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

ALTEN SA has been ISO-certified since 1998 and has been certified CMMI level 3.

The scope of ALTEN SA's business covers all outsourced engineering and technology consulting services.

#### 3.2 Key events

##### 3.2.1 Business activity

There was a difficult economic context in 2013 with the main customers reducing the sums invested.

In particular, the Automotive market suffered from budget cuts on the part of manufacturers.

The Defence/Security, Energy and Telecom operators markets enabled the Group to partly offset reduced activity in the Automotive industry.

Consequently, revenue was slightly down this year.

However, ALTEN SA maintained its position as the leader in France in the Engineering and Technology Consulting market.

##### 3.2.2 Other information

- During the first half of 2013, €32,262,000 of dividends were paid to shareholders in respect of financial year 2012.
- ALTEN SA has undergone a tax audit for the 2010, 2011 and 2012 financial years, so far resulting in a tax reassessment for 2010, funded in the 2013 financial statements; the audit for 2011 and 2012 was still ongoing at year-end.
- On 1 January 2013, ALTEN SA dissolved the company B2I and absorbed its assets and liabilities.
- In July 2013, ALTEN SA took a 100% stake in the company ADDS GROUP SAS, head of a group of two companies involved in R&D consultancy in the pharmaceutical, biotechnology and research centre sectors. On 31 December 2013, ALTEN SA dissolved ADDS GROUP -SAS and absorbed its assets and liabilities.

- In July 2013, ALTEN SA took a stake in the company VCTH BVBA in Belgium. ALTEN SA only holds 0.01% directly, while ALTEN EUROPE, the wholly-owned subsidiary of ALTEN SA, holds the remainder.
- In November 2013, ALTEN SA took a stake in the company SESAME CONSULTING PRIVATE LTD in India. ALTEN SA only holds 10% directly, while ALTEN EUROPE, the wholly-owned subsidiary of ALTEN SA, holds the remainder.
- In December 2013, ALTEN SA acquired a 100% stake in the company PROGRAM PLANNING PROFESSIONALS INC, head of a group of seven companies active in France and worldwide in the fields of programme, project and business process management.

#### 3.3 Post-closing events

- In the first quarter of 2014, ALTEN SA dissolved the company B2I Ingénierie et Technologies srl in Romania, which had ceased trading.
- On 7 March 2014, ALTEN SA acquired the company GECL SYSTEMES and its French subsidiaries. These companies specialise in airframe construction, mechanical and electrical systems integration and manufacturing engineering.

#### 3.4 Accounting principles and methods

The accounting principles and methods applied by ALTEN SA are consistent with France's generally accepted accounting standards (*Plan Comptable Général*), pursuant to regulation CRC 99-03.

General accounting conventions have been applied, in accordance with the principle of prudence and the fundamental accounting concepts of:

- going concern;
- the same accounting methods used from one year to the next;
- independence between years.

and in accordance with the general rules for preparing and presenting financial statements.

The main accounting methods used are as follows:

##### 3.4.1 Change in accounting methods

A change in method concerning the recognition of pension obligations was made in 2013 following the revision of IAS 19 and now consists of accounting for the provision based on actuarial value.

The change had a €218,000 impact on equity at the start of the period.

##### 3.4.2 Fixed assets

Intangible assets and property, plant and equipment are valued at acquisition or production cost.

Amortisation is calculated on a straight-line/declining-balance basis over the following estimated useful lives:

- development costs 10 years SL;
- concessions, patents, software and licences 1 year SL;

- transport equipment 5 years SL;
- office and computer equipment 1 to 5 years/SL - 2 to 3 years/DB;
- office equipment 5 to 10 years/SL;
- fixtures and fittings 3 to 9 years/SL.

Development costs are obligatorily capitalised as intangible assets and all expenses directly attributable to the creation, production and preparation of the asset in view of its planned use are capitalised.

Residual value and anticipated lifespan are reviewed at least annually and adjusted accordingly if they differ significantly from previous estimates.

All depreciation and amortisation charges are recognised under operating expenses.

### 3.4.3 Business assets

Business assets are valued at their acquisition cost. They are not amortised but are tested for value if, because of events or circumstances occurring during the year, their recoverable value appears to be permanently lower than their net book value. The recoverable value is based on the discounted future cash flows generated by the continued use of the assets tested. The discounting is applied at a rate corresponding to the weighted average cost of capital.

The main criteria chosen for the application of the valuation method according to the Discounted Cash Flows are described under the heading "Investment securities".

### 3.4.4 Investment securities

The gross value of investment securities is recorded on the balance sheet at acquisition cost. The acquisition cost of investment securities comprises a fixed portion paid at the time an interest is acquired and any variable earn-outs based on the acquired entity's future revenues and earnings. These earn-outs are recognised under investment securities against debt on non-current assets.

Whenever general business conditions and/or material adverse developments cause a subsidiary to post revenue and earnings significantly below expectations at the time of acquisition, an additional one-time impairment loss on the investment securities is calculated.

Required depreciation is determined through the Discounted Cash Flow method. This is only done for acquired companies and applies the following assumptions:

- a four-year financial budget prepared by entity and validated by the Group's Finance Division, updated when the year-end budget is prepared. Cash flow beyond four years is extrapolated on the basis of a growth rate to infinity;

- low growth rate (2%): this growth rate does not exceed the long-term average growth rate for the business sector;
- weighted average cost of capital (9.60%), derived from risk-free interest rates, risk premiums, beta and additional premiums if applicable;
- net indebtedness (except for goodwill).

In the current fast-changing economic environment, it is harder to define the business outlook and the random nature of some estimates can be accentuated, especially where profits and cash flow are concerned.

### 3.4.5 Treasury shares

All treasury shares held by ALTEN SA are recorded at their acquisition cost under "other fixed financial assets".

### 3.4.6 Trade receivables

Trade receivables are valued at nominal value. They are individually valued and, where applicable, depreciated to account for any difficulties in collecting certain amounts.

Any such impairment is recognised once there is an indication of the Group's inability to recover the full amount, such as bankruptcy procedures or non-payment by the due date. Impairment is recognised under other income and operating expenses.

For any trade receivables that are not subject to individual impairment, the depreciation method applied is a statistical one.

### 3.4.7 Marketable securities

Securities (money market fund) recognised in the balance sheet are valued at the lower of either their historical cost or market value.

### 3.4.8 Provisions for risks and expenses

Provisions for risks and expenses are recorded at year-end whenever the company has an obligation towards a third party which is likely or certain to result in an outflow of resources for the benefit of such a third party, with no anticipated consideration of at least equal value.

The estimate of the amount recorded under the provisions is the expense the company is likely to incur to discharge the obligation.

Among these provisions are retirement obligations as estimated by an independent actuarial firm, in accordance with CNC Notice 97-06.



Benefits payable to retiring employees are calculated on the basis of the current headcount at reporting date. It is based on the following items:

Presentation of actuarial assumptions	31/12/2013	31/12/2012
Discount rate <sup>(1)</sup>	3.70%	3.60%
Revaluation rate for employees		
Managerial staff	1.50%	1.50%
Non-managerial staff	2.50%	2.50%
Employer contribution rate		
Managerial staff	46.89%	46.89%
Non-managerial staff	46.49%	46.49%
Mortality table		
For women	TV 2004-2006	TV 2004-2006
For men	TD 2004-2006	TD 2004-2006
Age 1 <sup>st</sup> job		
Managerial staff	24 years	25 years
Non-managerial staff	20 years	21 years
Age of retirement	65-67 years	65-67 years

(1) The Group uses a rate curve ranging from 0.20% to 3.70%.

### 3.4.9 Revenue recognition

Revenue is recognised over the period in which services are rendered and made up of invoiced services (issued or to be issued):

- on a cost basis: income is equal to time spent multiplied by an hourly, daily or monthly rate;
- fixed price: income is recognised according to the percentage of completion method in proportion to expenses incurred. Loss-making contracts give rise to recognition of a contract loss provision corresponding to the total expected loss less any losses already recorded in advance. Services for which a fixed price is charged account for less than 10% of revenue;
- “workpackage” method: recognition of revenue varies according to the nature of the resource commitment. When the workpackage is part of a global cost-based scheme, income is equal to time spent multiplied by an hourly, daily or monthly sales rate; when it is part of an outsourced platform for which billing is on a monthly or quarterly fixed-price basis, income is recognised on a monthly basis according to the amount of the agreement, independent of the real time spent by consultants; lastly, when it is part of a service commitment package, revenue is recognised as and when deliverables and/or performance indicators (work units) are received/validated by the customer and for which the price has been fixed in the workpackage contract.

### 3.4.10 Tax credit for encouraging competitiveness and jobs (CICE)

In accordance with the recommendations of the ANC, the CICE is credited against employee expenses as the corresponding remuneration expenses are incurred.

ALTEN SA declares the remuneration concerned on its employer contributions forms in accordance with the conditions of eligibility for the scheme. The CICE is used in accordance with its intended purpose and finances neither a share of distributed earnings, nor an increase in remuneration of employees in management positions.

### 3.4.11 Tax consolidation

ALTEN SA follows a tax consolidation regime in which it is the Group's holding company.

Under this agreement, ALTEN SA is solely liable for payment of corporation tax on behalf of subsidiaries, which are responsible for indemnifying ALTEN for this expense. In the event a subsidiary records a loss, this is also transferred to ALTEN SA; however the subsidiary may not claim reimbursement of its tax savings obtained.

### 3.4.12 Employee benefits

Pursuant to the opinion 2008-17 of the Conseil National de la Comptabilité (CNC) dated 6 November 2008, shares allotted to stock option plans are not subjected to impairment based on market value because of the commitment to award them to employees and the provision recognised under liabilities.

### 3.4.13 Translation adjustments of assets and liabilities in foreign currency

Costs and income in foreign currency are recorded at their exchange value on the transaction date.

Costs and income in foreign currency are recorded in the balance sheet at their exchange value on the year-end date. The difference resulting from the discounting of debts and receivables in foreign currency at year end is recorded under asset or liability translation adjustment and provisioned for foreign exchange risk.

### 3.5 Balance sheet and notes

#### 3.5.1 Fixed assets, gross value

Items (in thousands of euros)	31/12/2012	Acquisitions setups/ transfers	Less transfers between items	Less disposals	31/12/2013
Intangible assets <sup>(1)</sup>	44,824	7,369		67	52,126
Property, plant and equipment	19,646	4,178		1,099	22,724
Financial assets	165,734	38,327		19,754	184,306
<b>TOTAL</b>	<b>230,203</b>	<b>49,873</b>	<b>0</b>	<b>20,920</b>	<b>259,156</b>

(1) Intangible assets comprise (i) goodwill from full asset and liability transfers for €33,368,000 at 31 December 2013, and (ii) development costs relating to integrated management software introduced on 1 January 2009 and amortised over ten years.

#### 3.5.2 Depreciation, amortisation and impairment

Items (in thousands of euros)	31/12/2012	Increases Provisions	Decreases Reversals	31/12/2013
Intangible assets <sup>(1)</sup>	11,107	2,948		14,055
Property, plant and equipment	12,085	4,165	1,063	15,187
Financial assets	12,283	13	11,423	873
<b>TOTAL</b>	<b>35,476</b>	<b>7,126</b>	<b>12,486</b>	<b>30,116</b>

(1) No impairment was recorded for goodwill during the year.

#### 3.5.3 Breakdown of financial assets

Items (in thousands of euros)	31/12/2012	Transfers between items	Acquisitions creation/transfers	Reductions through disposals	31/12/2013
Investment securities <sup>(1)</sup>	152,834		31,002	19,552	164,284
Related receivables	0				0
Treasury shares	8,713				8,713
Security deposits	2,374		567	201	2,739
Loans	1,813		6,758		8,570
<b>TOTAL</b>	<b>165,734</b>	<b>0</b>	<b>38,327</b>	<b>19,754</b>	<b>184,306</b>

(1) Decreases mainly correspond to the X-Ange capital reduction through the decrease in the nominal value of the shares, the removal of Groupe Idestyle securities following the compulsory liquidation, and the cancellation of B2I securities following the asset and liability transfer of 01/01/2013. Acquisitions mainly concern the takeover of the company Program Planning Professionals Inc., and the share buyback from minority shareholders and investment in the X Ange 2 fund.

#### 3.5.4 Net fixed assets

Items (in thousands of euros)	Gross value 31/12/2013	Amortisation, depreciation and provisions	Net value 31/12/2013
Intangible assets	52,126	14,055	38,070
Property, plant and equipment	22,724	15,187	7,537
Financial assets	184,306	873	183,433
<b>TOTAL</b>	<b>259,156</b>	<b>30,116</b>	<b>229,040</b>

## 3.5.5 Provisions for risks and expenses

Items (in thousands of euros)	31/12/2012	Increases Provisions	Decreases Reversals <sup>(1)</sup>	31/12/2013
Provisions for arbitration and corporate risk	2,073	980	1,064	1,988
Provisions for miscellaneous risks	1,308	1,348	1,278	1,377
Provisions for charges	344	628		972
Retirement provisions <sup>(2)</sup>	4,822	660	218	5,264
<b>PROVISIONS FOR RISKS AND EXPENSES</b>	<b>8,546</b>	<b>3,615</b>	<b>2,561</b>	<b>9,600</b>

(1) Of which reversals of provisions: €1,225,000 used in 2013, €1,117,000 unused in 2013 and €218,000 following the change in method concerning retirement provisions.

(2) Of which €337,000 in provisions from the B2I asset and liability transfer.

Items (in thousands of euros)	31/12/2012	Increases Provisions	Decreases Reversals <sup>(1)</sup>	31/12/2013
Provisions for intangible assets	206			206
Provisions for financial assets	12,283	13	11,423	873
Provisions for receivables	2,992		1,003	1,989
Other impairments	3,145	72	3,102	116
<b>PROVISIONS FOR IMPAIRMENT</b>	<b>18,625</b>	<b>85</b>	<b>15,527</b>	<b>3,183</b>
<b>TOTAL PROVISIONS</b>	<b>27,171</b>	<b>3,700</b>	<b>18,088</b>	<b>12,784</b>

(1) 2013: Of which reversal of provision for impairment of ATEXIS France securities for €1,500,000, and reversal of provision for impairment of Groupe Idestyle securities for €9,921,000.

Including	Provisions	Reversals
Operating	2,720	3,427
Financial	15	14,443
Extraordinary	628	
<b>TOTAL</b>	<b>3,363</b>	<b>17,870</b>

## 3.5.6 Statement of maturity dates of receivables and payables

## STATEMENT OF RECEIVABLES

	Gross amounts	At 31/12/2013	
	2013	Up to one year	More than one year
<i>(in thousands of euros)</i>			
<b>Fixed assets</b>			
Receivables from equity interests			
Loans	1,813	13	1,800
Other fixed financial assets <sup>(1)</sup>	18,210	0	18,210
	<b>20,023</b>	<b>13</b>	<b>20,010</b>
<b>Current assets</b>			
Uncertain clients	1,655	1,655	
Other trade receivables <sup>(2)</sup>	134,800	134,800	
Personnel and related accounts	337	337	
Social security and other social agencies	47	47	
Income tax	15,342	15,342	
Value added tax	4,502	4,502	
Other receivables	103	103	
Groups and associates	5,636	5,636	
Miscellaneous receivables	2,090	2,090	
	<b>164,513</b>	<b>164,513</b>	<b>0</b>
Prepaid expenses <sup>(3)</sup>	4,939	4,939	
<b>TOTAL</b>	<b>189,474</b>	<b>169,464</b>	<b>20,010</b>

(1) 2013 – including €8,713,000 corresponding to treasury shares and €6,750,000 corresponding to a loan granted to an associate.

(2) 2013 – including €2,421,000 for receivables represented by negotiable instruments.

(3) 2013 – including €2,409,000 in rents and leasing costs.

## STATEMENT OF PAYABLES

	Gross amounts	At 31/12/2013		
	2013	Up to one year	Between one and five years	Over five years
<i>(in thousands of euros)</i>				
Bank borrowings maturing in less than one year	3,552	3,552		
Bank overdrafts				
Miscellaneous financial borrowings and debts	169	169		
Trade payables	31,962	31,962		
Personnel and social security debts	47,655	47,655		
Tax liabilities	32,024	32,024		
Debt related to fixed assets and related accounts	564	564		
Groups and associates	6,985	6,985		
Other debt	16,107	14,752	978	376
Deferred income	2,029	2,029		
<b>TOTAL</b>	<b>141,045</b>	<b>139,690</b>	<b>978</b>	<b>376</b>

**3.5.7 Outstanding charges**

<i>(in thousands of euros)</i>	2013	2012
Trade payables	7,909	8,596
Taxes and social security charges payable	40,224	39,985
Debt related to fixed assets and related accounts	564	0
Current interest	198	46
Other debt	14,252	10,687
<b>TOTAL</b>	<b>63,147</b>	<b>59,314</b>

**3.5.8 Revenue accruals**

<i>(in thousands of euros)</i>	2013	2012
Trade receivables	25,199	24,332
Government related receivables	978	1,198
Other receivables	117	107
<b>TOTAL</b>	<b>26,293</b>	<b>25,636</b>

**3.5.9 Cash and equivalents and marketable securities**

These mainly consist of money market funds and term deposits. The underlying surplus was immaterial at 31/12/2013.

**3.5.10 Change in shareholders' equity**

<i>(in thousands of euros)</i>	Number of shares	Capital	Additional paid-in capital	Reserves	Other reserves and retained earnings (losses)	Earnings (Group share)	Shareholders' equity
<b>At 31 December 2011</b>	<b>32,271,677</b>	<b>32,801</b>	<b>22,708</b>	<b>3,478</b>	<b>123,939</b>	<b>35,511</b>	<b>218,437</b>
2011 allocation of earnings				31	35,480	(35,511)	0
Dividends paid for 2012					(31,823)		(31,823)
Capital increase <sup>(1)</sup>	150,076	153	2,734				2,887
Capital decrease							0
Profit/loss at 31 December 2012						27,725	27,725
<b>At 31 December 2012</b>	<b>32,421,753</b>	<b>32,953</b>	<b>25,443</b>	<b>3,509</b>	<b>127,596</b>	<b>27,725</b>	<b>217,226</b>
2012 allocation of earnings				22	27,703	(27,725)	0
Impact of change in policy (retirement benefits)					218		218
Dividends paid for 2013					(32,262)		(32,262)
Capital increase <sup>(2)</sup>	653,548	664	11,508				12,173
Capital decrease							0
Profit/loss at 31 December 2013						70,615	70,615
<b>At 31 December 2013</b>	<b>33,075,301</b>	<b>33,618</b>	<b>36,951</b>	<b>3,531</b>	<b>123,255</b>	<b>70,615</b>	<b>267,970</b>

(1) The number of shares issued in 2012 corresponds to the issue of shares following the exercise of stock options (150,076 shares).

(2) The number of shares issued in 2013 corresponds to the issue of shares following the exercise of stock options (572,548 shares) and the exercise of stock warrants (81,000 shares).

At 31 December 2013, the nominal value of one share was €1.016.

**3.5.11 Information regarding capital**

Under the delegation of authority given by the Combined General Meeting dated 21 June 2010, no free shares were awarded by the Board.

It should be noted that, under the delegation of authority dated 27 June 2007, 105,600 free shares were awarded to two beneficiaries by the Board on 11 April 2008. One of the beneficiaries waived his right to these free shares, therefore only 52,800 free shares have been

awarded to date (representing 0.16% of the share capital at the time of this report).

In all, 288,606 options awarded have yet to be exercised, i.e. 0.87% of the share capital at 31 December 2013.

**3.5.12 Free share allocation plan**

All free shares allocated have been acquired by their beneficiary since 31 December 2010; no allocation plan was issued in 2013.

**3.5.13 Share option plan**

Plan	1	2	3	4	5	6	Total
Date of grant by the Board	06/01/2004	24/03/2005	23/10/2006	18/02/2008	07/09/2009	19/10/2010	
Number of beneficiaries	259	356	598	794	689	6	
<b>Number of options granted</b>	<b>318,970</b>	<b>496,500</b>	<b>1,189,780</b>	<b>622,790</b>	<b>574,330</b>	<b>120,000</b>	<b>3,322,370</b>
including number of options granted to employees	318,970	496,500	1,173,780	622,790	574,330	120,000	3,306,370
including number of options granted to corporate officers			16,000				16,000
Exercise price	10.7	17.9	24.1	19.1	15.2	22.4	
Weighted average exercise price in 2011	10.7	17.9	24.1				
Fair value of the option in euros	7.13	6.83	10.58	7.86	3.12	4.09	
First possible exercise date	06/01/2008	29/03/2009	23/10/2010	18/02/2012	07/09/2013	19/10/2014	
Last possible exercise date	06/01/2012	29/03/2013	23/10/2014	18/02/2016	07/09/2017	19/10/2018	
Date of first possible disposal	06/01/2008	29/03/2009	23/10/2010	18/02/2012	07/09/2013	19/10/2014	
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AT 1 JANUARY 2011</b>	<b>70,310</b>	<b>204,203</b>	<b>408,180</b>	<b>391,105</b>	<b>480,120</b>	<b>120,000</b>	<b>1,681,053</b>
Number of options granted							
Number of options waived							
Number of options exercised at 31 December 2011	54,110	115,178	129,060				304,983
Number of options expired at 31 December 2011	8,700	6,400	43,920	71,325	90,525		221,370
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AT 31 DECEMBER 2011</b>	<b>7,500</b>	<b>82,625</b>	<b>235,200</b>	<b>319,780</b>	<b>389,595</b>	<b>120,000</b>	<b>1,154,700</b>
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AT 1 JANUARY 2012</b>	<b>7,500</b>	<b>82,625</b>	<b>235,200</b>	<b>319,780</b>	<b>389,595</b>	<b>120,000</b>	<b>1,154,700</b>
Number of options granted							
Number of options waived						30,000	30,000
Number of options exercised at 31 December 2012	2,200	50,825	18,680	78,371			150,076
Number of options expired at 31 December 2012	5,300	(1,800)	3,320	26,600	55,470		88,890
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AT 31 DECEMBER 2012</b>	<b>0</b>	<b>33,600</b>	<b>213,200</b>	<b>214,809</b>	<b>334,125</b>	<b>90,000</b>	<b>885,734</b>
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AT 1 JANUARY 2013</b>	<b>0</b>	<b>33,600</b>	<b>213,200</b>	<b>214,809</b>	<b>334,125</b>	<b>90,000</b>	<b>885,734</b>
Number of options granted							
Number of options waived							
Number of options exercised at 31 December 2013		31,800	158,160	175,034	207,554		572,548
Number of options expired at 31 December 2013		1,800	0	(600)	23,380		24,580
<b>NUMBER OF OPTIONS WHICH MAY BE EXERCISED AT 31 DECEMBER 2013</b>	<b>0</b>	<b>0</b>	<b>55,040</b>	<b>40,375</b>	<b>103,191</b>	<b>90,000</b>	<b>288,606</b>

### 3.5.14 Share warrants

The Board meeting of 7 September 2009 allocated 487,000 stock warrants in accordance with the authorisation granted by the Combined General Meeting of 23 June 2009.

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

The subscription price was set at one euro nineteen euro cents (€1.19) based on a report issued by an independent expert.

The exercise price was fixed at fifteen euros and eighty-five euro cents (€15.85).

The exercise period is from 7 September 2013 to 7 September 2017. Maximum term of the stock warrants is eight (8) years, beyond which date the warrants expire.

History of past awards of share warrants:

#### 2009 Plan

Date of the General Meeting	23/06/2009
Date of grant by the Board	07/09/2009
Number of beneficiaries	7
<b>Number allocated</b>	<b>487,000</b>
including number of shares granted to corporate officers	285,000
Exercise price for the warrants (in €)	15.85
First possible exercise date	07/09/2013
Last possible exercise date	07/09/2017
Number of warrants exercised at 31 December 2013	81,000

#### NUMBER OF WARRANTS OUTSTANDING AT 31 DECEMBER 2013

**406,000**

### 3.5.15 Information on financial liabilities

ALTEN SA and its subsidiary ALTEN Cash Management are responsible for financing the Group through €150 million of available but unused credit facilities (at year-end) confirmed in December 2012 as part of a club deal for a maximum period of three years, and short-term unconfirmed lines of credit that are renewable annually.

This club deal requires the following ratios to be met for each six-month and 12-month period while the contract is in force and an advance is outstanding:

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

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

At 31 December 2013, these ratios had been met.

## 3.6 Income statement and notes

### 3.6.1 Revenue

ALTEN SA's revenue in 2013 was €442,091,000, down 2.38% on the previous year (€452,616,000).

Overall, 98.76% of ALTEN SA's revenue is generated in France and 1.24% in Europe, from assignments carried out for French customers.

### 3.6.2 Breakdown of revenue by geographic region

(in thousands of euros)	2013	2012
France	436,611	448,303
Abroad	5,480	4,313
<b>TOTAL<sup>(1)</sup></b>	<b>442,091</b>	<b>452,616</b>

(1) Of which revenue from operations = €414,137,000 compared with €425,586,000 in 2012.  
Revenue management fees = €27,954,000 compared with €27,030,000 in 2012.

### 3.6.3 Transfer of expenses

The balance of the transfer of expenses account is €5,424,000 (€8,164,000 in 2012). It is mainly composed of training costs and certain employee expenses.

**3.6.4 Net financial income**

Net financial income was €52,066,000 compared with €10,215,000 in 2012.

It reflected the following:

<i>(in thousands of euros)</i>	2013	2012
Dividends and income from subsidiaries	42,100	12,006
Net reversals (impairment) of non-current financial assets	14,428	(1,263)
Other net financial income (expenses)	(4,462)	(528)
<b>TOTAL</b>	<b>52,066</b>	<b>10,215</b>

**3.6.5 Non-recurring profit/loss**

<i>(in thousands of euros)</i>	2013	2012
Gains and losses on assets sold	122	(22)
Other	(59)	18
Extraordinary charges to depreciation, amortisation and provisions	(628)	(343)
<b>TOTAL</b>	<b>(565)</b>	<b>(347)</b>

**3.6.6 Related parties****BALANCE SHEET**

<i>(in thousands of euros)</i>	2013	2012
Receivables on assets <sup>(1)</sup>	8,575	1,817
Group customers	12,835	17,580
Group suppliers	21,284	23,013
Other Group receivables	8,065	12,175
Other Group liabilities	7,251	9,052

**INCOME STATEMENT**

<i>(in thousands of euros)</i>	2013	2012
Group operating income	54,809	57,504
Group operating expenses	74,890	77,281
Group financial income	129	140
Other financial income <sup>(2)</sup>	42,100	12,000
Group financial expenses	0	1

(1) Of which €1,800,000 in loans granted to shareholders of a company of which ALTEN SA is a minority shareholder, and €6,750,000 in loans granted to an associate.

(2) Income from investments was €42,100,000 in 2013, compared with €12,000,000 in 2012.



**3.6.7 Information on taxable income and tax rates**

Income tax	2013	2012
Net Earnings	70,615	27,725
Income tax expense	2,164	7,053
<b>Pre-tax earnings</b>	<b>72,780</b>	<b>34,778</b>
Tax rate	33.33%	33.33%
Theoretical income tax expense	24,260	11,593
Social security contributions 3.3%	159	272
Additional contribution of 10.70% to corporation tax (common law)	597	450
Temporary and permanent differences <sup>(1)</sup>	(22,852)	(5,261)
<b>Tax expense recognised</b>	<b>2,164</b>	<b>7,053</b>

(1) Temporary and permanent differences	2013	2012
Dividends	(13,332)	(3,802)
Impairment of securities	(3,807)	422
Long-term capital gain	(2,023)	
Long-term capital loss	3,307	
Gain on the B2I asset and liability transfer	(891)	
Income from tax savings resulting from tax consolidation	(2,313)	(1,365)
Gifts	(559)	(495)
Employee profit sharing	(1,012)	
Tax credits	(2,462)	
Provisions for risks and expenses		(463)
Provisions for loss at completion		144
Other	240	298
<b>TOTAL</b>	<b>(22,852)</b>	<b>(5,261)</b>

Breakdown of tax on current and non-recurring profit	2013	2012
Current profit	1,940	6,942
Non-recurring profit	225	112
<b>TOTAL TAX</b>	<b>2,164</b>	<b>7,053</b>

Increase and decrease in future tax liabilities	2013	2012
<b>Increase</b>		
Acquisition fees	(498)	0
<b>Decrease</b>		
Provisions and expenses not deductible in the year of recognition:		
Employee profit sharing	227	3,263
Tax on Turnover	731	714
Retirement benefits	5,482	4,822
Translation adjustments	375	139
Contract losses	796	
Uncertain clients	0	1,654
<b>TOTAL PROVISIONS AND NON-DEDUCTIBLE EXPENSES</b>	<b>7,112</b>	<b>10,591</b>
<b>DECREASE IN FUTURE TAX EXPENSE</b>	<b>2,692</b>	<b>3,707</b>

### 3.7 Other information

#### 3.7.1 Workforce

Average headcount by category	31/12/2013	31/12/2012
Managerial staff	4,269	4,352
Non-managerial staff	542	543
<b>TOTAL</b>	<b>4,812</b>	<b>4,895</b>

Individual training entitlements (*Droits Individuels de Formation*) represented 257,286 hours for the 2013 financial year.

#### 3.7.2 Remuneration of corporate officers

The Board of Directors has five members, including the Chairman and founder.

In 2013, the amount of gross remuneration and benefits in kind paid to corporate officers by ALTEN SA totalled €442,000. This remuneration is paid to corporate officers who are employees of ALTEN SA.

In accordance with the legislation in force, no advances or credits were granted to the company executives or corporate officers.

#### 3.7.3 Tax consolidation

ALTEN SA is the head company of the tax consolidation group, which includes several subsidiaries.

The tax payable by this group amounted to €12,325,000. The net tax saving to which ALTEN SA is entitled is €1,459,000.

The amount of tax for ALTEN SA was €2,164,000.

#### 3.7.4 Contingent liabilities

ALTEN SA has an ongoing dispute with a non-controlling shareholder in a subsidiary. Total claims by the plaintiff, disputed by ALTEN, total approximately €2 million.

#### 3.7.5 Off-balance sheet commitments

##### 3.7.5.1 Minority interests purchase options

Under the terms of the Joint Venture Protocol signed on 18 February 2010, a unilateral and irrevocable sale promise, which covered 49% of the joint company ALTEN SIR GTS, was granted to ALTEN SA.

##### 3.7.5.2 Other commitments

Given or mutual commitments	2013	2012
Bonds and guarantees provided	12,600	285
Pledge <sup>(1)</sup>	20,000	0
Bonds and guarantees received	0	0

(1) Term account pledge for €20 million as security for a loan arranged by an associate, of which €15 million is due on 24 June 2014 and €5 million on 24 June 2015.

#### 3.7.6 Treasury shares

##### 3.7.6.1 Under the liquidity contract

Within the framework of the share buyback programme adopted by the Combined General Meetings of 27 June 2008 and 23 June 2009, the Company purchased and sold the following shares under its liquidity contract during the past financial year:

2013	
Shares held at start of year	17,997
Shares purchased	375,139
Shares sold	(378,188)
Shares held at closing	14,948

### 3.7.6.2 Shares intended for award to employees

In 2013, no treasury shares were allocated for share awards to employees.

Acquisition and transfer of treasury shares in 2008, 2012 and 2013:

Execution date	2013		
	Value date	Quantity	Share price
Treasury shares at 31 December 2012		460,022	
<b>TOTAL TREASURY SHARES</b>		<b>460,022</b>	

Treasury shares are recognised under non-current financial assets in the amount of €8,713,000 for a total of 460,022 shares purchased.

Treasury shares are not revalued in the annual financial statements. Based on the average from the last 20 days of the trading month, treasury shares are estimated at €14,914,000.

### 3.7.6.3 Summary of transactions during the year

	2013
Shares held at start of year	478,019
Shares purchased	375,139
Shares sold	(378,188)
Awarded by AGM	0
Shares held at closing	474,970

## 3.8 Table of subsidiaries and associates

Closure on: 31 December 2013										
	Capital	Share-holders' equity other than capital	Share of capital owned, in %	Book value of shares held		Loans and advances made by the company and not yet repaid	Deposits and guarantees given by the company	Earnings in the last financial year (excl. tax)	Net income for the year ended 31/12/2011	Dividends paid to the Group by the company during the year
				Gross	Net					
1 – Subsidiaries more than 50% directly held <i>(in thousands of euros)</i>										
Alten SIR	20,003	20,831	100.00	26,221	26,221	0		125,211	3,980	10,000
Alten Training Center	16	(102)	99.80	68	0	0		1,066	(396)	
Alten Sud-Ouest	15,061	3,616	100.00	15,939	15,939	0		115,409	10,920	25,000
MI-GSO	1,000	10,058	100.00	11,941	11,941	0		47,014	2,826	5,000
Alten Cash Management	250	173	100.00	643	643	5,036		0	(825)	
Alten Europe	57,120	33,999	100.00	58,072	58,072	0		0	15,101	
Elitys Consulting	60	690	100.00	1,750	1,750	0		6,442	197	600
Pegase SI	100	(322)	100.00	426	426	0		4,617	(445)	
Atexis France	1,307	1,065	100.00	9,435	9,435	0		20,847	1,188	
Alten Aerospace	37	4,343	100.00	37	37	0		27,241	2,260	1,500
Avenir Conseil Formation	50	5,212	100.00	533	533	0		12,142	1,062	
Alten SI Techno Romania	1	280	100.00	0	0	378		4,415	448	
Anotech Energy France	100	9,239	100.00	621	621	0		70,408	511	
HPTI	40	1,738	100.00	40	40	0		0	12,912	
Alten SIR GTS	200	(205)	51.00	102	102	0		1,348	241	
ID.APPS	100	(486)	100.00	100	100	0		3,827	140	
APTECH SAS	100	327	80.00	80	80	0		20,035	1,217	
ADDS SAS	482	(1,458)	100.00	482	482	220		1,194	83	
PPP USA INC	2	640	100.00	29,830	29,830	0		0	0	
TOTAL SECURITIES				156,321	156,253					
2 – General information on other securities										
French subsidiaries				0	0					
Foreign subsidiaries				36	35					
Interests in French companies				7,927	7,153					
TOTAL OTHER SECURITIES				7,963	7,188	0	0.00			

## 20.4 AUDIT OF COMPANY HISTORICAL FINANCIAL INFORMATION

### 20.4.1 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended 31 December 2013 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 application of the provisions of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we hereby inform you of the following information:

- Goodwill is valued on the basis of its value-in-use in accordance with the procedure described in Note 2.2.8 "Impairment of property, plant and equipment" of the consolidated financial statements. Based on the information provided to us, we assessed the data retained by the Company for the values-in-use and reviewed the expected discounted cash flows for each cash generating unit (CGU), checked the consistency of assumptions with the budget forecasts and verified that the notes to the financial statements provide adequate information.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

#### 3 Specific verification

As required by French law, in accordance with professional standards applicable in France, we have also verified the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris, 18 April 2014

The Statutory Auditors

Grant Thornton  
French member of Grant Thornton International  
Vincent Frambourt  
Associate

Cabinet Dauge et Associés  
Christian Laplane  
Associate

## 20.4.2 STATUTORY AUDITORS' REPORT ON THE SEPARATE 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 2013, 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 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 financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ALTEN SA at 31 December 2012, and the results of its operations and its financial position for the year then ended, in conformity with French generally accepted accounting principles.

Without calling into question the opinion expressed above, we wish to draw your attention to Note 3.4.1 "Changing the accounting methods" in the notes to the financial statements which sets out the change of accounting method relating to recognition of pension commitments.

### II. Justification of our assessments

In application of the provisions of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we hereby inform you of the following information:

- Goodwill is subject to value testing and is assessed in accordance with the procedure described in Note 3.4.3 "Goodwill" of the notes to the financial statements. Investment securities are valued in accordance with the procedure described in Note 3.4.4 "Investment securities". The necessity to record an impairment of these assets is assessed by referring to the recoverable value of goodwill and the value of the updated future cash flow of the holdings respectively determined in accordance with the procedures set out in the above-mentioned notes. Our work consisted of: assessing the information provided by the management which was used as a basis for these estimates; reviewing the updating of the expected future cash flow; checking the consistency of the assumptions made with the budget forecasts and ensuring that the notes to the financial statements provide appropriate information.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

### III. Verifications and specific information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to shareholders with respect to the financial position and the financial statements.

With regard to the information provided in application of the provisions of Article L. 225-102-1 of the French Commercial Code concerning the compensation and benefits paid to the Executive and Corporate Officers as well as the commitments made in their favour, we have verified their consistency with the financial statements or with the data used to prepare these financial statements and, where necessary, with the information collected by your company from the companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Paris, 18 April 2014

The Statutory Auditors

Grant Thornton  
French member of Grant Thornton International  
Vincent Frambourt  
Associate

Cabinet Dauge et Associés  
Christian Laplane  
Associate

## 20.5 DATE OF LATEST FINANCIAL INFORMATION

The last financial year for which financial information was audited was the year ended 31 December 2013.

## 20.6 INTERIM FINANCIAL AND OTHER INFORMATION

None.

## 20.7 DIVIDEND DISTRIBUTION POLICY

Over the last three years, ALTEN SA has paid the following net dividends per share:

<i>(in euros per share)</i>	2013	2012	2011
Net dividend	1.00	1.00	1.10

Future net dividends will depend on the Company's ability to generate profits, its financial position, its development strategy and all other factors that the Board of Director's consider relevant.

## 20.8 LEGAL AND ARBITRATION PROCEEDINGS

No legal or arbitration proceedings had a material impact on the issuer's or Group's financial position (see Chapter 20.3.1, Note 3.12).

## 20.9 MATERIAL CHANGE IN FINANCIAL OR COMMERCIAL POSITION

There were no material changes in the financial or commercial position of the ALTEN Group during the year since the end of the last year for which audited financial statements have been published.





# ADDITIONAL INFORMATION

# 21

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## 21.1 SHARE CAPITAL

### 21.1.1 SUBSCRIBED AND AUTHORISED CAPITAL

At 31 December 2013, subscribed share capital amounted to €33,617,706.56, divided into 33,075,301 shares, as noted by the Company's Board of Directors at its meeting on 31 January 2014. These 33,075,301 shares represent 38,817,721 theoretical voting rights and 38,342,751 actual voting rights.

At 31 March 2014, subscribed share capital amounted to €33,727,469.79, divided into 33,183,293 ordinary shares, fully subscribed and paid up, all of the same class. As at 31 March 2014, these 33,183,293 shares represent 38,596,857 theoretical voting rights, and 38,129,636 actual voting rights.

The difference between the number of shares and the number of voting rights is due to the existence of shares with a double voting right.

The difference between the number of theoretical votes and the number of actual votes corresponds to the number of treasury shares.

Shares are freely transferable; they are either registered shares or bearer shares as decided by the shareholder.

**TABLE OF DELEGATIONS AND AUTHORISATIONS TO INCREASE THE SHARE CAPITAL WHICH ARE CURRENTLY IN EFFECT**

	Date of the AGM	Delegation's expiry date	Amount authorised	Increase(s) and issue(s) carried out in previous years	Increase(s) and issue(s) carried out during the year	Residual amount at 31/12/2013
Delegation of authority for the purpose of increasing capital through capitalisation of reserves, earnings or premiums	19/06/2013	18/08/2015	€16,560,000	N/A	None	€16,560,000
Delegation to issue ordinary shares and/or securities conferring a right in the share capital and/or conferring a right to allotment of debt securities with pre-emptive subscription rights	19/06/2013	18/08/2015	€16,560,000	N/A	None	€16,560,400
Delegation to increase share capital with elimination of pre-emptive subscription rights reserved for members of a company savings plan (PEE)	19/06/2013	18/08/2015	5% of share capital at the date of the Board's decision to carry out this capital increase	N/A	None	5% of share capital at the date of the Board's decision to carry out this capital increase
Authorization to issue share subscription or purchase options	19/06/2012	18/08/2015	14% of existing share capital as of the first day of the allotment	None	None	14% of existing share capital as of the first day of the allotment
Delegation of authority to increase the capital within a limit of 10% for the purpose of remunerating contributions in kind of shares or securities	19/06/2013	18/08/2015	10% of share capital as at 19 June 2013	N/A	None	10% of share capital as at 19 June 2013

## 21.1.2 SHARES NOT REPRESENTING CAPITAL

None.

## 21.1.3 SHARE BUYBACKS AND TREASURY SHARES

### 21.1.3.1 Report on share buyback programme

The Combined General Meeting of 19 June 2013 authorised the Board of Directors, for a period of 18 months from that General Meeting, in accordance with Articles L. 225-209 et seq. of the French Commercial Code, to proceed with the purchase, in one or more tranches, at the times of its choice, of the Company's shares subject to a maximum of 8% of the number of shares comprising the share capital, adjusted where necessary for any capital increase or decrease that might take place during the term of the programme. This authorisation replaces that granted by the General Meeting of 19 June 2012.

ALTEN has entrusted the management of a liquidity contract, in accordance with the AMAFI code of conduct, to Kepler Capital Market (Paris).

In 2013, ALTEN carried out the following share purchases and sales under its liquidity contract:

- number of shares purchased: 375,139 shares;
- average purchase price: €30.34;
- number of shares sold: 378,188 shares;
- average sale price: €29.85.

At the end of the financial year, ALTEN directly or indirectly held 474,970 treasury shares, representing 1.436% of the Company's share capital, for the following purposes:

- stabilisation of share price by way of an AMAFI (French Financial Markets Association) liquidity contract: 14,948;
- acquisitions: 0;
- covering stock option plans or other share allocation systems to employees: 460,022;
- covering securities: 0;
- cancellation: 0.

### 21.1.3.2 Description of share buyback programme

**Programme authorisation:** Combined General Meeting of 18 June 2014.

**Securities concerned:** ordinary shares.

**Maximum share of capital whose buyback is authorised:** 8% of the capital (2,654,663 shares as of the current date), it being stated

that this limit is assessed on the date of the buyback so that any capital increases or decreases during the term of the programme may be taken into consideration. The number of shares taken into consideration in calculating this limit corresponds to the number of shares bought, after deduction of the number of shares resold for liquidity purposes during the term of the programme. Since the Company is unable to hold more than 8% of its capital, and given that it already owns 467,221 shares (1.41% of the capital), the maximum number of shares it may buy will be 2,187,442 shares (6.59% of the capital), unless shares already held are sold or cancelled.

**Maximum purchase price:** €55.

**Maximum programme amount:** €146,006,465.

**Buyback methods:** purchases, sales and transfers may be carried out by all available means on the market or through a private sale, including transactions on blocks of shares. The resolution put to shareholders does not limit the proportion of the programme which may be fulfilled by the purchase of blocks of shares. This programme may not be used during a public offer period.

**Purpose:**

- proceeding with the cancellation of the shares repurchased, subject to the authorisation to be granted by the Combined General Meeting on 18 June 2014 in its sixth resolution;
- ensuring a secondary market or the liquidity of the ALTEN shares through a securities service provider via a liquidity agreement in compliance with the AMAFI code of ethics approved by the AMF;
- holding the purchased shares and later offering them in exchange or payment in potential acquisitions, it being specified that shares purchased for this purpose may not exceed 5% of the Company's capital;
- covering share option plans and/or free share allocation plans (or similar schemes) to Group employees and/or corporate officers as well as any shares allocated under company or Group savings plans (or similar schemes) with respect to company profit-sharing and/or any other form of allocating shares to the Group's employees and/or corporate officers;
- covering securities which give a right to shares in the Company within the scope of regulations currently in effect.

**Programme term:** 18 months from the General Meeting of 18 June 2014, or until 17 December 2015 inclusive.

## 21.1.4 SECURITIES CONFERRING A RIGHT IN THE SHARE CAPITAL

### Potential dilution

On the basis of 33,075,301 shares outstanding at 31 December 2013, the share capital may potentially increase by a maximum of

694,606 new shares, equivalent to 2.06% of the fully diluted capital. The sources of this potential dilution are the exercise of stock options, or warrants allocated to employees and corporate officers.

<i>(number)</i>	31/12/2013	% Dilution	31/12/2012	Change
Number of shares	33,075,301		32,421,753	653,548
Share options	288,606	0.85%	885,734	(597,128)
Share warrants	406,000	1.20%	487,000	(81,000)
Potential dilution	694,606	2.06%	1,372,734	(678,128)
<b>TOTAL POTENTIAL CAPITAL</b>	<b>33,769,907</b>		<b>33,794,487</b>	<b>(24,580)</b>

## 21.1.5 TERMS OF ANY ACQUISITION RIGHTS AND/OR OBLIGATIONS OVER AUTHORISED BUT UNISSUED CAPITAL OR AN UNDERTAKING TO INCREASE THE CAPITAL

None.

## 21.1.6 OPTIONS OR AGREEMENTS

None.

## 21.1.7 HISTORY OF SHARE CAPITAL

### INFORMATION RELATING TO THE PERIOD COVERED BY THE HISTORICAL FINANCIAL INFORMATION

Date	Transaction	Capital	Cumulative premiums	Number of shares
18/01/2010	Share options exercised	€32,292,949	€14,436,570	31,771,921
21/04/2010	Share options exercised	€32,386,537	€15,202,780	31,863,999
29/07/2010	Share options exercised	€32,405,583	€15,452,158	31,882,738
27/09/2010	Share options exercised	€32,414,274	€15,546,698	31,891,288
09/11/2010	Share options exercised	€32,459,461	€16,219,426	31,935,746
17/12/2010	Share options exercised	€32,487,936	€16,598,396	31,963,230
31/01/2011	Share options exercised	€32,491,014.23	€16,639,021	31,966,790
01/03/2011	Share options exercised	€32,557,657.65	€17,785,955	32,032,358
10/05/2011	Share options exercised	€32,716,958.27	€20,577,664.98	32,189,088
28/07/2011	Share options exercised	€32,782,470.43	€21,818,197.42	32,253,543
27/09/2011	Share options exercised	€32,793,691.50	€22,060,188.35	32,264,583
08/11/2011	Share cancellation	€32,793,593.93	€22,058,194.47	32,264,487
27/01/2012	Share options exercised	€32,800,901.86	€22,128,035.24	32,271,677
28/02/2012	Share options exercised	€32,803,951.06	€22,162,976.04	32,274,677
03/04/2012	Share options exercised	€32,815,995.42	€22,371,469.68	32,286,527
07/05/2012	Share options exercised	€32,835,103.77	€22,708,760.83	32,305,327
23/07/2012	Share options exercised	€32,839,880.86	€22,793,894.74	32,310,027
24/09/2012	Share options exercised	€32,854,618.68	€23,054,636.43	32,324,527
06/11/2012	Share options exercised	€32,893,262.27	€23,736,297.84	32,362,547
14/12/2012	Share options exercised	€32,920,568.91	€24,237,151.43	32,389,413
28/01/2013	Share options exercised	€32,953,439.34	€24,862,909.00	32,421,753
26/02/2013	Share options exercised	€33,020,695.65	€26,175,431.96	32,487,924
03/04/2013	Share options exercised	€33,271,807.83	€31,125,166.38	32,734,984
19/06/2013	Share options exercised	€33,277,360.43	€31,227,540.33	32,740,447
24/07/2013	Share options exercised	€33,277,563.71	€31,231,163.05	32,740,647
24/09/2013	Share options exercised	€33,290,778.96	€31,501,973	32,753,649
29/10/2013	Share options and warrants exercised	€33,503,169.29	€34,577,148.32	32,962,612
31/01/2014	Share options and warrants exercised	€33,617,706.56	€36,371,208.54	33,075,301
25/02/2014	Share options exercised	€33,647,025.68	€36,835,542.28	33,104,147
02/04/2014	Share options and warrants exercised	€33,727,469.79	€38,101,983.47	33,183,293

## 21.2 STATUTORY INFORMATION

### 21.2.1 CORPORATE PURPOSE

The Company's corporate purpose is defined in Article 2 of the Articles of Association as follows: "To provide all services, both in France and abroad, relating to the fields of technology, computing or electronics, particularly in the areas of: consultancy, research and engineering, training, assistance, maintenance, systems and network operations, facilities management and the development and distribution of hardware or software products. Any direct or indirect involvement in any activities relating to the above purposes: creating new companies, transferring assets, subscribing to or purchasing securities or shareholdings, merging with other companies or otherwise; creating, acquiring, leasing or taking over the management of any business

or establishment; taking, acquiring, operating or selling all processes and patents related to these activities and generally, all industrial, commercial, financial, civil, personal property and real property transactions relating directly or indirectly to the company object or any similar or related purpose."

#### Financial year (Article 25 of the Articles of Association)

The company's financial year is twelve (12) months. It starts on 1 January and ends on 31 December of each year.

### 21.2.2 GOVERNANCE

#### 21.2.2.1 Board of Directors – Composition – Term of office (Article 16 of the Articles of Association)

The company is administered by a Board of Directors with no fewer than three and no more than 18 members; in the event of a merger; however, the Board may exceed a maximum of 18 members according to the conditions and limits defined in the French Commercial Code.

Directors are appointed by the Ordinary General Meeting, which may dismiss a Director from office at any time. In the event of a merger or a demerger, they are appointed by the Extraordinary General Meeting. A legal entity which is appointed as Director must designate a permanent representative who is subject to the same conditions and obligations as if he had been appointed Director in his own name.

A company employee may only be appointed Director if his or her employment contract is current. The number of Directors employed by the company may not exceed one-third of the total number of Directors in office.

Directors are appointed for a term of four years which expires following the Ordinary General Meeting held to approve the financial statements for the year in which such Director's term expires. All Directors whose term of office is ending are eligible to be re-elected.

The acceptance and the exercise of the duties of director also entails the commitment, for each interested party, to attest in writing at any time that he or she personally fulfils the conditions and obligations required under the laws in force, especially with regard to concurrent appointments.

In accordance with the provisions of the French law on job security of 14 June 2013, the Extraordinary General Meeting scheduled for 18 June 2014 will vote on the amendments to the Articles of Association of the Company necessary to instigate the nomination procedures for Board members representing employees.

At its meeting on 25 February 2014, the Board of Directors opted for the Alten SA Works Council to nominate Board members.

At its meeting on 6 March 2014, the Works Council issued a favourable opinion on this nomination procedure.

#### 21.2.2.2 Chairmanship of the Board of Directors (Article 17 of the Articles of Association)

The Board elects a Chairman, who must be a natural person, from among its members for a period that does not exceed the Chairman's term as Director. The Board determines the Chairman's remuneration. The Board of Directors may dismiss the Chairman at any time.

The Chairman of the Board of Directors organises and oversees the work of the Board. The Chairman prepares a report on the conditions in which the work of the Board is prepared and organised as well as the internal control procedures implemented by the Company. The Chairman ensures that the Company's bodies duly fulfil their obligations and, in particular, that the Directors are in a position to perform the tasks assigned to them.

If it deems this necessary, the Board of Directors may appoint one or more Deputy Chairmen from among its members, whose sole duty is to preside over Board Meetings and General Meetings in the absence of the Chairman. The Board of Directors sets the term of his/her appointment, which cannot exceed that of their term as director. Where the Chairman and Vice-Chairmen are absent, the Board of Directors will appoint one of its members to preside over the meeting.

#### 21.2.2.3 Discussions of the Board of Directors – Minutes (Article 18 of the Articles of Association)

The Board of Directors meets as often as required by the Company's interests. The Board is convened by the Chairman at his discretion and, where the Chairman is not the Chief Executive Officer, as requested by the Chief Executive Officer. If the Board has not met in over two months, the meeting may be convened at the request of at least one-third of the Directors. Unless the meeting is convened by another party, the Chairman sets the agenda for the meeting. Meetings must be held at the registered office.

However, they may be held at another location as set forth in the convocation, provided this location has been approved by at least half of the Directors in office.

Deliberations of the Board are only valid if at least half of the Directors are present. The company Internal Rules stipulate that individuals taking part in the meeting via videoconference, in accordance with the legal and regulatory provisions in effect are deemed present when calculating the quorum and the majority.

All decisions require a majority vote of those members present or represented. Each Director who is present or represented holds one voting right and each Director present may only hold one delegation of authority. In the event of a tied vote, the Chairman of the meeting has the deciding vote. If the Board is composed of fewer than five Directors and only two are present at the meeting, all decisions require a unanimous vote.

Deliberations of the Board are recorded in minutes which are then signed and kept in a special register or on single sheets in accordance with the corresponding provisions in effect.

At each meeting, the Board of Directors may appoint a secretary who is not required to be a Director.

#### 21.2.2.4 Powers of the Board of Directors (Article 19 of the Articles of Association)

The Board of Directors determines policy for the Company's business and supervises its implementation. Subject to the powers expressly allotted to shareholders' meetings and within the limits of the Company's object, it will address any question concerning the

satisfactory running of the Company and rule by its deliberations any matters which relate to it.

Concerning relations with third parties, the Company is bound by any actions taken by the Board of Directors, including actions which are not related to the company's purpose unless the Company is able to prove that the third party was aware that the action in question did not fall within the scope of the Company's purpose or at least could not have been unaware of this fact given the circumstances.

The Board of Directors carries out inspections and verifications which it considers appropriate. The Company's Chairman or Chief Executive Officer shall provide each Director with all documents and information necessary for the performance of his duties.

#### 21.2.2.5 General Management (Article 20 of the Articles of Association)

General management of the company is entrusted to either the Chairman of the Board of Directors or another natural person who may or may not be a member of the Board, who is appointed as Chief Executive Officer.

The Board of Directors chooses between the two available modes of general management in accordance with Article 18 of the Articles of Association. It may modify this choice at any time. In each case, the Board of Directors informs the shareholders and third parties in accordance with the regulations in effect.

Where the Chairman is also Chief Executive Officer, he must comply with the provisions of the Articles of Association concerning the functions of general management.

## 21.2.3 RIGHTS ATTACHING TO SHARES

#### 21.2.3.1 Statutory distribution of profits (Article 27 of the Articles of Association)

Distributable profit is profit for the year after deducting prior year losses, if any, and the sums to be allocated to reserves, as required by law or the Articles of Association, and adding retained earnings.

The General Meeting may appropriate any sums it deems necessary to any non-mandatory reserves, whether ordinary or non-recurring, or allocate such sums to retained earnings.

The General Meeting may also decide to distribute any sums drawn from the available reserves, specifying the reserve account from which the deduction is made. However, dividends must initially be drawn from the profits for the financial year. Following approval of the accounts by the General Meeting, any losses must be carried forward as accumulated losses and offset against future profits until eliminated.

#### 21.2.3.2 Payment of dividends (Article 28 of the Articles of Association)

The Ordinary General Meeting held to approve the year-end financial statements may grant each shareholder, for all or a portion of the dividends paid, or an advance on the dividends, the option of receiving some or all of the interim or final dividends in cash or in shares.

#### 21.2.3.3 Indivisibility of shares – Bare ownership – Usufruct (Article 13 of the Articles of Association)

Shares are indivisible with regard to the company. The co-owners of undivided shares are represented at General Meetings by one of the owners or by a common agent. If there is disagreement, the agent shall be appointed by the courts at the request of the first co-owner to act.

Voting rights attaching to shares belong to the beneficial owner at Ordinary General Meetings and to the bare owner at Extraordinary General Meetings.

#### **21.2.3.4 Double voting rights (Article 14 of the Articles of Association)**

Since the Combined General Meeting of 7 January 1999, a double voting right exists which is subject to the following provisions:

Once shares are registered in the bearer's name, the shareholder is authorised to benefit from a double voting right based on the timeframe in effect at the time of registration. Any subsequent change to this timeframe is not enforceable against such shareholder.

Notwithstanding the above, all fully paid-up shares which have been registered in the same name for a continuous period of at least four years are assigned double voting rights.

The transfer by succession, liquidation of community property between spouses or inter vivos gift to a spouse or a relative entitled to succeed does not result in a loss of acquired rights and does not interrupt the four year period described above.

A merger or demerger of the Company shall have no effect on the double voting rights, which may be exercised by the beneficiary company(ies) if the Articles of Association of such company(ies) so provide.

Any share converted to bearer status or whose ownership is transferred loses its double voting rights.

#### **21.2.3.5 Identifiable bearer shares (Article 10 of the Articles of Association)**

The company may at any time request that the main custodian of its marketable securities provide the information required by law pertaining to the identity of the owners of shares that confer immediate or future voting rights at General Meetings.

### **21.2.4 CHANGES TO SHAREHOLDERS' RIGHTS**

None.

### **21.2.5 GENERAL MEETINGS (ARTICLE 23 OF THE ARTICLES OF ASSOCIATION)**

General Meetings are convened and deliberate according to the terms stipulated by law. Meetings take place at the registered office or at any other place designated in the convocation.

The right to take part in General Meetings is subject to the entry of shares in the books under the name of the shareholder or the agent not later than midnight, Paris time, on the third banking day preceding the General Meeting, either in individual accounts managed by the Company or in bearer accounts managed by an authorised agent.

### **21.2.6 PROVISIONS IN THE ARTICLES OF ASSOCIATION RELATING TO A CHANGE IN CONTROL**

None.

### **21.2.7 PROVISIONS GOVERNING OWNERSHIP THRESHOLDS (ARTICLE 9 OF THE ARTICLES OF ASSOCIATION)**

The Articles of Association require shareholders to notify the Company when their holdings exceed thresholds set forth in Article 233-7 of the French Commercial Code.

In addition, the Combined General Meeting of 7 January 1999 decided to impose a similar obligation when a shareholder, acting alone or in concert, comes to control greater than or less than 3% of the share capital or voting rights, with notice by registered letter with acknowledgement of receipt within 15 days of crossing such a threshold.

Failure to comply with the above notice requirement means that shares in excess of the undeclared fraction lose voting rights under the conditions set forth by law. This sanction applies when, at a General Meeting, one or more shareholders owning more than 3% of the capital indicate that no notice was submitted to the company and such failure to notify is duly recorded in the minutes of the General Meeting.

### **21.2.8 CHANGES IN THE CAPITAL (ARTICLE 29 OF THE ARTICLES OF ASSOCIATION)**

All modifications to the capital and the rights attached to the shares making up such capital are governed by the applicable regulations.

There are no provisions in the Company's Articles of Association that impose conditions on such changes that are more restrictive than the legal obligations in effect.



## SIGNIFICANT AGREEMENTS

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On 21 December 2012, ALTEN agreed a new club deal, replacing the previous deal, which was due to expire on 31 December 2012. The credit facility of up to one hundred and fifty million euros (€150,000,000) is due to expire on 31 December 2015. This club deal is designed to fund ALTEN's operating needs as well as its investment and any acquisitions.

ALTEN also made several acquisition agreements in the last two financial years providing for targeted acquisitions of limited size in respect of the Group's overall size.

To date, the Company has made no other significant agreements, other than in the normal course of its business, that bind the Group as a whole to any significant obligation or commitment.

No member of the Group has made any agreements outside the normal course of their business that bind any Group member to a significant obligation or commitment for the Group as a whole at the publication date of this Registration Document.

Please see Note 3.10 to the consolidated financial statements in paragraph 20.3.1 of this Registration Document.



## INFORMATION FROM THIRD PARTIES, EXPERT DECLARATIONS AND DECLARATIONS OF INTEREST

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None.



## PUBLICLY AVAILABLE DOCUMENTS

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The company's Articles of Association, financial statements, reports of the Statutory Auditors and the minutes of the General Meetings are available at the Company's registered office under the terms set forth by law and in the Articles of Association.

The Company's press releases, annual Registration Documents filed with the AMF along with updates, if any, are available on the Company's website at: [www.alten.com](http://www.alten.com).



## DISCLOSURE OF INTERESTS

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See Chapter 20.3.1, Note 2.5 “Scope of consolidation” and paragraph 20.3.2, Note 3.8.





# APPENDICES

# A

## CROSS-REFERENCE TABLE FOR THE ANNUAL FINANCIAL REPORT

*Pursuant to Article L. 451-1-2 of the French Monetary and Financial Code.*

	Page	Chapter
Corporate social responsibility, Decree no. 2012-557 of 24 April 2012	68 to 81	
1. Management report		
Analysis of changes in revenue	110 -111	9.1.1 and 9.1.2
Analysis of earnings	111	9.1.3
Analysis of financial position	112	9.2
Major risks and uncertainties	91-104	4 and 6.3
Capital structure and elements likely to influence a public offer	160-163	18.1 and 18.2
Buybacks of treasury shares by the Company	235	21.1.3
2. Consolidated financial statements	171	20.3.1
3. Separate financial statements	212	20.3.2
4. Statutory Auditors' reports on the separate and consolidated financial statements	229-230	20.4.1 and 20.4.2
5. Statutory Auditors' fees	88	2.3
6. Chairman's report	143	16.4.1
7. Statutory Auditors' report on the Chairman's report	152	16.4.2
8. Certification by the person responsible for the company financial report	85	1.1

## NOTES

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## NOTES

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## NOTES

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This document is printed in compliance with ISO 14001:2004 for an environment management system.

The image features a solid blue background. Several thin, dark blue diagonal lines cross the frame. On the right side, there are three additional lines in light blue, orange, and red, extending from the top edge towards the right. The text 'WWW.ALTEN.COM' is centered in the middle of the image.

WWW.ALTEN.COM