# Update of the 2012 Registration Document

Including the
half year financial report

This document is a full free translation of the original French text. In case of discrepancies, the French version shall prevail. The original French document has been filed with the Autorité des Marchés Financiers (AMF) on July 31st, 2013, in accordance with article 212-13 of the AMF's general regulations. It complements the 2012 Registration Document filed with the AMF on April 3rd, 2013 under number D.13-0271.

This document has been issued by the Company and commits its signatories.

This update of the Reference Document is available on the website of the AMF (www.amf-france.org) and on the company's website (www.atos.net).

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# A PERSONS RESPONSIBLE

## A.1 For the Update of the Registration Document

**Thierry Breton**
CEO and Chairman, Atos

## A.2 For the accuracy of the Update of the Registration Document

I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in the Update of the 2012 Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I hereby declare that, to the best of my knowledge, the 2013 half-year condensed financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and all the other companies included in the scope of consolidation, and that the management report (here attached) gives a fair description of the material events, results and financial position of the Company and all the other companies included in the scope of consolidation, occurring during the first six months of the 2013 financial year, as well as a description of the main risks and contingencies with which the Company may be confronted for the remaining six months of the year 2013.

I obtained a statement from the Statutory Auditors at the end of their engagement affirming that they have read the whole of the Update of the 2012 Registration Document and examined the information in respect of the financial position and the accounts contained herein.

**Thierry Breton**
CEO and Chairman, Atos
Bezons, July 31st, 2013

## A.3 For the audit

### Appointment and term of offices

| Statutory Auditors | Substitute Auditors |
|---|---|
| **Grant Thornton**<br>Victor Amselem<br>• Appointed on: June 12th, 2008 for a term of 6 years<br>• Term of office expires: at the end of the AGM held to adopt the 2013 financial statements | Cabinet IGEC<br>• Appointed on: June 12th, 2008 for a term of 6 years<br>• Term of office expires: at the end of the AGM held to adopt the 2013 financial statements |
| **Deloitte & Associés**<br>• Appointed on: May 30th, 2012 for a term of 6 years<br>• Term of office expires: at the end of the AGM held to adopt the 2017 financial statements | Cabinet B.E.A.S.<br>• Appointed on: May 30th, 2012 for a term of 6 years<br>• Term of office expires: at the end of the AGM held to adopt the 2017 financial statements |

## B ATOS IN THE FIRST SEMESTER OF 2013

### B.1 Interim consolidated income statement

| (in EUR million) | 6 months ended 30 June 2013 | 6 months ended 30 June 2012 | 12 months ended 31 December 2012 |
|---|---|---|---|
| **Revenue** | **4,290.0** | **4,366.0** | **8,844.3** |
| Personnel expenses | (2,277.2) | (2,273.7) | (4,502.2) |
| Operating expenses | (1,733.8) | (1,843.5) | (3,762.1) |
| **Operating margin** | **279.0** | **248.8** | **580.0** |
| **% of revenue** | **6.5%** | **5.7%** | **6.6%** |
| Other operating income and expenses | (87.4) | (78.4) | (198.6) |
| **Operating income** | **191.6** | **170.4** | **381.4** |
| **% of revenue** | **4.5%** | **3.9%** | **4.3%** |
| Net cost of financial debt | (17.4) | (16.5) | (34.2) |
| Other financial expenses | (26.7) | (26.9) | (54.7) |
| Other financial income | 21.6 | 23.7 | 37.1 |
| Net financial income | (22.5) | (19.7) | (51.8) |
| **Net income before tax** | **169.1** | **150.7** | **329.6** |
| Tax charge | (53.4) | (47.7) | (102.9) |
| Share of net profit/(loss) of associates | (0.8) | 1.7 | 1.3 |
| **Net income** | **114.9** | **104.7** | **228.0** |
| Of which: | | | |
| **- attributable to owners of the parent** | **116.3** | **101.8** | **223.8** |
| - non-controlling interests | (1.4) | 2.9 | 4.2 |

(in EUR and number of shares)

| | | | |
|---|---|---|---|
| **Net income - Attributable to owners of the parent** | | | |
| Weighted average number of shares | 85,741,350 | 83,454,764 | 84,066,299 |
| **Basic earnings per share** | **1.36** | **1.22** | **2.66** |
| Diluted weighted average number of shares | 98,590,700 | 95,906,735 | 96,696,049 |
| **Diluted earnings per share** | **1.26** | **1.14** | **2.48** |

## B.2 Key achievements

**February 5th**

Atos has been chosen by T-Mobile Austria for the delivery and integration of its Next Generation Intelligent Network. This new platform set up a foundation for the quick and cheap implementation of innovative applications. Atos delivers telecom operators with turnkey systems, in association with the leading software vendors on the market. In T-Mobile Austria, Atos uses OpenCloud Telecom Application Server, global partner of Atos since 2006. The scope of the project awarded to Atos includes from functional specifications and hardware installation to rollout and support in operation.

**February 13th**

Atos has been selected by France Télévisions, the leading French broadcasting group, to take over operation of the IT infrastructures of the group's five channels, with a performance guarantee, and to assist it for three years in its transformation into a single company with pooled resources. France Télévisions has decided to entrust its IT infrastructure to a single service provider that will consolidate the existing systems. Atos has been selected to handle the supervision, administration, operation and maintenance of the TV group's infrastructure and information production applications and services.

**February 21st**

Atos announced its 2012 annual results. Strong commercial activity throughout the year, led to a record order entry at EUR 10 billion, representing a book to bill ratio at 113 percent thanks to major bookings in Managed Services and in BPO, and at the end of the year in Systems Integration. Revenue was EUR 8,844 million, up +29.8 percent compared to 2011 on published revenues, representing an organic growth of +0.8 percent. Operating margin was EUR 580.0 million, representing 6.6 percent of revenue compared to 4.8 percent in pro forma figures of 2011. The Group generated in 2012 EUR 259 million of free cash flow. Net cash position was EUR 232 million at the end of 2012. Net income Group share stood at EUR 224 million compared to EUR 182 million in 2011 statutory.

**February 21st**

The Group announced the decision to carve-out Atos payment and merchant transactional activities around Atos Worldline and specific transactional businesses. The carve-out will reveal this new entity as worldwide player and European leader in the payment space with a more integrated and efficient management of operations. It will provide the strategic and financial flexibility to expand its product offerings across the entire transaction value chain including alliances and partnerships. This will result in reaffirming this new entity's leading position in the payment sector, which is also enhanced by the ability to leverage on the large and strong Atos customer base and geographical presence.

Grouping all payment activities within a single defined perimeter with specific reporting will also enable increased internal and external transparency on this business performance while strengthening the operational performance of the new entity.

**February 28th**

Atos Worldline announced major developments in its Sips e-payment platform. This payment solution is number one on the European market with over 400 million transactions processed in 2012. The new generation of the solution facilitates and enhances the cross-channel buying journey for the end customer, and optimizes payment collection and strengthens anti-fraud measures for the merchant. The platform is being transformed, with the announcement of wide-ranging changes to improve the buying journey, simplify use of the platform to enhance the cross-channel customer experience with distance purchasing and in-store collection, optimize payment collection by the merchant and strengthen anti-fraud measures.

**March 7th**

Atos Worldline changes the game in the growing market for connected vehicles by launching its product range for connected vehicles. Using its cloud and pay-per-use expertise, vehicle drivers will be offered new services combining mobility and telematics. Atos Worldline is the partner of choice for players in the connected vehicle market, including manufacturers and large fleet operators, to assist them with the incorporation of mobility services, mass use of collected data (or "Big Data") as well as their position with regard to consumer electronics (smartphones and tablets). The service platform, or Connected Vehicle Platform (CVP), enables scalability so that new B2C and B2B services may be quickly brought to market; it flexibly integrates content and service suppliers as well as different on-board systems, allowing our customers to generate new sources of income with an attractive economic model. Three global players have signed up with Atos Worldline, since 2012, to supply and operate B2C and B2B services for over one million vehicles, of all kinds, connected worldwide. These services will be operational in 2013.

**March 20th**

Atos Worldline, has been awarded the 2013 Innovative Payments Trophy in the "e-commerce products" category at the PayForum trade fair for its innovative eGo™ solution. Developed by Atos Worldline, this new technology will revolutionise the way a wide range of digital services and payments are handled. No cards, cheques or cash are needed: just your finger. Your skin sets the transaction in motion, ensuring secure user authentication. eGo™ is an extremely practical solution which does not compromise security. It provides an initial identity verification procedure and remains entirely under the control of its holder.

**April 25th**

Atos announced its revenue for the first quarter of 2013. Revenue was EUR 2,117 million, representing an organic evolution of -1.2 percent compared to the first quarter of 2012. Order entry was EUR 1,987 million leading to a book to bill ratio of 94 percent. Net cash stood at EUR 258 million at the end of March 2013.

**May 8th**

Canopy, an Atos company powered by EMC and VMware, is a market-leading one-stop shop for Cloud services. One year after the creation of this company it reveals its strengthened solution portfolio. The new solutions respond to an industry shift to a more flexible and cost effective model for organizations Canopy unveils its latest Cloud solutions to meet shift in customer needs by helping CIOs Deliver on the promise of Cloud with pragmatic tools.

**May 14th**

Atos has been awarded a five-year IT outsourcing contract by Darty, one of Europe's largest electrical retailers. Darty France, a member of Darty PLC Group, sought to combine its IT hosting, operations and service continuity activities in a single service provider. The leader in the household appliances market has selected Atos to develop and rationalise its multi-technology IT infrastructure to achieve a perfect fit with its business strategy and to ensure maximum quality of service on a day-to-day basis.

**May 21st**

Atos announced the following Executive Committee changes:

- Jean-Marie Simon is appointed Executive Vice President France, replacing Laurent Kocher who is leaving the Group.
- Patrick Adiba is appointed Executive Vice President Human Resources, replacing Jean Marie Simon. Patrick will continue to manage the Major Events (MEV) business unit.
- Ivan Lozano is appointed Executive Vice President Iberia, replacing Patrick Adiba.

**May 27th**

KBC/CBC and Atos Worldline conclude a sales & marketing alliance in card payments using smartphones and tablets for retailers in Belgium. KBC and CBC are offering retailers on the Belgian market the possibility of receiving credit card payments while on the move through a smartphone or tablet. This is the first benefit to flow from the "Sales and Marketing Alliance", an open contract signed between Atos Worldline and KBC and CBC. Both parties are working closely together to constantly enhance the products on offer to retailers and adjust them to current market needs.

**May 29th**

Atos held its Annual Shareholders' Meeting chaired by Atos Chairman and CEO, Mr. Thierry Breton. All resolutions submitted by the Board of Directors have been approved by a large majority. In particular, the shareholders approved the dividend payment of EUR 0.60 per share and the option for payment of the dividend in either shares or cash. The Shareholders' Meeting also renewed the term of office of Directors Ms. Aminata Niane (Senegalese citizen) and Mr. Vernon Sankey (British citizen), and appointed new Director Ms. Lynn Paine, Senior Associate Dean of Harvard Business School (American citizen), and proceeded with the election of Ms. Jean Fleming (British citizen) as Director representing the employee shareholders.

**June 10th**

Thierry Breton, Atos Chairman and CEO and Boo-Keun Yoon, CEO and President of Consumer Electronics Division at Samsung Electronics celebrated the conclusion of a strategic partnership in Seoul to jointly develop and market advanced IT solutions for BtoB markets. Building on Atos' industry leading integration capabilities and Samsung's innovative technology, the joint offering will include end-to-end retail, digital signage, connected vehicle, end user computing, printing and mobile solutions.

For Atos, the cooperation supports its vision of the next IT revolution that will transform the way enterprises leverage and consume IT. Big Data, Mobility and Cloud services represent significant opportunities for customers. The cooperation will allow Atos to offer its clients cutting edge solutions and services that benefit from the most advanced consumer trends. The combined strength of both companies will allow them to carve out a unique value proposition by combining innovative consumer technology with promising enterprise computing applications and technology such as the mobility, display, big data and security.

Leveraging its worldwide infrastructure and proven know-how in IT services, Atos will integrate and deliver solutions that will help customers in retail, banking, automotive and public services realize the benefits of Samsung's innovative technology.

**June 21st**

Atos wins a major outsourcing contract with Veolia Environnement and becomes its IT partner in France to support its transformation by deploying a cluster of services shared between all of the Group divisions. Atos is taking charge of operating the French IT infrastructures and applications from its service centres for the next 5 years. The service deployment and branch integration methodology proposed by Atos enables the total contract performance duration to be reduced to 12 months. Atos was selected by Veolia Environnement to rationalise and mutualise its infrastructures (more than 3,000 servers), all the while supplying state-of-the-art application management services (around 150 applications).

# C FINANCIALS

## C.1 Operational review

### C.1.1 Executive Summary

External revenue in the first half of 2013 stood at EUR 4,290 million representing an organic variation of -0.6 percent or EUR -26 million, with a decline of -1.2 percent in the first quarter of the year and a stable second quarter.

As a result of the decision to carve-out the payment activities, the adaptation of the Atos organization led to the following changes:

- The GBU North & South West Europe (N&SWE) was split with i) Nordic countries transferred to "Benelux & The Nordics" and ii) Switzerland and Italy joined "Central & Eastern Europe" (CEE). This decision of reducing the number of GBUs reflected the objective to optimize the operational efficiency and to decrease indirect costs.
- The entity AWFM (Atos Worldline Financial Markets), which was already under the new France Management was transferred to the GBU France. This was in line with the carve-out of Atos Payment activities. In terms of Service Line, AWFM is part of Systems Integration.
- The entity Atos Worldgrid is managed and reported as a global business within the Systems Integration Service Line. As such, Atos Worldgrid local entities (France, Italy, Spain, Germany and APAC) are reported in the corresponding GBUs.
- Also in order to increase efficiency, Global Markets E&U (Energy & Utilities) and TMT (Telecoms, Media & Technology) were merged within "Telco, Media & Utilities" (TM&U).

These organizational changes have been reflected into the Business Unit, Service Line, and Global Market reporting both in the first semester of 2013 and 2012 for comparative purposes.

Hi-Tech Transactional Services & Specialized Businesses (HTTS & SB) which represented 20 percent of the Group grew by +1.4 percent compared to the first half of 2012. HTTS business by itself grew by +5.6 percent. Representing 47 percent of the Group, Managed Services revenue was stable thanks to the contribution of new large contracts such as McGraw-Hill in the US, Nuclear Decommissioning Authority and EDF Energy in the UK or PostNord in Benelux & The Nordics. This was offset by the comparison basis effect with Siemens and the Neckermann insolvency in Germany, and a lower activity in France. Representing 26 percent of the total Group revenue in the first semester, Systems Integration declined by -0.8 percent year-on-year. Revenue growth in Germany coming from the new contract with NSN and in the UK from one specific project in the media sector was offset by a decline in France. Finally, Consulting & Technology Services represented 7 percent of the Group and was down by -8.5 percent, impacted by declining volumes, more particularly in France and in the Netherlands.

By Geography, the revenue performance was mostly driven by North America (+14.6 percent) and the United-Kingdom (+6.0 percent), thanks to the contribution of the new large contracts and also by the continued increase of Atos Worldline (+3.9 percent) which accelerated in the second quarter at +5.1 percent compared to +2.6 percent in the first quarter. Germany was almost flat excluding the base effect from the Siemens transition contract invoiced in H1 2012. Benelux & The Nordics limited its decline at -3.1 percent while Iberia still suffers from the current economic environment. The activity in France, after a particularly tough first quarter, also impacted by less working days, did not improve with volumes still declining year-on-year.

The Group concentrated on operating margin increase which materialized mainly in Managed Services (+95 basis points) and in Systems Integration (+160 basis points). Overall, operating margin was up +15 percent compared to the same period last year. The improvement came mainly from France, Benelux & The Nordics, the UK, and the US.

Total order entry reached EUR 4,557 million, representing a book to bill ratio of 106 percent. Order entry in the first semester included renewal of large contracts such as NS&I in the UK, E-Plus, and a large German Bank in Germany. New contracts were also signed, among others: Veolia and EDF Transport in France, ACT in the US, Asian martial arts games in Ashkhabad, a multinational document management corporation in the UK.

Excluding the Siemens account, for which a significant portion of the seven year outsourcing and application management contracts was recorded as opening backlog in July 2011, the book to bill reached 111 percent in the first semester of 2013.

At the end of the first semester of 2013, the full backlog amounted to EUR 15,548 million or 1.8 year of revenue, representing an increase of EUR 258 million compared to December 31st, 2012 at constant scope and exchange rates.

The full qualified pipeline at the end of June 2013 remained steady at EUR 5.0 billion compared to EUR 5.3 billion at the end of 2012 (at constant exchange rates), which included the large NS&I contract renewed in May 2013.

The carve-out process of Atos payment and merchant transactional activities was completed at the end of the first semester and **Worldline** is operational since July 1st, 2013, combining in one entity the payment and transaction activities of Atos. With 2012 pro forma revenues of EUR 1,068 million, Worldline operates under its own brand in 17 countries with a global reach and offices across Asia and Latin America. Worldline employs over 7,100 employees worldwide. In the first semester 2013, Worldline revenue reached EUR 548 million, up +5.4 percent year-on-year. Operating margin was EUR 80.0 million, representing 14.6 percent of revenue and an increase of +40 basis points compared to the first half of 2012. Free cash flow was EUR 62 million compared to EUR 50 million in the first semester of 2012.

The Atos Group total number of employees was 77,105 at the end of June 2013, reflecting a net increase of +688 people over the first semester of 2013. This increase comprised of a large decrease in indirect staff (-6 percent) in line with the indirect costs reduction plan. As a result, the number of direct employees represented 92.1 percent of the total headcount, compared to 91.5 percent at the end of 2012.

### C.1.1 Statutory to constant scope and exchange rates reconciliation

| *In EUR million* | H1 2013 | H1 2012 | *% growth* |
|---|---|---|---|
| **Statutory revenue** | **4,290** | **4,366** | ***-1.7%*** |
| Scope impact | | -5 | |
| Exchange rates impact | | -45 | |
| **Revenue at constant scope and exchange rates** | **4,290** | **4,316** | ***-0.6%*** |
| **Operating margin** | **279.0** | **248.8** | ***+12.2%*** |
| Scope impact | | -2.2 | |
| Exchange rates impact | | -2.9 | |
| **Operating margin at constant scope and exchange rates** | **279.0** | **243.6** | ***+14.5%*** |

#### C.1.1.1 Revenue

Revenue in the first semester of 2013 amounted to EUR 4,290 million, representing an organic change of -0.6 percent compared to revenue at constant scope and exchange rates of EUR 4,316 million in the first half of 2012.

The following schedule is presenting the impact on H1 2012 revenue of exchange rates, impact of the acquisitions and disposals, and internal transfers reflecting the Group's new organization.

| | Revenue | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **H1 2012 statutory** | **Internal transfer** | **Scope impact** | **Exchange rates impact** | **H1 2012 former organization** | **Atos Worldgrid** | **Atos Worldline FM** | **N&SWE** | **H1 2012 new organization** |
| Germany | 840 | | | 0 | 840 | 11 | | | 850 |
| UK & Ireland | 812 | | | -26 | 786 | | | | 786 |
| France | 500 | | 0 | 0 | 499 | 44 | 25 | | 568 |
| Benelux (& The Nordics) | 493 | | | 0 | 493 | | | 73 | 566 |
| Atos Worldline | 457 | | -8 | -1 | 448 | | -25 | | 423 |
| Central and Eastern Europe | 269 | | | -1 | 269 | 25 | | 125 | 418 |
| North America | 275 | | | -3 | 272 | | | | 272 |
| North & South West Europe | 202 | | -3 | -1 | 198 | | | -198 | 0 |
| Iberia | 165 | | 6 | 0 | 171 | 10 | | | 181 |
| Other BU's | 353 | | 1 | -14 | 340 | -90 | | | 251 |
| **Total Group** | **4,366** | **0** | **-5** | **-45** | **4,316** | **0** | **0** | **0** | **4,316** |
| Managed Services | 2,026 | -9 | 0 | -19 | 1,997 | | | | 1,997 |
| Systems Integration | 1,067 | -33 | 4 | -10 | 1,028 | 90 | 25 | | 1,142 |
| HTTS & Specialized Businesses | 967 | 3 | -8 | -13 | 948 | -90 | -25 | | 833 |
| Consulting & Technology Services | 307 | 39 | 0 | -2 | 343 | | | | 343 |
| **Total Group** | **4,366** | **0** | **-5** | **-45** | **4,316** | **0** | **0** | **0** | **4,316** |

Internal transfers occurred in the four Service Lines and were mainly related to the transfer of Systems Integration and Managed Services in France and Benelux to Consulting & Technology Services for EUR 39 million.

At Group level, exchange rates impact was EUR -45 million in the first semester. It mainly came from the decrease of the British Pound (-3.2 percent), the Argentine Peso (-15.2 percent) and the Brazilian Real (-9.5 percent) versus the Euro.

Net scope impact was EUR -5 million on top line, mainly resulting from the acquisition of Daesa (September 2012), MSL (May 2012), Quality Equipment (June 2012) and disposals of SYNSiS (June 2012) and Atos Formation (February 2013).

The adaptation of the organization made in the first semester of 2013 is reflected on the right part of the exhibit above.

### C.1.1.2 Operating margin

Operating margin for the first semester of 2013 amounted to EUR 279.0 million, representing 6.5 percent of revenue, an improvement of +86 basis points compared to 5.6 percent of revenue in the first half of 2012 at constant scope and exchange rates.

The following schedule is presenting the impact on 2012 operating margin of exchange rates, impact of the acquisitions and disposals, and internal transfers reflecting the adaptation of the Group organization, as explained above for revenue.

| | Operating margin | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **H1 2012 statutory** | **Internal transfer** | **Scope impact** | **Exchange rates impact** | **H1 2012 former organization** | | **Atos Worldgrid** | **Atos Worldline FM** | **N&SWE** | **H1 2012 new organization** | |
| Germany | 65.6 | | | 0.0 | 65.6 | *7.8%* | 2.4 | | | 68.0 | *8.0%* |
| UK & Ireland | 55.7 | | | -1.8 | 53.9 | *6.9%* | | | | 53.9 | *6.9%* |
| France | 0.5 | | -0.2 | 0.0 | 0.3 | *0.1%* | -6.3 | 1.8 | | -4.1 | *-0.7%* |
| Benelux (& The Nordics) | 33.6 | | | 0.0 | 33.6 | *6.8%* | | | 4.1 | 37.6 | *6.6%* |
| Atos Worldline | 78.6 | | -0.6 | 0.1 | 78.1 | *17.4%* | | -1.8 | | 76.3 | *18.0%* |
| Central and Eastern Europe | 26.8 | | | -0.1 | 26.8 | *10.0%* | 2.3 | | 9.1 | 38.2 | *9.1%* |
| North America | 23.3 | | | -0.3 | 23.0 | *8.5%* | | | | 23.0 | *8.5%* |
| North & South West Europe | 13.2 | | 0.0 | -0.1 | 13.1 | *6.6%* | | | -13.1 | 0.0 | *90.5%* |
| Iberia | 2.5 | | 0.3 | 0.0 | 2.8 | *1.7%* | 0.7 | | | 3.6 | *2.0%* |
| Other BU's | 18.1 | | -2.3 | -0.8 | 14.9 | *4.4%* | 1.8 | | | 16.8 | *6.7%* |
| Global structures* | -69.1 | | 0.6 | | -68.5 | *-1.6%* | -1.0 | | | -69.5 | *-1.6%* |
| **Total Group** | **248.8** | **0.0** | **-2.2** | **-2.9** | **243.6** | **5.6%** | **0.0** | **0.0** | **0.0** | **243.6** | **5.6%** |

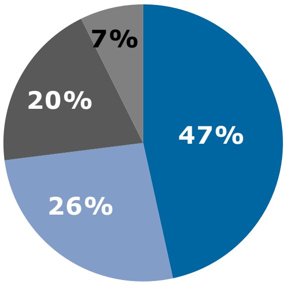
** Global structures includes the Global delivery Lines costs not allocated to the Group Business Unit and the Corporates costs*

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Managed Services | 146.2 | -1.8 | 0.0 | -0.9 | 143.5 | *7.2%* | | | | 143.5 | *7.2%* |
| Systems Integration | 41.2 | -1.5 | -2.0 | -0.7 | 37.0 | *3.6%* | -1.6 | 1.8 | | 37.2 | *3.3%* |
| HTTS & Specialized Businesses | 105.8 | 0.4 | 0.0 | -1.1 | 105.1 | *11.1%* | 1.6 | -1.8 | | 104.9 | *12.6%* |
| Consulting & Technology Services | 11.6 | 2.9 | -0.2 | -0.1 | 14.2 | *4.1%* | | | | 14.2 | *4.1%* |
| Corporate costs* | -56.1 | | | | -56.1 | *-1.3%* | | | | -56.1 | *-1.3%* |
| **Total Group** | **248.8** | **0.0** | **-2.2** | **-2.9** | **243.6** | **5.6%** | **0.0** | **0.0** | **0.0** | **243.6** | **5.6%** |

** Corporate costs excludes Global delivery Lines costs allocated to the Services Lines*

### C.1.2 Revenue profile evolution

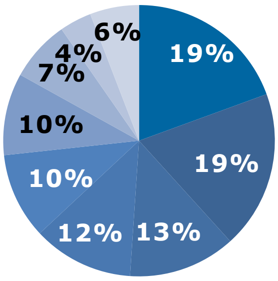
In the first semester of 2013, 76 percent of the revenue base was generated by multi-year contracts, deriving from multi-year Managed Services contracts (47 percent of total revenue), Application Management contracts and Atos Worldgrid (respectively 7 percent and 2 percent included in Systems Integration) and Hi-Tech Transactional Services & Specialized Businesses (20 percent of total revenue).




| *In EUR million* | H1 2013 | H1 2012* |
|---|---|---|
| Managed Services | 1,998 | 1,997 |
| Systems Integration | 1,133 | 1,142 |
| HTTS & Specialized Businesses | 844 | 833 |
| Consulting & Technology Services | 314 | 343 |
| **Total Group** | **4,290** | **4,316** |

** Constant scope and exchange rates*

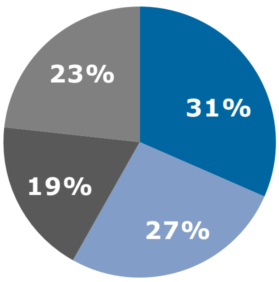
Europe remained the Group's main operational base, generating 87 percent of total revenue compared to 89 percent of total revenue in H1 2012 at constant scope and exchange rates. This slight increase of the weight of non-European operations is a result of higher growth rates achieved in these geographies.




| *In EUR million* | H1 2013 | H1 2012* |
|---|---|---|
| United-Kingdom & Ireland | 833 | 786 |
| Germany | 809 | 850 |
| Benelux & The Nordics | 548 | 566 |
| France | 514 | 568 |
| Atos Worldline | 440 | 423 |
| Central & Eastern Europe | 420 | 418 |
| North America | 312 | 272 |
| Iberia | 164 | 181 |
| Other BUs | 251 | 251 |
| **Total Group** | **4,290** | **4,316** |

** Constant scope and exchange rates*

The Group provides IT services and solutions to many industry sectors. The customers are addressed through four global markets which are Manufacturing Retail & Services, Public Health & Transportation, Financial Services, and Telco, Media & Utilities. Increased weight of Telco, Media & Utilities is mainly due to the contribution of the McGraw-Hill contract in the US and new contracts in the energy sector while the weight of the Manufacturing, Retail & Services market diminished on the back of the successful completion at the end of the first half of 2012 of the Siemens project to separate and transform the platforms between Siemens and the former SIS scope.




| *In EUR million* | H1 2013 | H1 2012* |
|---|---|---|
| Manufacturing, Retail & Services | 1,354 | 1,442 |
| Public sector, Healthcare & Transport | 1,140 | 1,143 |
| Financial Services | 798 | 824 |
| Telco, Media & Utilities | 998 | 907 |
| **Total Group** | **4,290** | **4,316** |

** Constant scope and exchange rates*

### C.1.3 Performance by Service Line

| | Revenue | | | Operating Margin | | Operating Margin % | |
|---|---|---|---|---|---|---|---|
| *In EUR million* | **H1 2013** | **H1 2012*** | ***% growth*** | **H1 2013** | **H1 2012*** | ***H1 2013*** | ***H1 2012**** |
| Managed Services | 1,998 | 1,997 | *+0.0%* | 162.5 | 143.5 | *8.1%* | *7.2%* |
| Systems Integration | 1,133 | 1,142 | *-0.8%* | 55.0 | 37.2 | *4.9%* | *3.3%* |
| HTTS & Specialized Businesses | 844 | 833 | *+1.4%* | 99.4 | 104.9 | *11.8%* | *12.6%* |
| *of which HTTS* | *592* | *561* | *+5.6%* | *93.8* | *87.8* | *15.8%* | *15.7%* |
| Consulting & Technology Services | 314 | 343 | *-8.5%* | 13.9 | 14.2 | *4.4%* | *4.1%* |
| Corporate costs** | | | | -51.8 | -56.1 | *-1.2%* | *-1.3%* |
| **Total Group** | **4,290** | **4,316** | ***-0.6%*** | **279.0** | **243.6** | ***6.5%*** | ***5.6%*** |

** Constant scope and exchange rates*

*** Corporate costs exclude Global Delivery Lines costs allocated to the Service Lines*

#### C.1.3.1 Managed Services

| *In EUR million* | **H1 2013** | **H1 2012*** | ***change*** |
|---|---|---|---|
| Revenue | 1,998 | 1,997 | *+0.0%* |
| Operating margin | 162.5 | 143.5 | |
| *Operating margin rate* | *8.1%* | *7.2%* | *+95bp* |

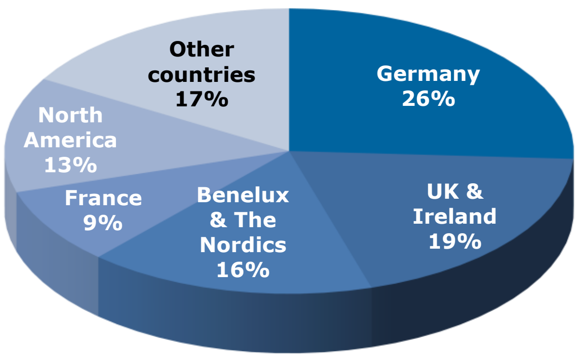
**constant scope and exchange rates*

Representing 47 percent of the Group, Managed Services **revenue** was **EUR 1,998 million**, **stable** year-on-year.

UK & Ireland was up by +8.7 percent at EUR 389 million thanks to the contribution from new contracts such as EDF Energy, NDA and Insolvency Services. North America strongly grew by +19.1 percent, fully benefiting from the ramp-up of the McGraw-Hill contract. Asia-Pacific was up by +20 percent at EUR 74 million, on the back of additional volumes with a large bank in Hong-Kong and new customers such as Dah Sing Bank.

Germany revenue decreased due to the base effect related to the transition project with Siemens (EUR -35 million) completed in June 2012 as well as the insolvency of Neckermann (EUR -10 million). France (-7.8 percent) did not reached the expected level of new business and therefore could not compensate contract terminations in Financial Services and volume reductions in Industry. In Middle East, a one-time sale in Qatar for EUR 7 million during the first quarter of 2012 was not repeated this year.

**Managed Services revenue profile by geographies**



**Operating margin** improved by EUR +19.0 million compared to the first half of 2012 reaching **EUR 162.5 million** or **8.1 percent** of revenue, increasing by +95 basis points year-on-year. The improvement came from the industrialization of the activity through Global Delivery Lines and the execution of the transformation program in the geographies such as Benelux & The Nordics, UK & Ireland, and Other BUs. This resulted in the materialization of back office synergies, application of the lean techniques and offshoring. On top of these strong actions on costs, Benelux and the UK improved significantly their operational performance.

### C.1.3.2 Systems Integration

| *In EUR million* | **H1 2013** | **H1 2012*** | ***change*** |
|---|---|---|---|
| Revenue | 1,133 | 1,142 | *-0.8%* |
| Operating margin | 55.0 | 37.2 | |
| *Operating margin rate* | *4.9%* | *3.3%* | *+160bp* |

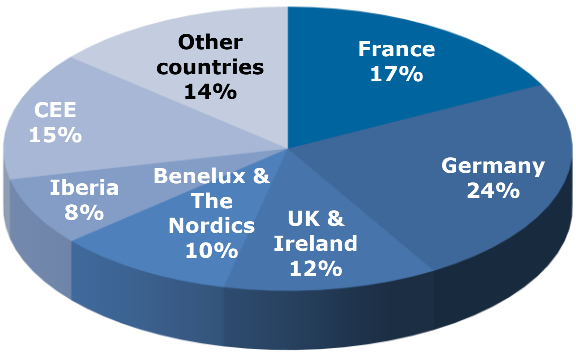
**constant scope and exchange rates*

Representing 26 percent of the total Group revenue, System Integration landed at **EUR 1,133 million** down **-0.8 percent** year-on-year. Sales increase due to the ramp-up of NSN in Germany, the preparation of the Asian martial arts games in Ashkhabad, and a contract with a major media company in the UK. This was negatively countered by the continuing weak demand in continental Europe, particularly in the Public sector and in Financial Services, added to the unfavorable comparative basis due to the 2012 London Olympics.

Application Management represented 28 percent of total Systems Integration revenue in the first half of 2013 and projects the remaining 72 percent.

Utilization rate was 81 percent in the first semester of 2013.

**Systems Integration revenue profile by geographies**




**Operating margin** progressed by EUR +17.8 million at **EUR 55.0 million**, representing **4.9 percent** of revenue, an improvement by +160 basis points compared to the same period last year. Margin improvement was primarily driven by France thanks to operational efficiencies and indirect costs optimization, coupled with the recovery of Atos Worldgrid compared to the losses incurred last year on three specific projects. The increased volume in offshore delivery (NSN, McGraw-Hill, E-Plus) combined with the decrease of the Indian Rupee versus the Euro contributed positively to the operating margin which also advanced in the UK & Ireland as a consequence of cost base adjustments and higher revenues. This was in part offset by the ramp-down of the AMS contract in Austria (contract lost by SIS before the closing of the acquisition).

### C.1.3.3 Hi-Tech Transactional Services (HTTS) & Specialized Businesses

| *In EUR million* | **H1 2013** | **H1 2012*** | ***change*** |
|---|---|---|---|
| Revenue | 844 | 833 | *+1.4%* |
| *of which HTTS* | *592* | *561* | *+5.6%* |
| Operating margin | 99.4 | 104.9 | |
| *of which HTTS* | *93.8* | *87.8* | |
| *Operating margin rate* | *11.8%* | *12.6%* | *-82bp* |
| *of which HTTS* | *15.8%* | *15.7%* | *+19bp* |

*constant scope and exchange rates

**Revenue** represented 20 percent of the Group at **EUR 844 million**, up **+1.4 percent** year-on-year.

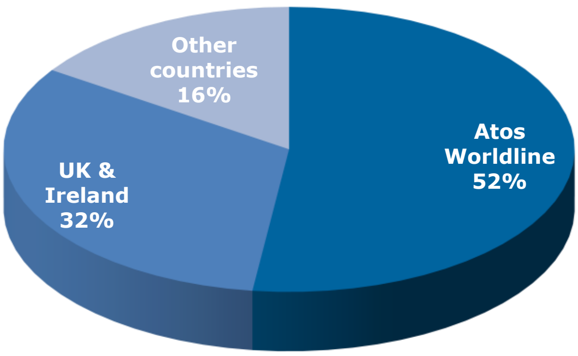
Growth came from **HTTS**, up EUR +31 million or +5.6 percent landing at EUR 592 million.
Main contributor was **eCS business** ending at EUR 266 million with an organic growth of 10.2 percent. Within eCS, Transactional Web and Smart Ticketing & e-Traffic were the main growth engines, with the biometric passport contract in France as well as fertilization on e-Commerce projects. In Smart Ticketing & e-Traffic Management services, the increase stemmed primarily from the UK with the new contract "Transport for Greater Manchester".

**Payment business** reached EUR 325 million, up +2.1 percent mainly through the issuing activities, thanks to a sustained performance in e-Wallet in France, International Gateway, and ACS in the UK, and in Belgium with a good level of projects revenue and higher transaction volumes on banking cards.

**Business Process Outsourcing (BPO)** at EUR 182 million was down by -3.3 percent or EUR -6 million.
The Medical BPO at EUR 87 million declined by EUR -10 million due to lower volumes output. The Financial BPO business grew by EUR +5 million to EUR 94 million thanks to NS&I Payment Plan 1 milestone (ISPP1) completed in the first quarter of this year.

**Specialized Business** at EUR 71 million dropped by -16.0 percent mainly due to the ramp-down of the Swiss national wide Polycom contract in Switzerland.

**HTTS & Specialized Businesses revenue profile by geographies**




At **EUR 99.4 million, operating margin** decreased by EUR -5.5 million or -80 basis points, representing **11.8 percent**. The higher profitability in HTTS (EUR +6.0 million) was more than offset by the deterioration of both Medical BPO (EUR -9.9 million) and Specialized Businesses (EUR -1.6 million).

**HTTS** operating margin at EUR 93.8 million or 15.8 percent of revenue improved EUR +6.0 million or +22 basis points on last year primarily driven by the cost optimization on transport products and on Governmental contracts in the UK, added to higher sales in Belgium.

In **Specialized Businesses**, the operating margin of EUR 6.7 million or 9.4 percent of revenue was down by EUR -1.6 million as a consequence of the decrease in revenue.

Finally, **BPO** was down by EUR -9.9 million compared to last year, leading to a loss of EUR -1.1 million, primarily due to set up costs related to DWP PIP in which revenue will start only in the second semester this year. This added to a low margin on the DWP medical assessments contract.

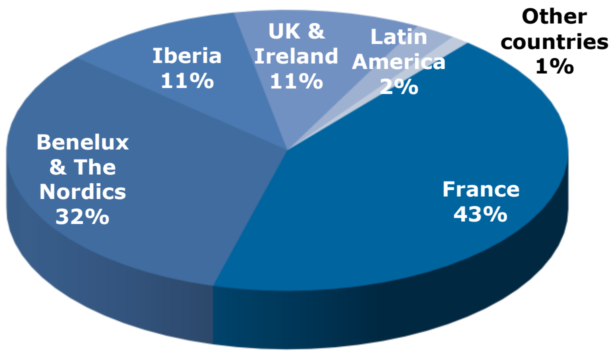
### C.1.3.4 Consulting & Technology Services

| *In EUR million* | **H1 2013** | **H1 2012*** | ***change*** |
|---|---|---|---|
| Revenue | 314 | 343 | *-8.5%* |
| Operating margin | 13.9 | 14.2 | |
| *Operating margin rate* | *4.4%* | *4.1%* | *+29bp* |

**constant scope and exchange rates*

**Revenue** in Consulting & Technology Services stood at **EUR 314 million**, decreasing compared to the first semester of last year by **-8.5 percent**. The figure can be broken-down between the impact of fewer working days (-1.5 percent, affecting in particular France and Benelux) and business contraction (-7.0 percent) across all Markets but more particularly in Financial Services and TM&U.

**Consulting & Technology Services revenue profile by geographies**




**Operating margin** was slightly below last year by EUR -0.3 million at **EUR 13.9 million**, improving in relative terms by +30 basis point at 4.4 percent as strong improvement plans for resource management and costs efficiency have been put in place to enable profitability improvement despite the organic decline.

### C.1.4 Performance by Business Units

| | **Revenue** | | | **Operating Margin** | | ***Operating Margin %*** | |
|---|---|---|---|---|---|---|---|
| *In EUR million* | **H1 2013** | **H1 2012*** | ***% growth*** | **H1 2013** | **H1 2012*** | ***H1 2013*** | ***H1 2012**** |
| United-Kingdom & Ireland | 833 | 786 | *+6.0%* | 64.4 | 53.9 | *7.7%* | *6.9%* |
| Germany | 809 | 850 | *-4.9%* | 52.7 | 68.0 | *6.5%* | *8.0%* |
| Benelux & The Nordics | 548 | 566 | *-3.1%* | 49.5 | 37.6 | *9.0%* | *6.6%* |
| France | 514 | 568 | *-9.5%* | 8.0 | -4.1 | *1.6%* | *-0.7%* |
| Atos Worldline | 440 | 423 | *+3.9%* | 76.2 | 76.3 | *17.3%* | *18.0%* |
| Central & Eastern Europe | 420 | 418 | *+0.3%* | 31.6 | 38.2 | *7.5%* | *9.1%* |
| North America | 312 | 272 | *+14.6%* | 24.5 | 23.0 | *7.9%* | *8.5%* |
| Iberia | 164 | 181 | *-9.7%* | 3.5 | 3.6 | *2.1%* | *2.0%* |
| Other BUs | 251 | 251 | *+0.0%* | 22.6 | 16.8 | *9.0%* | *6.7%* |
| Global structures** | | | | -54.2 | -69.5 | *-1.3%* | *-1.6%* |
| **Total Group** | **4,290** | **4,316** | ***-0.6%*** | **279.0** | **243.6** | ***6.5%*** | ***5.6%*** |

** Constant scope and exchange rates*

*** Global structures include the Global Delivery Lines costs not allocated to the Group Business Unit and the Corporates costs*

During the first semester of 2013, the **revenue** performance was driven mostly by North America (+14.6 percent) and the United-Kingdom (+6.0 percent), thanks to the contribution of the new large contracts and also by the continued increase of Atos Worldline (+3.9 percent) which accelerated in the second quarter at +5.1 percent compared to +2.6 percent in the first quarter. Germany was almost flat excluding the base effect from the Siemens transition contract invoiced in H1 2012. Benelux & Nordics limited its decline at -3.1 percent while Iberia still suffers from the current economic environment. The activity in France, after a particularly tough first quarter, also impacted by less working days, did not improve with volumes still declining year-on-year.

**Operating margin** was up +15 percent compared to the same period last year. The improvement came mainly from France, Benelux & The Nordics, the UK, and in a lesser extent from the US.

### C.1.4.1 United Kingdom & Ireland

| *In EUR million* | **H1 2013** | **H1 2012*** | ***Change*** |
|---|---|---|---|
| Revenue | 833 | 786 | *+6.0%* |
| Operating margin | 64.4 | 53.9 | |
| *Operating margin rate %* | *7.7%* | *6.9%* | *+87bp* |

** Constant scope and exchange rates*

**Revenue** was **EUR 833 million**, **+6.0 percent** year-on-year.

**Managed Services** was EUR 389 million, up +8.7 percent. This was mainly due to new contracts with EDF Energy, NDA and Insolvency Services partly offset by the base effect of London 2012.

Revenue in **Systems Integration** was EUR 138 million, up +8.2 percent thanks to the completion of a large project with the a media company and an SAP upgrade project with Siemens.

**HTTS** revenue was EUR 91 million, +7.4 percent above prior year mainly thanks to the Greater Manchester e-Ticketing new contract.

**BPO** was down by -3.3 percent at EUR 182 million, mainly due to DWP Medical lower assessment volumes offset by additional volume related revenues in NS&I (Milestone 1).

**Consulting** revenue was EUR 34 million, up EUR +6 million or +21.7 percent. This is mainly due to new contracts with DCNS, the IFA project, and improvement in the health sector.

Operating margin stood at EUR 64.4 million, representing 7.7 percent of revenue compared to 6.9 percent for the first half of 2012.

**Managed Services** operating margin improved by EUR +7.1 million compared to the first half of 2012 due to new EDF and NDA contracts contribution, lower network costs, and also pension curtailment.

In **Systems Integration**, operating margin improved by EUR +7.3 million above prior year, mainly due to increased project activity with a large media company, cost base efficiencies, and lower indirect costs.

**HTTS** operating margin was up EUR +4.7 million year-on-year, mainly due to top line growth as well as costs optimization on transport and ticketing software solutions.

In **BPO**, operating margin was negative at EUR -1.1 million, EUR -9.9 million below prior year, mainly due to set up costs related to the DWP PIP (EUR -8.0 million) where revenue will start only in the second semester this year. This added to low margin on DWP medical assessments contract where volumes decreased in the first half of 2013.

**Consulting** operating margin increased by EUR +1.2 million year-on-year, in line with revenue growth.

### C.1.4.2 Germany

| *In EUR million* | **H1 2013** | **H1 2012*** | ***Change*** |
|---|---|---|---|
| Revenue | 809 | 850 | *-4.9%* |
| Operating margin | 52.7 | 68.0 | |
| *Operating margin rate %* | *6.5%* | *8.0%* | *-147bp* |

** Constant scope and exchange rates*

**Revenue** decreased by **-4.9 percent** to last year at **EUR 809 million**.

**Managed Services** revenue reached EUR 517 million, down by -9.8 percent year-on-year. Top line was affected by the phase-out of the transition and transformation projects with Siemens and the Neckermann insolvency.

**Systems Integration** grew by +4.9 percent at EUR 271 million, thanks to the ramp-up of the NSN application management contract that started in the course of the semester and services rendered for Thyssen Krupp. This was partly offset by fewer projects.

**Operating margin** decreased at **EUR 52.7 million**, representing **6.5 percent** of revenue.

**Systems Integration** operating margin decreased by EUR -2.1 million. Main impact was the transition phase on NSN contract where the productivity is still affected by the customer staff takeover.

Operating margin in **Managed Services** declined by EUR -12.4 million versus last year, most of which was related to base effect of the ending Siemens transition project in June 2012 as well as the loss of revenue with Neckermann following its insolvency in the second half of 2012.

### C.1.4.3 Benelux & The Nordics

| *In EUR million* | **H1 2013** | **H1 2012*** | ***Change*** |
|---|---|---|---|
| Revenue | 548 | 566 | *-3.1%* |
| Operating margin | 49.5 | 37.6 | |
| *Operating margin rate %* | *9.0%* | *6.6%* | *+239bp* |

** Constant scope and exchange rates*

The GBU continued to experience weak demand in the cyclical activities. **Revenue** reached **EUR 548 million**, down by **-3.1 percent** year-on-year.

**Managed services** grew by +1.4 percent. Performance was contrasted with the activity in the Nordics increasing due to the ramp-up of the PostNord contract in Denmark, while Benelux slightly contracted due to a lack of volumes in several large accounts.

**Systems Integration** was down by -9.2 percent, mostly coming from less volumes with various Dutch Government Ministries as well as challenging activities in Financial Services.

**Consulting & Technology Services** dropped by -12.3 percent with Technology Services at -10.1 percent. Both were affected by continuing tough market conditions in Financial Services, in spite of a slight improvement in the energy sector.

The **operating margin rate** increased to 9.0 percent, resulting from strong action plans to decrease the cost base, including the renegotiation of the pension plans with the local work council which led to an IAS 19 charge reduction compared to last year.

**Managed Services** operating margin increased by EUR +12.2 million on last year. This resulted from the effect of a slightly growing top line, an improved contract margin following recovery plans in government contracts, productivity gains in the delivery center, and upselling. Additionally a EUR +3.1 million reduction of pension charge was derived from the Dutch pension renegociation.

**Systems Integration** margin was almost stable. Productivity gains, optimization on indirect costs, and workforce management actions almost compensated for the margin impact due to the revenue shortfall.

Despite the decrease in revenue, **Consulting & Technology Services** margin remained flat due to a slight increase in the average daily rate, additional cost optimizations and the effect of the pension plan amendment.

### C.1.4.4 France

| *In EUR million* | **H1 2013** | **H1 2012*** | ***Change*** |
|---|---|---|---|
| Revenue | 514 | 568 | *-9.5%* |
| Operating margin | 8.0 | -4.1 | |
| *Operating margin rate %* | *1.6%* | *-0.7%* | *+229bp* |

** Constant scope and exchange rates*

**Revenue** in France reached **EUR 514 million**, representing an organic decrease of **-9.5 percent** or EUR -54 million compared to last year.

**Managed Services** decreased by -7.8 percent compared to last year. The growth in TMT market by +2.3 percent with new contracts signed end of 2012 (TDF and Gemalto) did not compensate for the decline in the other markets due to contract terminations and volume reduction with several customers.

**Systems Integration** dropped by -9.9 percent driven by the volume reduction in the public sector (Ministry of Finance and Ministry of Agriculture) and the end of some projects in Financial Services. The lower number of working days compared to last year also contributed to the top line decrease.

**Consulting & Technological Services** decreased by -8.5 percent primarily affected by the lack of activity in the banking and public sectors and the lower level of working days compared to last year.

**Operating margin** turned positive to 1.6 percent of revenue at **EUR 8.0 million**, up EUR +12.2 million year-on-year. This improvement was mainly due to the recovery of **System Integration** with a massive increase by EUR 16 million, due to the streamlining of middle management layers and the reduction of indirect costs completed with the recovery of Atos Worldgrid after the contract issues experienced in the first semester of 2012 on EDF and GDF contracts (EUR + 10.1 million).

**Managed Services** suffered primarily from the loss of revenue of the terminated contracts in 2012 and margin decreased by EUR -1.7 million year-on-year. The revenue decline effect could not be fully compensated by strong actions on indirect costs and the continuous industrialization of the activity.

**Consulting & Technology Services** operating margin decrease was limited at EUR -2.1 million year-on-year and showed the strong efforts of the GBU in adapting the cost base to the level of revenue.

### C.1.4.5 Atos Worldline

| *In EUR million* | **H1 2013** | **H1 2012*** | ***Change*** |
|---|---|---|---|
| Revenue | 440 | 423 | *+3.9%* |
| Operating margin | 76.2 | 76.3 | |
| *Operating margin rate %* | *17.3%* | *18.0%* | *-68bp* |

** Constant scope and exchange rates*

Atos Worldline reported **revenue** of **EUR 440 million**, up EUR +16 million or +3.9 percent to last year, mainly through project revenue.

**Payment** activities increased by +2.0 percent, mainly driven by issuing processing.

The growth in issuing came from 3 main geographies: France thanks to ACS and e-Wallet, Belgium through various development projects and APAC with the sale of licenses.

**eCs** increased by +9.0 percent compared to last year, thanks to transactional web and Smart Mobility. The transactional web benefitted from the growth of e-commerce and higher volumes on the Biometric passport. Smart Mobility growth was led by the new contracts such as connected vehicles (Renault, Michelin), Mc Donald's and Orange.

**Operating margin** stood at EUR 76.2 million (**17.3 percent**), unchanged to last year. Revenue growth mainly stemmed from build-up projects, generating a lower margin rate than recurring activities. The additional margin was then offset by tariff pressure on renewed issuing contracts.

#### C.1.4.6 Central & Eastern Europe

| *In EUR million* | **H1 2013** | **H1 2012*** | ***Change*** |
|---|---|---|---|
| Revenue | 420 | 418 | *+0.3%* |
| Operating margin | 31.6 | 38.2 | |
| *Operating margin rate %* | *7.5%* | *9.1%* | *-159bp* |

** Constant scope and exchange rates*

**Revenue** in Central & Eastern Europe grew by **+0.3 percent** at **EUR 420 million** compared to last year. The Business Unit largely benefited from the ramp-up of a new project in Turkey (in preparation for the Asian martial arts games in Ashkhabad in Turkmenistan) and a strong activity in the Public sector in Slovakia. Conversely, Austria was affected by the ramp-down of the AMS contract that ended in the second half of last year. Switzerland was below previous year due to an unfavorable comparative basis effect (Toll collection). Italy reported a limited decline of EUR -3 million considering the current economic environment thanks to the growing contribution of e-Utile.

**Operating margin** was **EUR 31.6 million** or **7.5 percent**. This represents a decrease of EUR -6.5 million year on year. The growing activity with the Ashkhabad project and the Civil & National Security business in Switzerland generated additional contribution to margin compared to last year. Adversely, Austria fell, due to the ramp-down of the AMS contract and also a lack of volume in Systems Integration which resulted in unabsorbed direct costs. Finally, profitability lowered in Poland in the Telco sector.

#### C.1.4.7 North America

| *In EUR million* | **H1 2013** | **H1 2012*** | ***Change*** |
|---|---|---|---|
| Revenue | 312 | 272 | *+14.6%* |
| Operating margin | 24.5 | 23.0 | |
| *Operating margin rate %* | *7.9%* | *8.5%* | *-59bp* |

** Constant scope and exchange rates*

North America **revenue** was **EUR 312 million**, increasing by **+14.6 percent** year on year.

**Managed Services** revenue increased by 20 percent as a result of the McGraw-Hill contract contribution. Several other new contracts supported also supported the growth, particularly Pfizer and City of San Diego. This was narrowed down by the comparison effect with Siemens, and some terminated contracts.

In **Systems Integration**, North America successfully completed the AIG contract in 2012 which resulted this year in a decline of -4 percent. This was partially offset by the upselling of projects on the McGraw-Hill contract.

**Operating margin** increased by EUR +1.5 million year on year.

In **Managed Services**, operating margin was stable at 7.9 percent with the effect of the revenue increase almost fully countered by the extra efforts made on the Siemens account to increase quality of services as well as the base effect of the end of transition and transformation.

**Systems Integration** declined by EUR -1.3 million as a result of fewer revenues.

### C.1.4.8 Iberia

| *In EUR million* | **H1 2013** | **H1 2012*** | ***Change*** |
|---|---|---|---|
| Revenue | 164 | 181 | *-9.7%* |
| Operating margin | 3.5 | 3.6 | |
| *Operating margin rate %* | *2.1%* | *2.0%* | *+17bp* |

** Constant scope and exchange rates*

In **Iberia,** revenue was **EUR 164 million**, down **-9.7 percent**, primarily driven by the Public sector due to spend cuts in regional and central government agencies and the termination of the contract with Generalitat Catalunya. The Telecom market dropped by EUR -5 million mostly in Systems Integration due to fewer volumes recorded in Vodafone NGIN and a contract ending with Telefonica. Revenue slightly grew in Manufacturing Retail & Services with EADS.

Despite the drop in revenue, **operating margin** remained almost stable to last year at **EUR 3.5 million**. The tightening of indirect costs combined with the renegotiated labor conditions allowed to adjust rapidly the cost base and offset the impact of revenue shortfall.

### C.1.4.9 Other Business Units

| *In EUR million* | **H1 2013** | **H1 2012*** | ***Change*** |
|---|---|---|---|
| Revenue | 251 | 251 | *+0.0%* |
| Operating margin | 22.6 | 16.8 | |
| *Operating margin rate %* | *9.0%* | *6.7%* | *+233bp* |

** Constant scope and exchange rates*

**Major Events**

**Revenue** was down by EUR -7 million year on year, reflecting the impact of the comparative basis in 2012 due to the London 2012 games.

Operating margin was up by EUR +1.7 million on last year.

**Asia Pacific**

**Revenue** grew by +11.8 percent. This was driven by Managed Services, in particular in Hong Kong due to increased volumes in Financial Services with a large Hong Kong bank and Dah Sing Bank.

**Operating margin** increased by EUR +5.9 million compared to last year. This was mostly derived from the incremental margin due to higher revenues and savings.

**Latin America**

**Revenue** was flat compared with last year. Sales increased in the Public sector in the HTTS unit with higher volumes in e-ticketing were compensated by the end of contracts in Technology Services and Managed Services.

**Operating margin** was stable too.

**South Africa, India, Morocco, Middle East**

**Revenue** dropped by -13.5 percent compared to previous year, which was due to an exceptional delivery of a Datacenter for EUR 8 million in the first semester of 2012 in Qatar. This was mitigated by an improved performance in Systems Integration in the Middle East.

**Operating margin** rose by EUR +12 million, mainly in India which benefitted from an increase in offshore (internal) demand on various projects (NSN, E-Plus, a multinational document management corporation, McGraw-Hill and Pfizer), and also from the depreciation of the Indian Rupee at the end of the semester.

**New Business Venture**

The unit is encompassing blueKiwi, Canopy, Yunano. The Group invested in its Cloud platforms and software in order to be fully ready for revenue development in the second semester.

#### C.1.4.10 Global structures costs

Global structure costs amounted to EUR -54.2 million, which represents a positive variance of EUR +15.3 million over last year, materializing the full effect of the SIS integration program.

### C.1.5 Revenue by Global Market

The Group is organized in four industry sectors, as described hereunder.

| *In EUR million* | **H1 2013** | **H1 2012*** | ***% growth*** |
|---|---|---|---|
| Manufacturing, Retail & Services | 1,354 | 1,442 | *-6.0%* |
| Public sector, Healthcare & Transport | 1,140 | 1,143 | *-0.3%* |
| Financial Services | 798 | 824 | *-3.2%* |
| Telco, Media & Utilities | 998 | 907 | *+10.0%* |
| **Total Group** | **4,290** | **4,316** | ***-0.6%*** |

** Constant scope and exchange rates*

Revenue by Global Market reported evolution year-on-year was led by large contracts signed from mid-2012 to the first quarter of 2013. More particularly, Telecom, Media & Utilities grew by +10 percent with the strong contribution from McGraw-Hill in the US and NSN in Germany. Public sector, Healthcare & Transport remained stable with UK increase from new government contracts and the Nordics with the new PostNord contract in Denmark. This allowed compensating a lower demand in France which also impacted Financial Services due to a lower demand which remained concentrated on regulation and productivity. This led to -3.2 percent in this market. Finally, Manufacturing, Retail & Services was down with the combined effect of Siemens transition project and weak demand in continental Europe where most of the revenue is generated in that market.

**Manufacturing, Retail & Services**

In this market, the top 10 clients represented 46 percent of revenue with Siemens, Renault Nissan, EADS, Bayer, Carl Zeiss, Coca Cola, Thyssen Krupp, a German coal mining corporation, Daimler Group, and a large European consumer electronics company.

**Public sector, Healthcare & Transport**

32 percent of the revenue in this market were realized with the 10 main clients: Department of Work and Pensions and Ministry of Justice in the UK, European Union Institutions, the French Ministry of Ecologie, the UK Border Agency, NHS Scotland, the Ashkhabad Olympic Complex, Vehicle Op Standards Agency (VOSA), Nuclear Decommissioning Agency (NDA) and National Assembly for Wales.

**Financial Services**

In this market, 48 percent of the revenue were generated with the 10 main clients being: National Savings & Investments (NS&I), a large German bank, BNP Paribas, ING, a large Hong Kong bank, Achmea, Credit Agricole, La Poste, Société Générale, and Talanx.

**Telco, Media & Utilities**

The 10 main clients were a large media company in the UK, KPN, EDF, McGraw-Hill, Orange, Nokia Siemens Networks (NSN), Telecom Italia, Microsoft, Schlumberger and Vodafone. They represented 65 percent of the total Global Market revenue.

### C.1.6 Carve-out of Atos payment and merchant transactional activities

#### C.1.6.1 Objectives of the carve-out and creation of Worldline

The Group announced in February 2013 the decision to carve out Atos payment and merchant transactional activities around Atos Worldline and specific transactional businesses.

The key objective was to reveal this new entity as worldwide player and European leader in the payment space with a more integrated and efficient management of operations and to provide the strategic and financial flexibility to expand its product offerings across the entire transaction value chain including alliances and partnerships. This resulted in reaffirming this new entity's leading position in the payment sector, which is also enhanced by the ability to leverage on the large and strong Atos customer base and geographical presence.

Grouping all payment activities within a single defined perimeter with specific reporting enable increased internal and external transparency on this business performance while strengthening the operational performance of the new entity.

The carve-out process was completed at the end of the first semester and **Worldline** *an Atos company*, is operational since July 1st, 2013, combining in one entity the payment and transactions activities of Atos.

Worldline top management organization:
- **Thierry Breton**, Chairman and CEO of Atos, chairs the Board of Directors of Worldline
- **Gilles Grapinet**, Atos Senior Executive Vice President Global functions, was appointed Chief Executive Officer of Worldline
- **Marc-Henri Desportes**, former Executive Vice President of Atos Hi-Tech Transactional Services was appointed General Manager of Worldline
- **Christophe Duquenne** was appointed Worldline Chief Operating Officer

#### C.1.6.2 Organization and key figures

With 2012 pro forma revenues of EUR 1,068 million, Worldline operates under its own brand in 17 countries with a global reach and offices across Asia and Latin America. Worldline employs over 7,100 employees worldwide.

Worldline is organized in three Global Business Lines which reflect a very important go-to-market and internal organization to leverage key offerings and services from its very rich portfolio. These three Global Business Lines have full P&L responsibility across their geographies.

**Merchant Services & Terminals**

This Business Line addresses merchants (SMBs), large retail organizations, and online merchants. It generated EUR 353 million revenue in 2012 pro forma at 2013 constant scope and exchange rates.

The main services provided by this Business Line are:
- Commercial acquiring
- Online services
- Private label cards
- Terminals

One of the key central components of the business value proposition of this Business Line relies on its extensive portfolio of payment services. It allows the company to support merchants and retailer at all stages of their customer experience, remortly outside the store, at the store, and even after the sale through a powerful combination of cross channels payment solutions which can be seamlessly integrated with advanced CRM loyalty and analytics capabilities.

### Mobility & e-Transactional Services

The customers addressed are public entities, transport companies, healthcare organizations and telecom and media companies. This Business Line generated EUR 341 million revenue in 2012 pro forma at 2013 constant scope and exchange rates.

The main services provided by this Business Line are:

- e-Consumer and mobility
- e-Government collection
- e-Ticketing

Based on the Atos Worldline success story, this Business Line brings sophisticated payment and transactional solutions and services to large public and private organizations, to support the challenge of mass payment and beyond payment interactions with thousands of customers, passengers, and citizens.

Fundamentally, it reuses core components of the payment portfolio and platforms to offer solutions deeper in the value chain of our service B2C clients:

- Machine-to-machine real time capabilities (management of connected devices leveraging connected terminals solutions and know-how),
- Fraud management services, customer care platforms and services,
- Core payment solutions also used for merchant services like the Worldline internet gateway.

### Financial Processing & Software Licensing

The customers addressed are financial institutions. The size of this business was EUR 375 million revenue in 2012 pro forma at 2013 constant scope and exchange rates.

The main services provided by this Business Line are:

- Acquiring processing
- Issuing processing
- Online banking
- Payment software licessing

This business is resilient, with a sustained profitability. The Business Line margin levers are industrialization of the delivery, optimization of technological platforms and added value services of basics processing such as Fraud management, data analytic, and personalization. The sale of software licenses has a higher profitability profile than the core processing activities.

### C.1.6.3 H1 2013 performance

In the first semester 2013, Worldline revenue reached EUR 548 million, up +5.4 percent year-on-year. Operating margin was EUR 80.0 million, representing 14.6 percent of revenue, and an increase of +40 basis points compared to the first half of 2012. Free cash flow was EUR 62 million compared to EUR 50 in the first half of 2012.

| | Revenue | | | Operating Margin | | *Operating Margin %* | |
|---|---|---|---|---|---|---|---|
| *In EUR million* | **H1 2013** | **H1 2012** | ***% growth*** | **H1 2013** | **H1 2012** | ***H1 2013*** | ***H1 2012*** |
| Merchant Services & Terminals | 178 | 171 | *+3.7%* | 32.5 | 31.7 | *18.3%* | *18.5%* |
| Mobility & e-Transactional Services | 182 | 165 | *+10.0%* | 20.8 | 20.0 | *11.4%* | *12.1%* |
| Financial Processing & Software Licensing | 189 | 183 | *+2.8%* | 35.0 | 31.4 | *18.5%* | *17.1%* |
| Central costs | | | | -8.3 | -9.2 | *-1.5%* | *-1.8%* |
| **Total Group** | **548** | **520** | ***+5.4%*** | **80.0** | **74.0** | ***14.6%*** | ***14.2%*** |

*Unaudited pro forma figures at constant scope and exchange rates, based on best estimates by Business Lines*

#### Merchant Services & Terminals

Revenue was EUR 178 million for the first half of 2013, up +3.7 percent with 18.3 percent operating margin rate. Revenue growth came from the Benelux with volumes increasing in commercial acquiring together with new projects. Revenue increased also in internet payment in France and for loyalty cards in the UK. Total growth was impacted by lower terminal sales in historical domestic markets while new international markets are picking up.

Operating margin rate was almost stable despite the effect from terminals. In this Business Line, profitability has a strong seasonality due to higher consumer volumes at the end of the year.

#### Mobility & e-Transactional Services

The Business Line revenue strongly grew by +10.0 percent in the first half of 2013 at EUR 182 million. Operating margin was 11.4 percent of revenue. Revenue growth came from France in e-Tolling, payment, digitalization, and from connected car projects with automotive manufacturers. Growth also came from the UK with e-Ticketing and from Latin America in fare collection. Finally, the e-Government business grew thanks to tax collection projects.

In this Business Line, build activities for new business development have a large weight. Profitability was slightly lower compared to last year considering a higher portion of project and should increase as soon as volumes of transactions develop.

#### Financial Processing & Software Licensing

In Financial Processing & Software Licensing, revenue growth was +2.8 percent during the first half of 2013 at EUR 189 million. Operating margin improved by +140 basis points at 18.5 percent of revenue. Growth was generated with additional payment software licensing business in Asia and in France in issuing (e-Wallet and international payment platform). Revenue also increased in Benelux with growing volumes both for banking cards and in new projects.

The development of new payment forms for banks as well as important project work and license sales to banks supported both top and bottom line.

### C.1.7 Portfolio

#### C.1.7.1 Order entry and book to bill

In the first half of 2013, the total Group **order entry** reached **EUR 4,557 million**, representing a **book to bill ratio** of **106 percent**.

Order entry in the first semester included renewal of large contracts such as NS&I in the UK, E-Plus, and a large German bank. New contracts were also signed, among others: with a large European consumer electronics company in the Netherlands, Veolia and EDF Transport in France, American College Testing and City of Indianapolis in the US, Asian martial arts games in Ashkhabad in Central & Eastern Europe, and a multinational document management corporation in the UK.

Excluding the Siemens large account, for which a significant portion of the seven year outsourcing and application management contracts was recorded as opening backlog in July 2011, the book to bill reached 111 percent in the first semester of 2013.

Order entry and book to bill by **Service Line** was as follows in H1 2013:

| | Order entry | Book to bill |
|---|---|---|
| *In EUR million and %* | **H1 2013** | **H1 2013** |
| Managed Services | 1,691 | 85% |
| Systems Integration | 1,064 | 94% |
| HTTS & Specialized Businesses | 1,446 | 171% |
| Consulting & Technology Services | 357 | 114% |
| **Total Group** | **4,557** | **106%** |

**Managed Services** reached 85 percent book to bill (90 percent excluding Siemens) compared to 134 percent for the same period last year. This performance was mainly due to the signature of the following contracts: renewal of E-Plus (TM&U), a large consumer electronics company (MRS) in the Netherlands and a large German bank (FS) in Germany, new contracts with Veolia (TM&U) and EDF Transport (TM&U) in France, and in the US the new contract with ACT (PHT) and the renewal of the contract with MFS Investment Management.

**Systems Integration** activities reached 94 percent book to bill. Some major contracts were signed or renewed during the first semester. The main ones were: renewal of E-Plus (TM&U) and new contract with the Work Agency (PHT) in Germany. In France, signatures were the renewal of Renault (MRS) and a new one with Airbus (MRS). New contracts were signed in Turkey (CEE) for the preparation of the Asian martial arts games in Ashkhabad (PHT) and in the UK with a multinational document management corporation (MRS).

**HTTS & Specialized Businesses** achieved a strong 171 percent book to bill. This performance was primarily made in BPO linked to the renewals of NS&I (Financial Services) and with the Ministry of Justice (PHT), both in the UK.

HTTS itself stood at 104 percent, mainly thanks to fertilization on existing contracts performed by Atos Worldline with BNP Paribas (Financial Services), LCH Clearnet (Financial Services) and ANTS, the French Agency for Secure ID (PHT) and the renewal with Equens (Financial Services). In the UK, signatures were performed with Rail Safety & Standards Board (PHT) and with National Car Parks.

Finally, Specialized Businesses units stood at 87 percent including the renewal by Atos Worldgrid for electricity, transport & distribution.

**Consulting & Technology Services** achieved 114 percent book to bill ratio. The Service Line benefited from the new contract signatures in Benelux in the energy sector with Gasunie and GDF Suez, and in the UK with the Ministry of Defense.

Order entry and book to bill by **Market** were as follows in H1 2013:

| In EUR million and % | Order entry H1 2013 | Book to bill H1 2013 |
|---|---|---|
| Manufacturing, Retail & Services | 1,359 | 100% |
| Public sector, Healthcare & Transport | 965 | 85% |
| Financial Services | 1,217 | 153% |
| Telco, Media & Utilities | 1,016 | 102% |
| **Total Group** | **4,557** | **106%** |

### C.1.7.2 Main contract signatures of the period

During the first semester, major wins per Market are listed below:

#### Manufacturing, Retail & Services

| Type | Client | Offering | Business Unit | SL | Duration |
|---|---|---|---|---|---|
| New | Large consumer electronics company | Common Platforms | Benelux & The Nordics | MS | 60 |
| New | Givaudan | End-user services | Central & Eastern Europe | MS | 60 |
| Fertilis. | Siemens | Voice services | Germany | MS | 109 |
| Renewal | Renault | Application management | France | SI | 12 |
| New | Document management corporation | Entreprise services access point | UK & Ireland | SI | 63 |

#### Public, Health & transportation

| Type | Client | Offering | Business Unit | SL | Duration |
|---|---|---|---|---|---|
| New | ACT | Common Platforms | North America | MS | 60 |
| New | Ashgabat | IT services for Asian martial arts games | Central & Eastern Europe | SI | 24 |
| New | City of Indianapolis | Common Platforms | North America | MS | 60 |
| New | Ministry of Defence | Core Network Services | UK & Ireland | SI/CO | 36 |
| New | Rail Safety & Standards Board | Data digitalization in Mainframe environment | UK & Ireland | HTTS | 60 |

#### Financial Services

| Type | Client | Offering | Business Unit | SL | Duration |
|---|---|---|---|---|---|
| Renewal | NS&I | Financial BPO | UK & Ireland | BPO | 84 |
| Renewal | Large German Bank | Self Service Devices | Germany | MS | 54 |
| Renewal | Global asset manager | Physical Devices | North America | MS | 60 |
| Fertilis. | BNP Paribas Fortis | Issuing - Card Processing | Atos Worldline | HTTS | 60 |
| New | Largest insurance company in NL | Adaptive Workplace | Benelux & The Nordics | MS | 36 |

#### Telco, Media & Utilities

| Type | Client | Offering | Business Unit | Service Line | Duration |
|---|---|---|---|---|---|
| Renewal | E-Plus | MOU for 5 years prolongation | Germany | MS/SI/HTTS | 60 |
| New | Veolia Group | Managed infrastructure solution | France | MS | 60 |
| Fertilis. | McGraw-Hill | Server management | North America | MS | 42 |
| Renewal | Microsoft | Common Platforms | North America | MS | 60 |
| New | Nederlandse Gasunie | Server management | Benelux & The Nordics | TS | 48 |

### C.1.7.3 Full backlog

At the end of the first semester of 2013, the full backlog amounted to EUR 15,548 million or 1.8 year of revenue, representing an increase of EUR +258 million compared to December 31st, 2012 at constant scope and exchange rates.

Most of the increase came from **HTTS & Specialized Businesses** thanks to the renewal of NS&I in BPO. As a result, the backlog for the Service Line increased by EUR 2.2 billion. **Managed Services** showed a backlog decrease while **Systems Integration** was almost flat. In **Consulting & Technology Services**, the backlog increased by +19.1 percent thanks to the order entry in Benelux and in the UK mentioned above.

#### C.1.7.4 Full qualified pipeline

The full qualified pipeline at the end of June 2013 reached EUR 5.0 billion compared to EUR 5.3 billion at the end of 2012 (at constant exchange rates), which included the large NS&I contract renewed in May 2013.

The Pipeline represented 6.9 months of revenue slightly down by -0.6 month of revenue. By Service Line, cyclical activities were at 7.8 months of revenue of which 8.7 for Systems Integration and recurring businesses were at 6.4 months of revenue with 6.9 for Managed Services and 5.3 for HTTS & Specialized Businesses.

### C.1.8 Human Resources

#### C.1.8.1 Headcount evolution

The **total number of employees** was **77,105** at the end of June 2013 compared with 76,417 at the end of December 2012, representing an increase of +688 people over the first semester of 2013 This comprised of a large decrease in indirect staff (-387 people, -6.0 percent) in line with the indirect costs reduction plan.

Direct workforce increased by +1.5 percent (+1,075) in the period, of which +649 in India in line with the offshoring acceleration strategy. As a result, the number of direct employees at the end of June 2013 was 71,016, representing 92.1 percent of the total headcount, compared to 91.5 percent at the end of 2012.

Headcount evolution in the first semester of 2013 by Service Line and Business Units is the following:

| | Opening January 2013 | Adaptation of organization | Adjusted opening | Scope | Hiring | Leavers | Dismissal, restruct. & other | Closing June 2013 |
|---|---|---|---|---|---|---|---|---|
| Managed Services | 28,611 | | 28,611 | | 2,584 | -1,293 | -614 | 29,288 |
| Systems Integration | 21,941 | 1,343 | 23,284 | | 2,030 | -1,333 | -522 | 23,459 |
| HTTS & SB | 12,016 | -1,343 | 10,673 | | 602 | -348 | 8 | 10,935 |
| Consulting & TS | 7,186 | | 7,186 | -11 | 236 | -332 | 59 | 7,138 |
| Corporate functions | 187 | | 187 | | 13 | -9 | 5 | 196 |
| **Total Direct** | **69,941** | **0** | **69,941** | **-11** | **5,465** | **-3,315** | **-1,064** | **71,016** |
| Germany | 7,672 | 127 | 7,799 | | 406 | -113 | -96 | 7,996 |
| United-Kingdom & Ireland | 10,153 | | 10,153 | | 553 | -445 | -294 | 9,967 |
| France | 9,157 | 567 | 9,724 | -11 | 62 | -285 | -184 | 9,306 |
| Benelux (& The Nordics) | 6,002 | 766 | 6,768 | | 173 | -248 | -69 | 6,624 |
| Atos Worldline | 5,342 | | 5,342 | | 164 | -112 | -21 | 5,373 |
| North America | 3,864 | | 3,864 | | 365 | -220 | -193 | 3,816 |
| Central & Eastern Europe | 5,713 | 1,050 | 6,763 | | 1,022 | -305 | -138 | 7,342 |
| North & South West Europe | 1,524 | -1,524 | 0 | | | | | |
| Iberia | 4,807 | 313 | 5,120 | | 105 | -114 | -112 | 4,999 |
| Other BUs | 15,657 | -1,299 | 14,358 | | 2,611 | -1,472 | 18 | 15,515 |
| Global Structures | 50 | | 50 | | 4 | -1 | 25 | 78 |
| **Total Direct** | **69,941** | **0** | **69,941** | **-11** | **5,465** | **-3,315** | **-1,064** | **71,016** |
| **Total Indirect** | **6,476** | | **6,476** | **-8** | **291** | **-261** | **-409** | **6,089** |
| **TOTAL GROUP** | **76,417** | **0** | **76,417** | **-19** | **5,756** | **-3,576** | **-1,473** | **77,105** |

Staff in the emerging countries represented 27 percent of total staff. The Group offshore capability represented 9,871 at the end of June 2013 with a majority located in India. This represents an increase by +8 percent compared to 9,158 people at the end of 2012.

#### C.1.8.2 Changes in scope

The changes in scope in the first half of 2013 for -19 employees were linked to the disposal of Atos Formation.

### C.1.8.3 Hiring

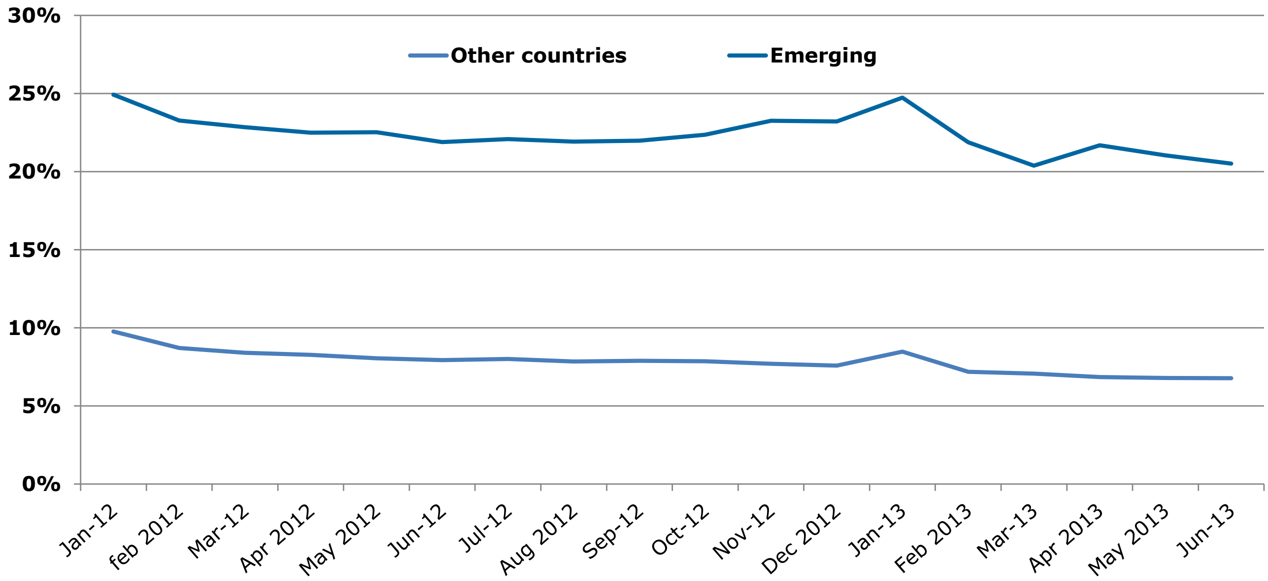
The volume of recruitments reached +5,756 in the total workforce, representing 8 percent of the staff at January 1st, 2012. Those hiring were primarily made in Managed Services (+2,584; representing 47 percent of the total direct workforce hiring) and in Systems Integration (+2,030; 37 percent). The level of hiring has been specifically strong in the United-Kingdom (+553; representing 10 percent of the total direct workforce hiring) and in the US (+365; 7 percent) in order to cope with the growing activity. In Other BUs, the high level of hiring is mostly explained by the implementation of the strategy to continuously accelerate the development of the offshore locations such as India (+1,438) and Brazil (+469).

### C.1.8.4 Leavers

Leavers comprise voluntary permanent staff leavers, as permanent staff who have been dismissed are classified under "dismissed".

The total number of leavers in the first half of 2013 was 3,576 (of which 3,315 in the direct workforce). Those leavers were primarily in Systems Integration (1,333; representing 40 percent of the direct employees leavers) and Managed Services (1,293; 39 percent).

Attrition rate decreased by -1.3 point to reach 9.5 percent at the end of June 2013 compared to 10.8 percent at the end of December 2012.

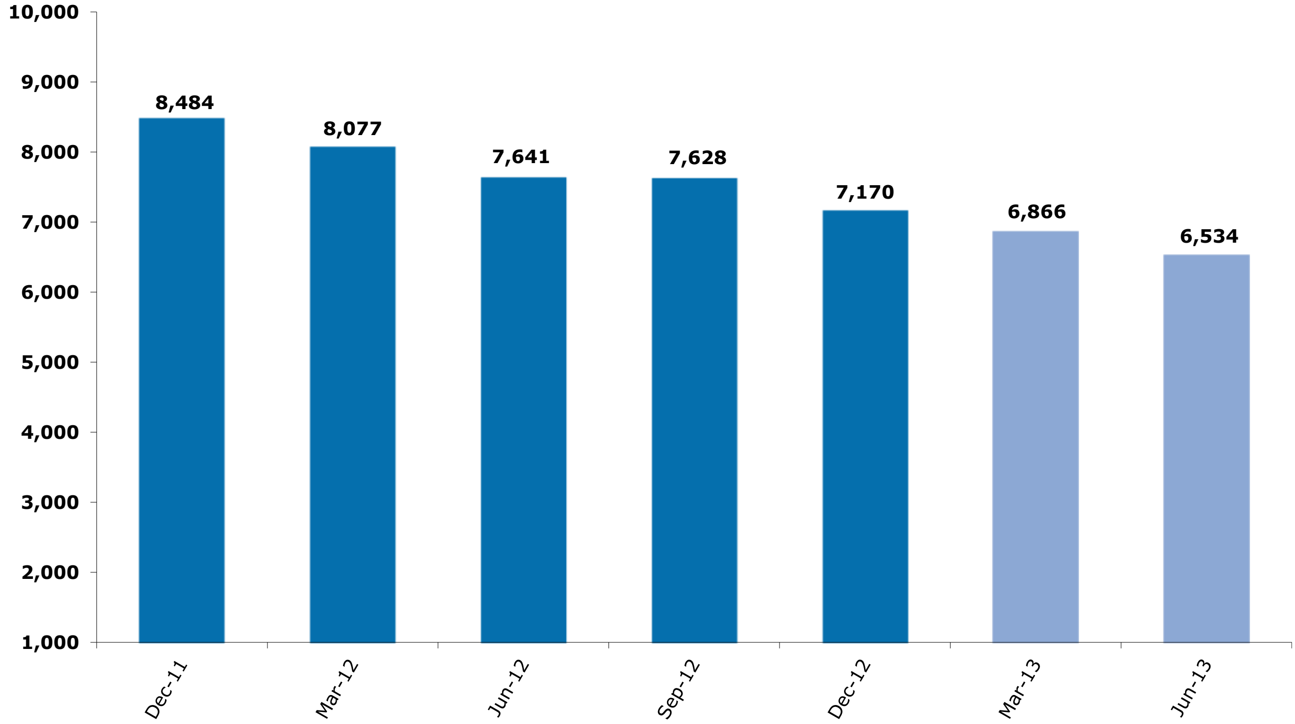



### C.1.8.5 Dismissal, restructuring & other

1,473 staff were dismissed or restructured in the first half of 2013, of which -409 in the indirect workforce. Resizing plans on indirect staff were mainly concentrated in the largest European countries, reflecting the ongoing efforts to cope with difficult business context in those geographies.

### C.1.8.6 External Subcontractors

The number of external subcontractors decreased to 6,534 at the end of June 2013, 1,100 less compared to one year earlier.




This level of subcontractors represented 8.7 percent of the total headcount at the end June 2013, compared to a level of 10.1 percent one year earlier. The objective remains to carefully monitor the level of non-critical subcontractors.

## C.2 2013 objectives

After a satisfactory first half, the Group is in position to confirm all its objectives for 2013 as stated in the February 21st, 2013 release, i.e.:

### Revenue

The Group expects to **continue to slightly grow** compared to 2012.

### Operating margin

The Group has the objective to improve its operating margin rate to **around 7.5 percent of revenue** compared to 6.6 percent in 2012.

### Free cash flow

The Group has the ambition to achieve a free cash flow above **EUR 350 million**.

### Earnings per share (EPS)

The Group confirms its ambitions for an EPS (adjusted, non-diluted) representing an increase of **+50 percent** compared to 2011 statutory (up +25 percent compared to 2012).

## C.3 Financial review

### C.3.1 Income statement

The Group reported a net income (attributable to owners of the parent) of EUR 116.3 million for the half year 2013, which represented 2.7% of Group revenues of the period. The normalized net income before unusual, abnormal and infrequent items (net of tax) for the period was EUR 173.7 million, representing 4.0% of Group revenues of the period, up +40bp compared with last year.

| (in EUR million) | 6 months ended 30 June 2013 | % Margin | 6 months ended 30 June 2012 | % Margin |
|---|---|---|---|---|
| **Operating margin** | **279.0** | **6.5%** | **248.8** | **5.7%** |
| Other operating income / (expenses) | (87.4) | | (78.4) | |
| **Operating income** | **191.6** | **4.5%** | **170.4** | **3.9%** |
| Net financial income / (expenses) | (22.5) | | (19.7) | |
| Tax charge | (53.4) | | (47.7) | |
| Non-controlling interests and associates | 0.6 | | (1.2) | |
| **Net income – Attributable to owners of the parent** | **116.3** | **2.7%** | **101.8** | **2.3%** |
| **Normalized net income – Attributable to owners of the parent (*)** | **173.7** | **4.0%** | **155.7** | **3.6%** |

*(*) Defined hereafter.*

#### C.3.1.1 Operating margin

Operating margin represents the underlying operational performance of the current business and is analysed in the operational review.

#### C.3.1.2 Other operating income and expenses

Other operating income and expenses relate to income and expenses that are unusual, abnormal and infrequent. They represent a net expense of EUR 87.4 million in the first half of 2013. The following table presents this amount by nature:

| (In EUR million) | 6 months ended 30 June 2013 | 6 months ended 30 June 2012 |
|---|---|---|
| Staff reorganization | (48.3) | (27.6) |
| Rationalization and associated costs | (21.2) | (10.7) |
| Integration costs and acquisition costs | (10.4) | (25.8) |
| Customer relationships amortization (PPA) * | (22.0) | (20.2) |
| Other items | 14.5 | 5.9 |
| **Total** | **(87.4)** | **(78.4)** |

**Purchase Price Allocation.*

The EUR 48.3 million **staff reorganization** expense was the consequence of both the Group workforce adaptation to the effects of the economic recession in Europe and the streamlining of middle management layers and more particularly in Benelux, Iberia and Corporate.

The EUR 21.2 million **rationalization and associated costs** primarily resulted from the closure of office premises and datacenters consolidation mainly in Germany for EUR 5.8 million and in Latin America for EUR 10.3 million further to TOP² program, and in Benelux EUR 3.8 million linked to the restructuring plan.

The EUR 10.4 million **integration and acquisition costs** consisted of costs of IT infrastructure carve out and harmonization together with the roll out of Group transactional systems and processes in the former SIS entities.

The EUR 14.5 million **other items** corresponded mainly to the gain from the sale of fixed assets.

### C.3.1.3 Net financial expense

Net financial expense amounted to EUR 22.5 million for the period (compared with EUR 19.7 million last year) and was composed of a net cost of financial debt of EUR 17.4 million and non-operational financial costs of EUR 5.1 million.

Non-operational financial costs amounted to EUR 5.1 million compared to EUR 3.2 million in June 2012 and mainly consisted of pension financial related costs (EUR 6.6 million compared to EUR 2.5 million in 2012). These costs represented the difference between the interest costs and the interest income on plan assets for plans which are funded.

### C.3.1.4 Corporate tax

The tax charge per June 2013 was EUR 53.4 million (including CVAE - Cotisation sur la Valeur Ajoutée des Entreprises since 2009) with a profit before tax of EUR 169.1 million. The normalized Effective Tax Rate (ETR) full year of 33.2% adjusted by of tax discrete items led to an ETR of 31.6%.

### C.3.1.5 Non-controlling interests

Non-controlling interests included shareholdings held by joint venture partners and other associates of the Group. They amounted to EUR -1.4 million in June 2013 (compared to EUR 2.9 million in June 2012).

### C.3.1.6 Normalized net income

The normalized net income excluding unusual, abnormal and infrequent items (net of tax) is EUR 173.7 million, increasing by +11.6% compared with last year.

| (in EUR million) | **6 months ended 30 June 2013** | **6 months ended 30 June 2012** |
|---|---|---|
| **Net income - Attributable to owners of the parent** | **116.3** | **101.8** |
| Other operating income and expenses | (87.4) | (78.4) |
| Tax effect on other operating income and expenses | 27.3 | 25.6 |
| Other unusual items on tax | 2.7 | (1.1) |
| **Total unusual items – Net of tax** | **(57.4)** | **(53.9)** |
| **Normalized net income - Attributable to owners of the parent** | **173.7** | **155.7** |

### C.3.1.7 Half year Earning Per Share

| (in EUR million) | 6 months ended 30 June 2013 | % Margin | 6 months ended 30 June 2012 | % Margin |
|---|---|---|---|---|
| **Net income – Attributable to owners of the parent [a]** | **116.3** | **2.7%** | **101.8** | **2.3%** |
| Impact of dilutive instruments | 8.1 | | 7.9 | |
| **Net income restated of dilutive instruments - Attributable to owners of the parent [b]** | **124.4** | **2.9%** | **109.7** | **2.5%** |
| **Normalized net income – Attributable to owners of the parent [c]** | **173.7** | **4.0%** | **155.7** | **3.6%** |
| Impact of dilutive instruments | 8.1 | | 7.9 | |
| **Normalized net income restated of dilutive instruments - Attributable to owners of the parent [d]** | **181.8** | **4.2%** | **163.6** | **3.7%** |
| Average number of shares [e] | 85,741,350 | | 83,454,764 | |
| Impact of dilutive instruments | 12,849,350 | | 12,451,971 | |
| Diluted average number of shares [f] | 98,590,700 | | 95,906,735 | |
| (In EUR) | | | | |
| **Basic EPS [a] / [e]** | **1.36** | | **1.22** | |
| **Diluted EPS [b] / [f]** | **1.26** | | **1.14** | |
| **Normalized basic EPS [c] / [e]** | **2.03** | | **1.87** | |
| **Normalized diluted EPS [d] / [f]** | **1.84** | | **1.71** | |

Potential dilutive instruments comprised stock subscription (equivalent to 2,052,448 options) and convertible bonds (equivalent to 10,796,902 shares of which 5,414,771 issued in 2009 and 5,382,131 issued in 2011). The convertible bonds are the only instruments that generate a restatement of net income used for the diluted EPS calculation. The EUR 8.1 million restatements corresponded to the interest expenses relating to the liability component net of deferred tax (EUR 4.9 million issued in 2009 and EUR 3.2 million issued in 2011).

**Normalized basic and diluted EPS** reached respectively EUR 2.03 (EUR 1.87 for the first half of 2012) and EUR 1.84 (EUR 1.71 for the first half of 2012) and increase over the period by respectively +8.6% and +7.6%.

The **adjusted non-diluted EPS** presented here below constitutes a key objective for full year 2013 set up by the Group in December 2010 when it announced the acquisition of SIS in order to measure the efficiency of the 2011-2013 three year plans. The total number of shares used for the calculation herein below is fixed and corresponds to the number of shares at December 31st, 2011.

| (in EUR million) | **6 months ended 30 June 2013** | **6 months ended 30 June 2012** |
|---|---|---|
| **Net income - Attributable to owners of the parent** | **116.3** | **101.8** |
| Staff reorganization | (48.3) | (27.6) |
| Rationalization and associated costs | (21.2) | (10.7) |
| Customer relationships amortization (PPA) * | (22.0) | (20.2) |
| Disposal of subsidiaries | - | 4.3 |
| **Subtotal** | **(91.5)** | **(54.2)** |
| Tax effect with effective tax rate | 28.9 | 17.1 |
| **Total adjusments – Net of tax** | **(62.6)** | **(37.1)** |
| **Adjusted net income - Attributable to owners of the parent** | **178.9** | **138.8** |
| Number of shares ** | 83,566,768 | 83,566,768 |
| **Adjusted non-diluted EPS** | **2.14** | **1.66** |

**Purchase Price Allocation.*

*** Number of shares at December 31 st , 2011 basis for the calculation of adjusted non-diluted EPS in 2012 and 2013 as presented at the full year 2011 release.*

### C.3.2 Cash Flow and net cash

The Group reported a net cash position of EUR 358.6 million at the end of June 2013, thus representing an improvement of EUR 258.0 million compared with June 2012.

| (in EUR million) | 6 months ended 30 June 2013 | 6 months ended 30 June 2012 |
|---|---|---|
| **Operating Margin before Depreciation and Amortization (OMDA)** | **380.9** | **345.4** |
| Capital expenditures | (169.8) | (155.3) |
| Change in working capital requirement | 63.3 | 58.4 |
| **Cash From Operation (CFO)** | **274.4** | **248.5** |
| Taxes paid | (36.9) | (30.8) |
| Net cost of financial debt paid | (17.4) | (16.5) |
| Reorganization in other operating income | (59.8) | (25.4) |
| Rationalization & associated costs in other operating income | (27.4) | (24.9) |
| Integration and acquisition costs | (10.4) | (28.5) |
| Net financial investments * | 2.6 | (4.9) |
| Profit sharing amounts payable transferred to debt | (2.6) | (2.5) |
| Other changes ** | 35.3 | 12.1 |
| **Free Cash Flow** | **157.8** | **127.1** |
| Net (acquisitions) / disposals | - | 103.0 |
| Capital increase / (decrease) | - | 10.0 |
| Dividends paid to owners of the parent | (17.3) | - |
| **Change in net cash /(debt)** | **140.5** | **240.1** |
| **Opening net cash /(debt)** | **232.1** | **(141.8)** |
| Change in net cash / (debt) | 140.5 | 240.1 |
| Impact of foreign exchange rate fluctuation on net Cash / (Debt) | (14.0) | 2.3 |
| **Closing net cash /(debt)** | **358.6** | **100.6** |

** Net Long term financial investments excluding acquisitions and disposals.*

*** "Other changes" include other operating income with cash impact (excluding reorganization, rationalization and associated costs, integration costs and acquisition costs), dividends paid to non-controlling interests, sales of treasury shares & common stock issues following employees exercise of stock options and other financial items with cash impact.*

Free cash flow represented by the change in net cash or net debt, excluding equity changes, dividends paid to shareholders and net acquisitions and disposals, reached EUR 157.8 million compared with EUR 127.1 million during the six months ended 30 June 2012.

**Cash From Operations (CFO)** amounted to EUR 274.4 million and increased by EUR 25.9 million compared to last year and coming from the following items:

- OMDA (EUR +35.5 million),
- Higher capital expenditures (EUR -14.5 million),
- Change in working capital requirement (EUR +4.9 million).

**OMDA** of EUR 380.9 million, representing an increase of EUR +35.5 million compared to June 2012, reached 8.9% of revenues against 7.9% of revenues in June 2012. This growth in OMDA derived from the operating margin improvement.

| (in EUR million) | 6 months ended 30 June 2013 | 6 months ended 30 June 2012 |
|---|---|---|
| **Operating margin** | **279.0** | **248.8** |
| + Depreciation of fixed assets | 165.9 | 174.9 |
| + Net book value of assets sold / written off | 8.9 | 5.3 |
| + Charge for equity-based compensation | 5.7 | 7.0 |
| +/- Net charge / (release) of pension provisions | (39.9) | (22.9) |
| +/- Net charge / (release) of provisions excluding release provisions from SiS combination | (5.3) | (8.3) |
| - Release of provisions from SiS combination | (33.4) | (59.4) |
| **OMDA** | **380.9** | **345.4** |

The amount of EUR 33.4 million of release of provisions from SIS combination corresponded to losses incurred on projects, litigations and assets brought by SIS at completion date.

**Capital expenditures** amounted to EUR 169.8 million or 4.0% of revenue slightly above the level of the first half of 2012 at 3.6%. Main changes came from Germany (EUR 33.0 million) and the United Kingdom (EUR 30.9 million) further to the implementation of new large contracts, expansion of Canopy and from Atos Worldline (EUR 26.0 million) rebuilding current technological platforms which will continue in the second half of the year.

The positive **change in working capital requirement** was EUR 63.3 million (up EUR +4.9 million). The DSO ratio reached 44 days at the end of June 2013 while the DPO was 84 days as of June 2013.

Cash out related to **taxes paid** reached EUR 36.9 million higher than last year by EUR +6.1 million.

The **cost of net debt** of EUR 17.4 million increased by EUR +0.9 million compared to the first half of 2012 including the following elements:

- An average expense rate of 4.62 per cent on the average gross borrowings compared to 4.37 per cent in 2012 (this slight increase is due to the increased weight of convertible bond in Group gross debt representing EUR 12.0 million out of EUR 17.4 million); and
- An average income rate of 0.55 per cent on the average net cash compared to 0.82 per cent in 2012.

Cash outflow linked to **reorganization costs** represented EUR 59.8 million. Main GBUs impacted were Germany, Benelux, Iberia and Corporate.

**Rationalization and associated costs** resulting from the closure of premises and datacenters as part the Group real estate optimization plan led to EUR 27.4 million. Main GBUs involved were Germany, Latin America, United Kingdom and Benelux.

**Other changes** of EUR 35.3 million mainly corresponded to:

- Sale of treasury stock and issuance of common stock following employees exercise of stock options for EUR 23.8 million;
- Proceeds from the sale of fixed assets in other operating income for EUR 21.0 million; and
- Dividends paid to non-controlling interests for EUR -5.7 million.

As a result, the **Group free cash flow (FCF**) generated during the first half 2013 was EUR 157.8 million.

In the first half of 2013, **dividends paid to owners of the parent** amounted to EUR 51.3 million (EUR 0.60 per share) of which EUR 17.3 million cashed out and EUR 34.0 million through the issuance of new shares.

**Foreign exchange rate fluctuation** which is determined on debt or cash exposure by country represented a decrease in the net cash of EUR 14.0 million mainly coming from the change of Euro against British Pound and Indian Rupee. During the first half 2013, the effects were EUR 7.7 million on British Pound and EUR 3.9 million on Indian Rupee.

The Group excluded as of the first half 2013 the impact of foreign exchange rate fluctuation from the free cash flow.

The objective of such change was to provide a more adequate assessment of the Group operational performance as well as to align the free cash flow definition on the market position and main IT services competitors. This change would have increased the Group free cash flow reported in 2012 by EUR 8.6 million of which EUR 2.3 million for the first half of the year.

### C.3.3 Parent company results

The profit before tax of the parent company amounts to EUR 7.3 million for the end of June 2013, compared with EUR 21.6 million for the first semester 2012.

## C.4 Interim condensed consolidated financial statements

### C.4.1 Interim consolidated income statement

| (in EUR million) | Notes | 6 months ended 30 June 2013 | 6 months ended 30 June 2012 | 12 months ended 31 December 2012 |
|---|---|---|---|---|
| **Revenue** | **Note 2** | **4,290.0** | **4,366.0** | **8,844.3** |
| Personnel expenses | Note 3 | (2,277.2) | (2,273.7) | (4,502.2) |
| Operating expenses | Note 4 | (1,733.8) | (1,843.5) | (3,762.1) |
| **Operating margin** | | **279.0** | **248.8** | **580.0** |
| **% of revenue** | | **6.5%** | **5.7%** | **6.6%** |
| Other operating income and expenses | Note 5 | (87.4) | (78.4) | (198.6) |
| **Operating income** | | **191.6** | **170.4** | **381.4** |
| **% of revenue** | | **4.5%** | **3.9%** | **4.3%** |
| Net cost of financial debt | | (17.4) | (16.5) | (34.2) |
| Other financial expenses | | (26.7) | (26.9) | (54.7) |
| Other financial income | | 21.6 | 23.7 | 37.1 |
| Net financial income | Note 6 | (22.5) | (19.7) | (51.8) |
| **Net income before tax** | | **169.1** | **150.7** | **329.6** |
| Tax charge | Note 7 | (53.4) | (47.7) | (102.9) |
| Share of net profit/(loss) of associates | | (0.8) | 1.7 | 1.3 |
| **Net income** | | **114.9** | **104.7** | **228.0** |
| Of which: | | | | |
| **- attributable to owners of the parent** | | **116.3** | **101.8** | **223.8** |
| - non-controlling interests | | (1.4) | 2.9 | 4.2 |

(in EUR and number of shares)

| | | | | |
|---|---|---|---|---|
| **Net income - Attributable to owners of the parent** | **Note 8** | | | |
| Weighted average number of shares | | 85,741,350 | 83,454,764 | 84,066,299 |
| **Basic earnings per share** | | **1.36** | **1.22** | **2.66** |
| Diluted weighted average number of shares | | 98,590,700 | 95,906,735 | 96,696,049 |
| **Diluted earnings per share** | | **1.26** | **1.14** | **2.48** |

### C.4.2 Interim consolidated statement of comprehensive income

| (in EUR million) | 6 months ended 30 June 2013 | 6 months ended 30 June 2012 | 12 months ended 31 December 2012 |
|---|---|---|---|
| **Net income** | **114.9** | **104.7** | **228.0** |
| **Other comprehensive income** | | | |
| **- to be reclassified subsequently to profit or loss (recyclable):** | **(44.0)** | **24.8** | **(12.4)** |
| Cash flow hedging | (3.1) | (2.0) | (2.5) |
| Exchange differences on translation of foreign operations | (43.6) | 24.8 | (8.9) |
| Deferred tax on items recyclable recognized directly on equity | 2.7 | 2.0 | (1.0) |
| **- not reclassified to profit or loss (non-recyclable):** | **(2.5)** | **(138.8)** | **(241.6)** |
| Actuarial gains and losses generated in the period on defined benefit plan | (3.2) | (173.4) | (326.6) |
| Deferred tax on items non-recyclable recognized directly on equity | 0.7 | 34.6 | 85.0 |
| **Total other comprehensive income** | **(46.5)** | **(114.0)** | **(254.0)** |
| **Total comprehensive income for the period** | **68.4** | **(9.3)** | **(26.0)** |
| Of which: | | | |
| **- attributable to owners of the parent** | **69.8** | **(12.1)** | **(30.2)** |
| - non-controlling interests | (1.4) | 2.8 | 4.2 |

### C.4.3 Interim consolidated statement of financial position

| (in EUR million) | Notes | 30 June 2013 | 31 December 2012 | 30 June 2012 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Goodwill | Note 9 | 1,917.8 | 1,942.2 | 1,965.8 |
| Intangible assets | | 450.4 | 464.0 | 465.6 |
| Tangible assets | | 634.8 | 667.8 | 683.1 |
| Non-current financial assets | | 409.4 | 395.2 | 470.4 |
| Non-current financial instruments | | 1.9 | 0.6 | - |
| Deferred tax assets | | 411.1 | 362.5 | 436.4 |
| **Total non-current assets** | | **3,825.4** | **3,832.3** | **4,021.3** |
| Trade accounts and notes receivables | Note 10 | 1,865.8 | 1,960.0 | 2,012.6 |
| Current taxes | | 67.0 | 36.3 | 28.9 |
| Other current assets | | 482.2 | 455.9 | 534.0 |
| Current financial instruments | | 7.0 | 3.1 | 3.0 |
| Cash and cash equivalents | Note 11 | 1,230.8 | 1,159.7 | 1,045.0 |
| **Total current assets** | | **3,652.8** | **3,615.0** | **3,623.5** |
| **Total assets** | | **7,478.2** | **7,447.3** | **7,644.8** |

| (in EUR million) | Notes | 30 June 2013 | 31 December 2012 | 30 June 2012 |
|---|---|---|---|---|
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | | |
| Common stock | | 87.1 | 85.7 | 84.6 |
| Additional paid-in capital | | 1,899.0 | 1,842.5 | 1,802.2 |
| Consolidated retained earnings | | 478.1 | 312.5 | 408.0 |
| Translation adjustments | | (159.6) | (116.0) | (82.3) |
| Net income attributable to the owners of the parent | | 116.3 | 223.8 | 101.8 |
| Equity attributable to the owners of the parent | | 2,420.9 | 2,348.5 | 2,314.3 |
| Non-controlling interests | | 23.5 | 30.8 | 31.1 |
| **Total shareholders' equity** | | **2,444.4** | **2,379.3** | **2,345.4** |
| Provisions for pensions and similar benefits | Note 12 | 743.3 | 736.3 | 661.9 |
| Non-current provisions | Note 13 | 125.1 | 170.3 | 148.5 |
| Borrowings | | 763.1 | 758.2 | 766.3 |
| Deferred tax liabilities | | 244.7 | 192.4 | 277.4 |
| Non-current financial instruments | | 10.0 | 12.6 | 6.2 |
| Other non-current liabilities | | 10.1 | 10.6 | 11.4 |
| **Total non-current liabilities** | | **1,896.3** | **1,880.4** | **1,871.7** |
| Trade accounts and notes | Note 15 | 1,112.1 | 1,026.8 | 1,054.2 |
| Current taxes | | 142.6 | 99.5 | 107.7 |
| Current provisions | Note 13 | 175.3 | 236.7 | 380.2 |
| Current financial instruments | | 13.0 | 2.6 | 8.5 |
| Current portion of borrowings | | 109.0 | 169.5 | 178.1 |
| Other current liabilities | | 1,585.5 | 1,652.5 | 1,699.0 |
| **Total current liabilities** | | **3,137.5** | **3,187.6** | **3,427.7** |
| **Total liabilities and shareholders' equity** | | **7,478.2** | **7,447.3** | **7,644.8** |

### C.4.4 Interim consolidated cash flow statement

| (in EUR million) | Notes | 6 months ended 30 June 2013 | 6 months ended 30 June 2012 | 12 months ended 31 December 2012 |
|---|---|---|---|---|
| **Profit before tax** | | **169.1** | **150.7** | **329.6** |
| Depreciation of assets | Note 4 | 165.9 | 174.9 | 344.6 |
| Net charge / (release) to operating provisions | | (78.5) | (90.5) | (166.2) |
| Net charge / (release) to financial provisions | | 6.9 | 3.4 | 8.3 |
| Net charge / (release) to other operating provisions | | (18.5) | (35.3) | (56.3) |
| Customer relationships amortization (PPA) | | 22.0 | 20.2 | 43.2 |
| Losses / (gains) on disposals of fixed assets | | (13.1) | (1.8) | 10.9 |
| Net charge for equity-based compensation | | 5.7 | 7.0 | 17.2 |
| Losses / (gains) on financial instruments | | (0.1) | (0.3) | (1.9) |
| Net cost of financial debt | Note 6 | 17.4 | 16.5 | 34.2 |
| **Cash from operating activities before change in working capital requirement, financial interest and taxes** | | **276.8** | **244.8** | **563.6** |
| Taxes paid | | (36.9) | (30.8) | (74.2) |
| Change in working capital requirement | | 63.3 | 58.4 | 82.0 |
| **Net cash from/ (used in) operating activities** | | **303.2** | **272.4** | **571.4** |
| Payment for tangible and intangible assets | | (169.8) | (155.3) | (325.1) |
| Proceeds from disposals of tangible and intangible assets | | 23.8 | 24.3 | 35.6 |
| **Net operating investments** | | **(146.0)** | **(131.0)** | **(289.5)** |
| Amounts paid / received for acquisitions and long-term investments | | (4.7) | 114.7 | 97.4 |
| Cash and cash equivalents of companies purchased during the period | | - | 0.1 | 2.2 |
| Proceeds from disposals of financial investments | | 7.3 | 12.8 | 18.8 |
| Cash and cash equivalents of companies sold during the period | | - | (0.4) | (0.8) |
| Dividend received from entities consolidated by equity method | | - | - | 2.7 |
| **Net long-term investments** | | 2.6 | 127.2 | 120.3 |
| **Net cash from/ (used in) investing activities** | | **(143.4)** | **(3.8)** | **(169.2)** |
| Capital increase | | - | - | 23.4 |
| Common stock issues on the exercise of equity-based compensation | | 23.8 | 9.8 | 27.8 |
| Dividends paid to owners of the parent | | (17.3) | - | (14.9) |
| Dividends paid to non controlling interest | | (5.7) | - | (1.4) |
| Payment for acquisition of non controlling interests | | - | - | (0.5) |
| New borrowings | Note 14 | 12.8 | 27.5 | 8.9 |
| New finance lease | Note 14 | 1.9 | 0.8 | 0.1 |
| Repayment of long and medium-term borrowings | Note 14 | (6.9) | (33.0) | (43.1) |
| Net cost of financial debt paid | | (15.1) | (12.7) | (18.7) |
| Other flows related to financing activities | | (56.6) | 7.8 | 8.7 |
| **Net cash from/ (used in) financing activities** | | **(63.1)** | **0.2** | **(9.7)** |
| **Increase/ (decrease) in net cash and cash equivalents** | | **96.7** | **268.8** | **392.5** |
| **Opening net cash and cash equivalents** | | **1,109.6** | **722.8** | **722.8** |
| Increase/ (decrease) in net cash and cash equivalents | Note 14 | 96.7 | 268.8 | 392.5 |
| Impact of exchange rate fluctuations on cash and cash equivalents | | (17.4) | 3.2 | (5.7) |
| **Closing net cash and cash equivalents** | **Note 14** | **1,188.9** | **994.8** | **1,109.6** |

## C.4.5 Interim consolidated statement of changes in shareholders' equity

| (in EUR million) | Number of shares at period-end (thousands) | Common Stock | Additional paid-in capital | Consolidated retained earnings | Translation adjustments | Items recognized directly in equity | Net income | Total | Non controlling interests | Total shareholder's equity |
|---|---|---|---|---|---|---|---|---|---|---|
| **At 1 January 2012 restated** | **83,567** | **83.6** | **1,766.5** | **404.5** | **(107.1)** | **(6.6)** | **184.0** | **2,324.9** | **6.0** | **2,330.9** |
| * Common stock issued | 1,028 | 1.0 | 35.7 | (26.9) | | | | 9.8 | 11.3 | 21.1 |
| * Appropriation of prior period net income | | | | 184.0 | | | (184.0) | - | | - |
| * Dividends paid to non-controlling interests | | | | (14.9) | | | | (14.9) | | (14.9) |
| * Equity-based compensation | | | | 7.0 | | | | 7.0 | | 7.0 |
| * Other | | | | (0.3) | | | | (0.3) | 11.0 | 10.7 |
| Transactions with owners | 1,028 | 1.0 | 35.7 | 148.9 | - | - | (184) | 1.6 | 22.3 | 23.9 |
| * Net income | | | | | | | 101.8 | 101.8 | 2.8 | 104.6 |
| * Other Comprehensive income | | | | (138.8) | 24.8 | | | (114.0) | 0.0 | (114.0) |
| Total comprehensive income for the period | | | | (138.8) | 24.8 | - | 101.8 | (12.2) | 2.8 | (9.4) |
| **At 30 June 2012** | **84,595** | **84.6** | **1,802.2** | **414.6** | **(82.3)** | **(6.6)** | **101.8** | **2,314.3** | **31.1** | **2,345.4** |
| * Common stock issued | 1,108 | 1.1 | 40.3 | - | | | | 41.4 | | 41.4 |
| * Dividends paid to non-controlling interests | | | | - | | | | - | (1.4) | (1.4) |
| * Equity-based compensation | | | | 10.2 | | | | 10.2 | | 10.2 |
| * Other | | | | 0.6 | | | | 0.6 | (0.3) | 0.3 |
| Transactions with owners | 1,108 | 1.1 | 40.3 | 10.8 | - | - | - | 52.2 | (1.7) | 50.5 |
| * Net income | | | | | | | 122.0 | 122.0 | 1.4 | 123.4 |
| * Other Comprehensive income | | | | (102.8) | (33.7) | (3.5) | | (140.0) | 0.0 | (140.0) |
| Total comprehensive income for the period | | | | (102.8) | (33.7) | (3.5) | 122.0 | (18.0) | 1.4 | (16.6) |
| **At 31 December 2012** | **85,703** | **85.7** | **1,842.5** | **322.6** | **(116.0)** | **(10.1)** | **223.8** | **2,348.5** | **30.8** | **2,379.3** |
| **IAS19 revised impacts at 1 January 2013** | | | | **(9.8)** | | | | **(9.8)** | | **(9.8)** |
| **At 1 January 2013** | **85,703** | **85.7** | **1,842.5** | **312.8** | **(116.0)** | **(10.1)** | **223.8** | **2,338.7** | **30.8** | **2,369.5** |
| * Common stock issued | 1,408 | 1.4 | 56.5 | (34.1) | | | | 23.8 | | 23.8 |
| * Appropriation of prior period net income | | | | 223.8 | | | (223.8) | - | | - |
| * Dividends paid to non-controlling interests | | | | (17.3) | | | | (17.3) | (5.7) | (23.0) |
| * Equity-based compensation | | | | 5.7 | | | | 5.7 | | 5.7 |
| * Other | | | | 0.2 | | | | 0.2 | (0.2) | - |
| Transactions with owners | 1,408 | 1.4 | 56.5 | 178.3 | - | - | (223.8) | 12.4 | (5.9) | 6.5 |
| * Net income | | | | | | | 116.3 | 116.3 | (1.4) | 114.9 |
| * Other Comprehensive income | | | | (2.5) | (43.6) | (0.4) | | (46.5) | 0.0 | (46.5) |
| Total comprehensive income for the period | | | | (2.5) | (43.6) | (0.4) | 116.3 | 69.8 | (1.4) | 68.4 |
| **At 30 June 2013** | **87,111** | **87.1** | **1,899.0** | **488.6** | **(159.6)** | **(10.5)** | **116.3** | **2,420.9** | **23.5** | **2,444.4** |

### C.4.6 Appendices to the interim condensed consolidated financial statements

#### C.4.6.1 Basis of preparation

The 2013 interim consolidated financial statements have been prepared in accordance with the applicable international accounting standards, as endorsed by the European Union and of mandatory application as at June 30th, 2013.

The international standards comprise the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the International Accounting Standards (IAS), the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

Those standards and interpretations can be found at:
http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

The accounting policies, presentation and methods of computation that have been followed in these interim consolidated financial statements are in line with those that were applied in the preparation of the December 31st, 2012 financial statements and disclosed in the Group's 2012 Registration Document.

The interim consolidated financial statements for the six months ended June 30th, 2013 have been prepared in accordance with the standard IAS 34 - *Interim Financial Reporting*. As such these financial statements do not include all of the information required for annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended December 31st, 2012.

The following standards, interpretations and amendments to existing standards that have been published are mandatory for the Group's accounting period beginning on or after January 1st, 2013:

- IAS 27 (revised) - Separate Financial Statements;
- IAS 28 (revised) - Investments in Associates and Joint Ventures;
- IFRS 10 - Consolidated Financial Statements;
- IFRS 11 - Joint Arrangements;
- IFRS 12 - Disclosure of Interests in Other Entities;
- IFRS 13 - Fair Value Measurement;
- Amendments to IAS 1 – Presentation of Items of Other Comprehensive Income;
- Amendments to IFRS 1 - Severe Hyperinflation;
- Amendments to IFRS 7 - Disclosures : Offsetting Financial Assets and Financial Liabilities;
- Amendments to IFRS 10, 11 and 12 – Transition Guidance;
- Amendments to various IFRS statements contained in the Annual Improvements to IFRSs 2009-2011 Cycle;
- IFRIC 20 - Stripping Costs in the production Phase of a surface Mine.

The following standards, interpretations and amendments to existing standards that have been published are not mandatory for the Group's accounting period beginning on or after January 1st, 2013:

- Amendments to IFRS 1 – Government loans;
- Amendments to IAS 32 – Offsetting Financial Assets and Financial Liabilities.

The impact of the other changes on the Group's Financial Statements is limited.

The interim consolidated financial statements do not take into account:

- Draft standards that are still at the exposure draft stage at the International Accounting Standards Board (IASB)
- New standards, interpretations and amendments to existing standards and interpretations not yet approved by the European Union. This notably concerns:
    - IFRS 9 - Financial Instruments and subsequent amendments to IFRS 9 and IFRS 7;
    - Amendments to IFRS 10, 12 and IAS 27 – Investment entities;
    - Amendments to IAS 36 - Recoverable Amount Disclosures for Non-Financial Assets;
    - Amendments to IAS 39 – Novation and Derivatives and Continuation of Hedge Accounting;
    - IFRIC 21 – Levies.

The potential impact of these standards, amendments and interpretations on the consolidated financial statements is currently being assessed.

### C.4.6.2 Significant accounting policies

In addition to the accounting principles as disclosed in the annual accounts, the following accounting principles are relevant for the interim accounts:

#### Impairment of assets

Goodwill and assets that are subject to amortisation are tested for impairment whenever events or circumstances indicate that the carrying amount could not be recoverable. If necessary, an impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable value.

Such events and circumstances include but are not limited to:
- significant deviance of economic performance of the asset when compared with budget;
- significant worsening of the asset's economic environment;
- loss of a major client;
- significant increase in interest rates.

#### Pensions and similar benefits

The remeasurement principle for pension liabilities and assets at interim periods is the following: actuarial remeasurements are only triggered if there are significant moves in the discount rate to be used under IAS19 revised, and limited to the Group's most significant pension plans. For less significant plans or if there are no significant evolutions in discount rates to be used, actuarial projections are used.

According to the revision of IAS19, from January 1st, 2013, benefit plans costs are recognized in the Group's operating income, except for net interest on the net defined benefit liability (asset) which is recognized in "other financial income and expenses".

#### Corporate income tax

The income tax charge includes current and deferred tax expenses. For the purposes of the interim condensed consolidated financial statements, consolidated income tax expense is determined by applying the estimated effective tax rate for the full year to the "half-year net income before tax". The estimated effective tax rate for the full-year is determined on the basis of forecasted current and deferred tax expense for the year in the light of full-year earnings projections.

### C.4.6.3 Notes to the half-year condensed consolidated financial statements

#### Note 1 Changes of scope of consolidation

Since January 1st, 2013, there has been no significant change of scope.

#### Note 2 Segment information

According to IFRS 8, reported operating segments profits are based on internal management reporting information that is regularly reviewed by the chief operating decision maker, and is reconciled to Group profit or loss. The chief operating decision maker assesses segments profit or loss using a measure of operating profit. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the company CEO and chairman of the Board of Directors who makes strategic decisions.

The chief operating decision maker decided to reorganize as per the operating segments detailed here below:

| Operating segments | Activities |
|---|---|
| Germany | Consulting & Technology Services, Systems Integration, Managed Services and Hi-Tech Transactional Services & Specialized Businesses (excluding Atos Worldline and Atos Worldgrid) in Germany. |
| France | Consulting & Technology Services, Systems Integration, Managed Services and Hi-Tech Transactional Services & Specialized Businesses (excluding Atos Worldline and Atos Worldgrid) in France. |
| United Kingdom & Ireland | Consulting & Technology Services, Systems Integration, Managed Services and Hi-Tech Transactional Services & Specialized Businesses in Ireland and the United Kingdom. |
| Benelux | Consulting & Technology Services, Systems Integration, Managed Services and Hi-Tech Transactional Services & Specialized Businesses (excluding Atos Worldline) in Belux and The Netherlands. |
| Atos Worldline | Hi-Tech Transactional Services & Specialized Businesses in Belgium, China, France, Germany, India, Indonesia, Malaysia, Philippines, Singapore, Taiwan, Thailand and The Netherlands. |
| Central & Eastern Europe | Systems Integration, Managed Services and Hi-Tech Transactional Services & Specialized Businesses in Austria, Bulgaria, Croatia, Czech Republic, Poland, Romania, Serbia, Slovakia, Turkey and Russia. |
| North America | Systems Integration, Managed Services in Canada and United States of America. |
| North & South Western Europe | Systems Integration, Managed Services and Hi-Tech Transactional Services & Specialized Businesses in Denmark, Finland & Baltics, Greece, Italy, Sweden and Switzerland. |
| Iberia | Consulting & Technology Services, Systems Integration, Managed Services and Hi-Tech Transactional Services & Specialized Businesses (excluding Atos Worldgrid) in Andorra, Portugal and Spain. |
| Other Countries | Consulting & Technology Services, Systems Integration, Managed Services and Hi-Tech Transactional Services & Specialized Businesses (excluding Atos Worldline) in Argentina, Australia, Brazil, Chile, China, Colombia, Egypt, Hong-Kong, India, Indonesia, Japan, Malaysia, Mexico, Morocco, Philippines, Saudi Arabia, Singapore, South Africa, Taiwan, Thailand, UAE, and also Atos Worldgrid (China, France, Germany, Italy and Spain) and Major Events activities. |

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties.
The revenues from each external contract amounted to less than 10 per cent of the Group's revenue.

As a result of the decision to carve-out the payment activities, the adaptation of the Atos organization led to the following changes to in July 2013:

- The GBU North & South West Europe (N&SWE) was split with i) Nordic countries transferred to "Benelux & The Nordics" and ii) Switzerland and Italy joined "Central & Eastern Europe" (CEE). This decision of reducing the number of GBUs reflected the objective to optimize the operational efficiency and to decrease indirect costs.
- The entity AWFM (Atos Worldline Financial Markets), which was already under the new France Management was transferred to the GBU France. This was in line with the carve-out of Atos Payment activities. In term of Service Line, AWFM is part of Systems Integration.
- The entity Atos Worldgrid is managed and reported as a global business within the Systems Integration Service Line. As such, Atos Worldgrid local entities (France, Italy, Spain, Germany and APAC) will be reported in the corresponding GBUs.

Under IFRS8, no change in segments organisation were recorded during the first half 2013. The reconciliation with GBUs and service lines disclosed for the financial communication including proforma figures for the first half of 2012 is detailed on the operational review of the current document.

The operating segment information for the periods is as follows:

| (in EUR million) | Germany | France | United Kingdom and Ireland | Benelux | Atos Worldline | Central and Eastern Europe | North America | North and South West Europe | Iberia | Other countries | Total Operating segments | Global Delivery Lines | Other Corporate | Elimination | **Total Group** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **6 months ended 30 June 2013** | | | | | | | | | | | | | | | |
| **External revenue by segment** | **800.4** | **445.8** | **833.4** | **466.9** | **462.8** | **285.4** | **311.8** | **188.2** | **151.8** | **343.5** | **4,290.0** | | | | **4,290.0** |
| % | 18.7% | 10.4% | 19.4% | 10.9% | 10.8% | 6.7% | 7.3% | 4.4% | 3.5% | 8.0% | 100.0% | | | | 100.0% |
| Inter-segment revenue | 85.2 | 41.9 | 16.4 | 38.3 | 13.7 | 58.1 | 12.2 | 10.5 | 7.9 | 111.9 | 396.1 | | 56.7 | (452.8) | - 0 |
| Total revenue | 885.6 | 487.7 | 849.8 | 505.2 | 476.5 | 343.5 | 324.0 | 198.7 | 159.7 | 455.4 | 4,686.1 | - | 56.7 | (452.8) | 4,290.0 |
| **Segment operating margin** | **51.8** | **1.5** | **64.4** | **46.6** | **78.9** | **18.5** | **24.5** | **14.6** | **2.9** | **28.5** | **332.2** | **-** | **(53.2)** | | **279.0** |
| % | 6.5% | 0.3% | 7.7% | 10.0% | 17.0% | 6.5% | 7.9% | 7.8% | 1.9% | 8.3% | 7.7% | | | | 6.5% |
| **Total segment assets** | **874.5** | **590.8** | **1,012.4** | **842.3** | **709.1** | **340.1** | **212.5** | **232.5** | **201.6** | **651.8** | **5,667.6** | | **101.7** | | **5,769.3** |
| **6 months ended 30 June 2012** | | | | | | | | | | | | | | | |
| **External revenue by segment** | **839.5** | **499.9** | **812.2** | **492.6** | **457.1** | **269.3** | **275.4** | **202.4** | **164.8** | **352.8** | **4,366.0** | | **-** | | **4,366.0** |
| % | 19.2% | 11.5% | 18.6% | 11.3% | 10.5% | 6.2% | 6.3% | 4.6% | 3.8% | 8.1% | 100.0% | | | | 100.0% |
| Inter-segment revenue | 69.8 | 45.6 | 14.7 | 33.5 | 12.4 | 48.1 | 7.0 | 6.2 | 5.3 | 96.2 | 338.8 | | 8.0 | (346.8) | - |
| Total revenue | 909.3 | 545.5 | 826.9 | 526.1 | 469.5 | 317.4 | 282.4 | 208.6 | 170.1 | 449.0 | 4,704.8 | | 8.0 | (346.8) | 4,366.0 |
| **Segment operating margin** | **65.6** | **0.5** | **55.6** | **33.6** | **78.6** | **26.8** | **23.3** | **13.2** | **2.5** | **19.1** | **318.8** | **-** | **(70.0)** | | **248.8** |
| % | 7.8% | 0.1% | 6.8% | 6.8% | 17.2% | 10.0% | 8.5% | 6.5% | 1.5% | 5.4% | 7.3% | | | | 5.7% |
| **Total segment assets** | **1,003.3** | **624.0** | **1,078.6** | **941.8** | **707.7** | **340.9** | **225.0** | **301.9** | **202.2** | **557.7** | **5,983.1** | | **151.4** | | **6,134.5** |

The reportable assets are reconciled to total assets as follows:

| (in EUR million) | 30 June 2013 | 30 June 2012 |
|---|---|---|
| **Total segment assets** | **5,769.3** | **6,134.5** |
| Current & deferred tax Assets | 478.1 | 465.3 |
| Cash & Cash Equivalents | 1,230.8 | 1,045.0 |
| **Total Assets** | **7,478.2** | **7,644.8** |

## Note 3 Personnel expenses

| (In EUR million) | 6 months ended 30 June 2013 | % Revenue | 6 months ended 30 June 2012 | % Revenue |
|---|---|---|---|---|
| Wages and salaries | (1,803.0) | 42.0% | (1,777.6) | 40.7% |
| Social security charges | (476.0) | 11.1% | (479.1) | 11.0% |
| Tax, training, profit-sharing | (30.4) | 0.7% | (34.2) | 0.8% |
| Equity-based compensation | (5.7) | 0.1% | (7.0) | 0.2% |
| Net (charge) /release to provisions for staff expenses | (2.0) | 0.0% | 1.3 | 0.0% |
| Difference between pension contributions and net pension expense (*) | 39.9 | -0.9% | 22.9 | -0.5% |
| **Total** | **(2,277.2)** | **53.1%** | **(2,273.7)** | **52.1%** |

*(*) Difference between total cash contributions made to the pension funds and the net pension expense under IAS19R.*

## Note 4 Operating expenses

| (In EUR million) | 6 months ended 30 June 2013 | % Revenue | 6 months ended 30 June 2012 | % Revenue |
|---|---|---|---|---|
| Subcontracting costs direct | (641.5) | 15.0% | (676.3) | 15.5% |
| Purchase hardware and software | (206.2) | 4.8% | (220.7) | 5.1% |
| Maintenance costs | (194.9) | 4.5% | (198.8) | 4.6% |
| Rent & Lease expenses | (149.8) | 3.5% | (146.6) | 3.4% |
| Telecom costs | (142.9) | 3.3% | (146.3) | 3.4% |
| Travelling expenses | (84.9) | 2.0% | (97.6) | 2.2% |
| Company cars | (50.4) | 1.2% | (49.8) | 1.1% |
| Professional fees | (83.6) | 1.9% | (113.8) | 2.6% |
| Taxes & Similar expenses | (17.6) | 0.4% | (16.7) | 0.4% |
| Others expenses | (62.9) | 1.5% | (70.7) | 1.6% |
| **Subtotal expenses** | **(1,634.7)** | **38.1%** | **(1,737.3)** | **39.8%** |
| Depreciation of fixed assets | (165.9) | 3.9% | (174.9) | 4.0% |
| Net (charge) / release to provisions | 40.6 | -0.9% | 66.3 | -1.5% |
| Gains / (Losses) on disposal of assets | (6.1) | 0.1% | (1.8) | 0.0% |
| Trade Receivables write-off | (4.2) | 0.1% | (8.6) | 0.2% |
| Capitalized Production | 36.5 | -0.9% | 12.8 | -0.3% |
| **Subtotal other expenses** | **(99.1)** | **2.3%** | **(106.2)** | **2.4%** |
| **Total** | **(1,733.8)** | **40.4%** | **(1,843.5)** | **42.2%** |

## Note 5 Other operating income and expenses

| (In EUR million) | 6 months ended 30 June 2013 | 6 months ended 30 June 2012 |
|---|---|---|
| Staff reorganization | (48.3) | (27.6) |
| Rationalization and associated costs | (21.2) | (10.7) |
| Integration costs and acquisition costs | (10.4) | (25.8) |
| Customer relationships amortization (PPA) * | (22.0) | (20.2) |
| Other items | 14.5 | 5.9 |
| **Total** | **(87.4)** | **(78.4)** |

**Purchase Price Allocation.*

The EUR 48.3 million **staff reorganization** expense was the consequence of both the Group workforce adaptation to the effects of the economic recession in Europe and the streamlining of middle management layers and more particularly in Benelux, Iberia and Corporate.

The EUR 21.2 million **rationalization and associated costs** primarily resulted from the closure of office premises and datacenters consolidation mainly in Germany for EUR 5.8 million and in Latin America for EUR 10.3 million further to TOP² program, and in Benelux EUR 3.8 million linked to the restructuring plan.

The EUR 10.4 million **integration and acquisition costs** consisted of costs of IT infrastructure carve out and harmonization together with the roll out of Group transactional systems and processes in the former SIS entities.

The EUR 14.5 million **other items** corresponded mainly to the gain from the sale of fixed assets.

## Note 6 Net financial income

### Net cost of financial debt

| (In EUR million) | 6 months ended 30 June 2013 | 6 months ended 30 June 2012 |
|---|---|---|
| **Net interest expenses** | **(15.1)** | **(15.5)** |
| Interest on obligations under finance leases | (0.4) | (0.6) |
| Gain/(loss) on disposal of cash equivalents | - | 0.7 |
| Gain/(loss) on interest rate hedges of financial debt | (1.9) | (1.1) |
| **Net cost of financial debt** | **(17.4)** | **(16.5)** |

### Other financial income and expenses

| (In EUR million) | 6 months ended 30 June 2013 | 6 months ended 30 June 2012 |
|---|---|---|
| Foreign exchange income / (expenses) | 0.2 | 2.0 |
| Fair value gain/(loss) on forward exchange contracts held for trading | 1.2 | (1.1) |
| Discounting financial income / (expenses) | - | (0.1) |
| Other income / (expenses) | (6.5) | (4.0) |
| **Other financial income and expenses** | **(5.1)** | **(3.2)** |
| Of which: | | |
| - other financial expenses | (26.7) | (26.9) |
| - other financial income | 21.6 | 23.7 |

Net financial expense amounted to EUR 22.5 million for the period (compared with EUR 19.7 million last year) and was composed of a net cost of financial debt of EUR 17.4 million and non-operational financial costs of EUR 5.1 million.

Non-operational financial costs amounted to EUR 5.1 million compared to EUR 3.2 million in June 2012 and mainly consisted of pension financial related costs (EUR 6.6 million compared to EUR 2.5 million in 2012).
These costs represented the difference between the interest costs and the interest income on plan assets for plans which are funded.

## Note 7 Income tax expenses

The tax charge per June 2013 was EUR 53.4 million (including CVAE - Cotisation sur la Valeur Ajoutée des Entreprises since 2009) with a profit before tax of EUR 169.1 million. The normalized Effective Tax Rate (ETR) full year of 33.2% adjusted by discrete tax items led to an ETR of 31.6%.

### Note 8 Earnings per share

Potential dilutive instruments comprised stock subscription (equivalent to 2,052,448 options) and convertible bonds (equivalent to 10,796,902 shares of which 5,414,771 issued in 2009 and 5,382,131 issued in 2011). The convertible bonds are the only instruments that generate a restatement of net income used for the diluted EPS calculation. The EUR 8.1 million restatements corresponded to the interest expenses relating to the liability component net of deferred tax (EUR 4.9 million issued in 2009 and EUR 3.2 million issued in 2011).

The average number of stock options not exercised in June 2013 amounted to 7,164,324 shares.

| (In EUR million and shares) | 6 months ended 30 June 2013 | 6 months ended 30 June 2012 |
|---|---|---|
| **Net income - Attributable to owners of the parent [a]** | **116.3** | **101.8** |
| Impact of dilutive instruments | 8.1 | 7.9 |
| **Net income restated of dilutive instruments - Attributable to owners of the parent [b]** | **124.4** | **109.7** |
| Average number of shares outstanding [c] | 85,741,350 | 83,454,764 |
| Impact of dilutive instruments [d] | 12,849,350 | 12,451,971 |
| Diluted average number of shares [e]=[c]+[d] | 98,590,700 | 95,906,735 |
| **Earnings per share in EUR [a]/[c]** | **1.36** | **1.22** |
| Diluted earnings per share in EUR [b]/[e] | 1.26 | 1.14 |

### Note 9 Goodwill

| (In EUR million) | 31 December 2012 | Disposals Depreciations | Impact of business combi-nation | Exchange rate fluctuations | 30 June 2013 |
|---|---|---|---|---|---|
| Gross value | 2,521.4 | - | - | (35.7) | **2,485.7** |
| Impairment loss | (579.2) | - | - | 11.3 | **(567.9)** |
| **Carrying amount** | **1,942.2** | **-** | **-** | **(24.4)** | **1,917.8** |

Impairment tests for interim financial reporting have been limited to:

- cash generating units (CGUs) for which an event occurred during the semester giving an indication that their assets may be impaired,
- other "sensitive" CGUs at year-end 2012, for which the recoverable amount of assets was close to their carrying values.

During the semester, The Group has performed an impairment test for two "sensitive" CGUs, France and Iberia and concluded that no impairment charge needed to be recorded as of June 30, 2013.

### Note 10 Trade accounts and notes receivable

| (In EUR million) | 30 June 2013 | 31 December 2012 |
|---|---|---|
| Gross value | 1,968.3 | 2,051.7 |
| Transition costs | 10.9 | 12.6 |
| Provision for doubtful debts | (113.4) | (104.3) |
| **Net asset value** | **1,865.8** | **1,960.0** |
| Prepayments | (56.8) | (69.9) |
| Deferred income and upfront payments received | (437.5) | (483.8) |
| **Net accounts receivable** | **1,371.5** | **1,406.3** |
| **Number of days' sales outstanding (DSO)** | **44** | **44** |

### Note 11 Cash and cash equivalents

| (In EUR million) | 30 June 2013 | 31 December 2012 |
|---|---|---|
| Cash in hand and short-term bank deposit | 523.7 | 493.8 |
| Money market funds | 707.1 | 665.9 |
| **Total** | **1,230.8** | **1,159.7** |

Depending on market conditions and short-term cash flow expectation, Atos may from time to time invest in Money Market Funds for a maturity not exceeding three months.

### Note 12 Pensions

The net total amount recognised in the balance sheet in Group accounts in respect of pension plans and other long term employee benefits is EUR 381.6 million.

Per January 1st, 2013 Group adopted IAS19 Revised (IAS19R). The main consequences of the revision are that past service costs are now recognised immediately, expected returns on assets are replaced by investment income calculated with a rate that is set equal to the discount rate, mortality assumption will systematically include allowance for future changes in life expectancy and taxes are included in plan liabilities.

The measurement of the liabilities is highly sensitive to long term interest rates, which are the basis of the discount rate to be used under IAS19R. Reference discount rates for the major currencies have not changed significantly since December 31st, 2012, therefore plan liabilities and plan assets for major plans in these regions have not been remeasured per June 2013. Unchanged since December 31st, 2012, liabilities are based on the following discount rates:

| | 30 June 2013<br>31 December 2012 | 30 June 2012 | 31 December 2011 |
|---|---|---|---|
| Euro zone (long duration plans) | 3.65% | 4.15% | 4.95% |
| Euro Zone (other plans) | 3.00% | 3.40% | 4.50% |
| United Kingdom | 4.50% | 4.70% | 4.70% |

During the first half of 2013, the following significant events took place, which contributed to mitigate the increase in service costs due to lower discount rates:

- Accrual rate in the pension plan in the Netherlands was reduced in order to stabilise the cash contribution level; and
- Three alternative benefit adaptations were offered to certain pension beneficiaries in the United Kingdom.

In Germany pension liabilities increased due to a transfer of staff related to winning an outsourcing contract. The transferring liabilities are EUR 9.9 million which will be compensated by the client.

As a consequence of adoption of IAS19R, an amount EUR 8.9 million of unrecognised past service costs has been added to accrued pension liabilities as well as various smaller restatements for a total amount of EUR 2.9 million. Below we compare the first semester 2013 results with results previously disclosed under IAS19 and restated numbers for prior periods under IAS19R.

The development of pension provisions over the half year is therefore as follows:

| (In EUR million) | 30 June 2013 IAS19R | 31 December 2012 restated IAS19R | 31 December 2012 published IAS19 |
|---|---|---|---|
| **Amounts recognized in financial statements consist of :** | | | |
| Prepaid pension asset – post employment plans | 361.7 | 340.8 | 340.8 |
| Accrued liability – post employment and other long term benefits | (743.3) | (748.1) | (736.3) |
| **Net amount recognized – Total** | **(381.6)** | **(407.3)** | **(395.5)** |

The net impact of defined benefits plans on Group profit and loss can be summarized as follows:

| (In EUR million) | 6 months ended 30 June 2013 IAS19R | 6 months ended 30 June 2012 restated IAS19R | 6 months ended 30 June 2012 published IAS19 | 12 months ended 31 December 2012 restated IAS19R | 12 months ended 31 December 2012 published IAS19 |
|---|---|---|---|---|---|
| Operating margin | (22.4) | (40.2) | (34.7) | (78.0) | (73.1) |
| Other operating items | 0.3 | - | - | - | - |
| Financial result | (6.6) | (1.0) | (2.5) | (2.0) | (6.6) |
| **Total (expense)/profit** | **(28.7)** | **(41.2)** | **(37.2)** | **(80.0)** | **(79.7)** |

Opening and closing positions reconcile as follows:

| (In EUR million) | 30 June 2013 IAS19R | 31 December 2012 restated IAS19R | 31 December 2012 published IAS19 |
|---|---|---|---|
| **Net amount recognized at the beginning of period:** | **(407.3)** | **(110.7)** | **(98.0)** |
| Reclassification other current liabilities | (1.8) | (9.0) | (9.0) |
| Net periodic pension cost – post employment plans | (24.4) | (68.0) | (66.1) |
| Benefits paid / Employer Contributions | 54.6 | 120.0 | 120.0 |
| Business combinations | (10.2) | (11.8) | (11.8) |
| Amounts recognized in Other Comprenhensive Income | (3.2) | (323.8) | (326.6) |
| Currency impacts and other | 10.7 | (4.0) | (4.0) |
| **Net amount recognized at the end of period** | **(381.6)** | **(407.3)** | **(395.5)** |

### Note 13 Provisions

| (In EUR million) | 31 December 2012 | Charge | Release used | Release unused | Other (*) | 30 June 2013 | Current | Non-current |
|---|---|---|---|---|---|---|---|---|
| Reorganization | 123.6 | 32.6 | (85.6) | (5.3) | (0.9) | 64.4 | 54.7 | 9.7 |
| Rationalization | 48.6 | 10.0 | (11.8) | (3.2) | 7.9 | 51.5 | 17.6 | 33.9 |
| Project commitments | 130.1 | 19.2 | (39.6) | (17.4) | (7.5) | 84.8 | 57.8 | 27.0 |
| Litigations and contingencies | 104.7 | 14.1 | (8.1) | (10.5) | (0.5) | 99.7 | 45.2 | 54.5 |
| **Total provisions** | **407.0** | **75.9** | **(145.1)** | **(36.4)** | **(1.0)** | **300.4** | **175.3** | **125.1** |

*(*) Other movements mainly consist of the currency translation adjustments and impacts of changes in scope of consolidation.*

### Note 14 Borrowings

**Change in net debt over the period**

| (In EUR million) | 30 June 2013 | 31 December 2012 |
|---|---|---|
| **Opening net debt / (cash)** | **(232.1)** | **141.8** |
| New borrowings | 12.8 | 8.9 |
| Convertible bonds | 2.4 | 15.8 |
| Repayment of long and medium-term borrowings | (6.9) | (43.1) |
| Variance in net cash and cash equivalents | (96.7) | (392.5) |
| New finance leases | 1.9 | 0.1 |
| Long and medium-term debt of companies sold during the period | - | 0.8 |
| Long and medium-term debt of companies acquired during the period | - | 25.8 |
| Impact of exchange rate fluctuations on net long and medium-term debt | 14.0 | 8.6 |
| Profit-sharing amounts payable to French employees transferred to debt | 2.6 | 3.3 |
| Other flows related to financing activities | (56.6) | (1.6) |
| **Closing net debt / (cash)** | **(358.6)** | **(232.1)** |

Tangible assets held under finance leases had a net carrying value of EUR 25.5 million.

**Net cash and cash equivalents**

| (In EUR million) | 30 June 2013 | 31 December 2012 |
|---|---|---|
| Cash and cash equivalents | 1,230.8 | 1,159.7 |
| Overdrafts | (41.9) | (50.1) |
| **Total net cash and cash equivalents** | **1,188.9** | **1,109.6** |

### Note 15 Trade accounts and notes payable

| (In EUR million) | 30 June 2013 | 31 December 2012 |
|---|---|---|
| Trade payables and notes payable | 1,106.6 | 1,021.3 |
| Amounts payable on tangible assets | 5.5 | 5.5 |
| **Trade payables and notes payable** | **1,112.1** | **1,026.8** |
| Net advance payments | (9.6) | (40.4) |
| Prepaid expenses | (191.0) | (145.7) |
| **Net accounts payable** | **911.5** | **840.7** |
| **Number of days' payable outstanding (DPO)** | **84** | **71** |

Trade accounts and notes payable are expected to be paid within one year.

### Note 16 Approval of interim financial statements

The interim financial statements were approved by the Board of Directors on July 24th, 2013.

## C.5 Statutory Auditors' review report on the half-year financial information for the period ended June 30th, 2013

*This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the Shareholders,

In compliance with the assignment entrusted to us by the General Meetings and in accordance with the requirements of article L. 451-1-2 III of the Monetary and Financial Code ("*Code monétaire et financier*"), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of Atos S.E., for the period from January 1 to June 30, 2013,
- the verification of the information contained in the interim management report.

These condensed half-year consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

### I - Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

### II - Specific verification

We have also verified the information given in the interim management report commenting the condensed half-year consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

**Neuilly-sur-Seine and Paris, July 25th, 2013**

**The Statutory Auditors**

| | |
|---|---|
| Deloitte & Associés | Grant Thornton<br>*French member of*<br>*Grant Thornton International* |
| Christophe Patrier | Victor Amselem |

# D CORPORATE GOVERNANCE

## D.1 Office renewals and appointment of directors

The Company's Combined General Meeting held on May 29th, 2013 approved all the proposed renewals of terms of office of directors which it was submitted. In particular, it renewed the term of office of Directors Ms. Aminata Niane (Senegalese citizen) and Mr. Vernon Sankey (British citizen). It also appointed Ms. Lynn Paine (American citizen) as Director, and proceeded with the reelection of Ms. Jean Fleming (British citizen) as Director representing the employee shareholders.

### Biography of Ms. Lynn Paine

| | |
|---|---|
| **Lynn Sharp Paine**<br><br>Number of shares : 500<br><br>Date of birth : July 17th, 1949<br>Nationality : American<br>Date of appointment : May 29th, 2013<br>Term expires on : AGM ruling on the accounts of the 2015 financial year | **John G. McLean Professor of Business Administration / Senior Associate Dean for Faculty Development at Harvard Business School**<br><br>**Background**<br>J.D., *cum laude*, Harvard Law School, 1979<br>D.Phil., Oxford University, 1976<br>B.A., *summa cum laude*, Smith College, 1971<br><br>**Other directorships and positions as at December 31, 2012**<br>*Abroad*<br>**Governing Board (Public Member)**, Center for Audit Quality, Washington, D.C.<br>**Academic Advisory Council**, Hills Program on Governance – Center for Strategic and International Studies, Washington, D.C.<br>**Selection Panel**, Luce Scholars Program, Henry Luce Foundation, NYC<br><br>**Positions held during the last five years**<br>**Advisory Board**, Conference Board Governance Center, NYC (2009-2011)<br>**Director**, RiskMetrics Group (merged with MSCI June 2010) (2008-2010) and member of the Compensation and Human Resources Committee<br>**Member**, Conference Board Task Force on Executive Compensation NYC (2009) |

Lynn Paine is Senior Associate Dean of Harvard Business School where she chairs and co-ordinates the programs on corporate governance. An American specialist with worldwide recognition, she currently co-chairs the Senior Executive Program for China. She co-founded and chaired the "Leadership and Corporate Accountability" required courses, which she has taught in the MBA program as well as the Advanced Management Program. In addition to providing executive education and consulting services to numerous firms, she has served on a variety of advisory boards and panels. In particular, she was a member of the Conference Board Commission on Public Trust and Private enterprise.

## D.2 Composition of the Board of Directors

As of the date of this update of the reference document, the Board of Directors, comprised of 13 persons including 7 independent directors, was the following:

| Name of the Director | Date of first appointment or latest renewal | Date of the expiry of the mandate |
|---|---|---|
| M Thierry BRETON | 30 May 2012 | AGM 2015 |
| M Nicolas BAZIRE* | 30 May 2012 | AGM 2014 |
| M Jean-Paul BECHAT* | 30 May 2012 | AGM 2015 |
| M Roland BUSCH | 1st July 2011 | AGM 2014 |
| Mme Jean FLEMING | 29 May 2013 | AGM 2017 |
| M Bertrand MEUNIER* | 30 May 2012 | AGM 2015 |
| Mme Colette NEUVILLE* | 30 May 2012 | AGM 2014 |
| Mme Aminata NIANE* | 29 May 2013 | AGM 2016 |
| M Michel PARIS | 30 May 2012 | AGM 2014 |
| Mme Lynn SHARP PAINE | 29 May 2013 | AGM 2016 |
| M Pasquale PISTORIO* | 30 May 2012 | AGM 2015 |
| M Vernon SANKEY* | 29 May 2013 | AGM 2016 |
| M Lionel ZINSOU-DERLIN | 30 May 2012 | AGM 2014 |

** Independant Director*

## D.3 Performance shares allocation plan

In connection with the authorization granted, for thirty-eight months, by the Combined General Meeting of May 30th, 2012 (eighteenth resolution), the Board of Directors, during its meeting held on July 24th, 2013, and upon the recommendation of the Nomination and Remuneration Committee, decided to proceed with the allocation of 723 335 ordinary performance shares of the Company, to be issued in favor of the first managerial lines of Atos, i.e. 705 beneficiaries, including the Chairman and Chief Executive Officer.

Performance conditions of the new plan relate to yearly internal financial criteria linked to profitability and free cash flow, identical to those of the previous plan of December 22nd, 2011, but strengthened as these conditions are cumulative. Consequently, all performance conditions have to be fulfilled over the two years in order to be allowed to the acquisition of 100 perdent of the allocated shares.

Moreover, the plan requirement was strengthened by the addition of an external condition linked to the social and environmental performance of the company. The Board of Directors has taken note of the particularly demanding nature of these performance conditions.

It is specified that if one or several performance conditions, whether external or internal, was not fulfilled for the first or second year of the plan, the performance shares would become null and void.

The features of the performance share allocation plan are as follows:

1. **Condition of attendance:** Subject to certain exceptions provided for in the plan, the allocation of performance shares is conditioned on the preservation of employee or corporate officer status by the beneficiary during the vesting period;

2. **Performance condition:** The allocation of performance shares is also subject to the achievement of the following five internal and external performance conditions, calculated for the consecutive years 2013 and 2014:

Internal performance conditions

For each of the years 2013 and 2014:

- the **Group free cash flow before** dividend and acquisition/sales results for the year in question is at least equal to one of the following amounts:
  - (i) **85 percent** of the amount of the Group free cash flow, before dividends and acquisition/sales results, as mentioned in the Company's budget for the year in question, or
  - (ii) the amount of the Group free cash flow before dividends and acquisition/sales results for the previous year **with a 10 percent increase**;
- the **Group operating margin** for the year in question is at least equal to one of the following amounts:
  - (i) **85 percent** of the amount of the Group's operating margin as mentioned in the Company's budget for the year in question, or
  - (ii) the amount of the Group operating margin from the previous year **with a 10 percent increase**;

It being specified that the indicators for the four performance conditions hereabove described will be calculated at constant scope and exchange rate.

External performance condition

- For 2013, Atos must achieve at least the rating of GRI A (or equivalent); or become part of the European Dow Jones Sustainability Index 2013; and
- For 2014, Atos must achieve at least the rating of GRI A (or equivalent); or become part of the European Dow Jones Sustainability Index 2014.

**3. Acquisition and conservation periods:**

The allocation of performance shares decided by the Board of Directors dated July 24th, 2013 consists of two plans (France and International). Either plan applies depending on whether the beneficiary is an employee of a group entity located in France or abroad.

**Plan France:** Beneficiaries of performance shares will definitively acquire the performance shares allocated to them on the second anniversary of the allocation date, it being stipulated that these will further be subject to the aforementioned condition of attendance, subject to certain exceptions stated in the plan; the beneficiaries will also be required to retain the shares thus acquired for a period of two years following this date. The Chairman and Chief Executive Officer is a Plan France beneficiary.

**Plan International:** Beneficiaries of performance shares who are employees of companies of the Atos Group with registered office outside France will definitively acquire the performance shares allocated to them on the fourth anniversary of the allocation date, subject to achieving the performance conditions and the aforementioned condition of attendance. The shares thus acquired will not be subject to any conservation obligation and will be immediately available for sale by their beneficiaries.

**4. Specific supplementary provisions applicable to the Chairman and Chief Executive Officer:**

The Board of Directors allocated 45,000 performance shares to the Chairman and Chief Executive Officer. This amount takes into account the recommendations of the AFEP-MEDEF Corporate Governance Code with respect to the Chairman and Chief Executive Officer, as well as his compensation over 3 years as set in the Board of Director's decision of May 30th, 2012.

In its analysis, the Board of Directors, upon the recommendation of the Nomination and Remuneration Committee, considered the following elements:

- the allocation of 45,000 performance shares to the Chairman and Chief Executive Officer represents around 6 percent of the total number of allocated shares;
- the number of shares allocated to the Chairman and Chief Executive Officer represents a security based compensation of around 43 percent of his total compensation;
- the conservation obligation, for the duration of his duties, of 15 percent of performance shares which would be allocated to him will also apply to the Chairman and Chief Executive Officer;
- the conditions under article L. 225-197-6 of the French Commercial Code applicable to this allocation are met through the existence of a derogatory profit-sharing agreement.

# E COMMON STOCK EVOLUTION AND PERFORMANCE

## E.1 Basic data

Atos SE shares are traded on the Paris NYSE Euronext Market under code ISIN FR0000051732. The shares have been listed in Paris since 1995. The shares are not listed on any other stock exchange and Atos SE is the only listed company in the Group.

### E.1.1 Information on stock

| | |
|---|---|
| Number of shares | : 87,111,003 |
| Sector classification | : Information Technology |
| Main index | : CAC AllShares |
| Other indices | : CAC IT, CAC IT20, CAC Next20, Euronext 100, SBF120 |
| Market | : NYSE Euronext Paris Segment A |
| Trading place | : Euronext Paris (France) |
| Tickers | : ATO (Euronext) |
| Code ISIN | : FR0000051732 |
| Payability PEA/SRD | : Yes/Yes |

The main tickers are:

| Source | Tickers | Source | Tickers |
|---|---|---|---|
| Euronext | ATO | Reuters | ATOS.PA |
| AFP | ATO | Thomson | ATO FR |
| Bloomberg | ATO FP | | |

The Euronext sector classification is as follows:

| Euronext: sector classification Industry Classification Benchmark (ICB) |
|---|
| 9000 AEX Technology |
| 9530 AEX Software and Computer services |
| 9533 Computer Services |

The shares are also components of the following indices:

| Index | Type | Code ISIN | Market Place |
|---|---|---|---|
| Euronext (Compartment A) | Global Europe | | Paris-Amsterdam-Brussels-Lisbon |
| Euronext CAC 70 | Global Europe | | Paris-Amsterdam-Brussels-Lisbon |
| Euronext 100 | Global Europe | FR0003502079 | Paris-Amsterdam-Brussels-Lisbon |
| SBF 80 | Global | FR0003999473 | Paris PX8 |
| SBF 120 | Global | FR0003999481 | Paris PX4 |
| SBF 250 | Global | FR0003999499 | Paris PX5 |
| CAC IT20 | Sector | QS0010989091 | Paris CIT20 |
| CAC IT | Sector | FR0003501980 | Paris PXT |
| DJ Euro Stoxx Techno | Sector | EUR0009658541 | Germany-Xetra SX8E |
| CAC Technology | Sector | QS0011017827 | Paris |
| CAC Software & Computer Services | Sector | FR0000051732 | Paris |
| Sustainable Development: ASPI Eurozone, FTSE4Good, Europa EMP 100 Europa CAP 100, ECPI Ethical Index Euro | | | |

### E.1.2 Free Float

The free-float of the Group shares exclude stakes held by the reference shareholders, namely the two main shareholders, Financière Daunou 17 (PAI Partners) holding 21.0 percent of the share capital as at June 30th, 2013, and Siemens Beteiligungen Inland GmbH (owned by Siemens AG, Siemens group) holding a stake of 14.3 percent of the share capital which it committed to keep until June 30th, 2016. No other reference shareholder has announced its will to maintain a strategic shareholding in the Group's share capital. Stakes owned by the employees are also excluded from the free float.

| *As at June 30th, 2013* | **Shares** | **% of share capital** | **% of voting rights** |
|---|---|---|---|
| Treasury stock | 137,193 | 0.2% | 0.0% |
| PAI Partners | 18,288,376 | 21.0% | 21.0% |
| Siemens | 12,483,153 | 14.3% | 14.3% |
| Employees | 1,726,402 | 2.0% | 2.0% |
| Free float | 54,475,879 | 62.5% | 62.5% |
| **Total** | **87,111,003** | **100.0%** | **100.0%** |

## E.2 Dividend policy

On a proposal from the Board of directors, the Combined General Meeting held on May 29th, 2013, approved the payment in 2013 of a dividend of 0.60 euro per share on the 2012 results as well as the option for the payment of the dividend in shares.

During the past three fiscal periods, Atos SE paid the following dividends:

| **Fiscal period** | **Dividend paid per share** (in EUR) |
|---|---|
| 2012 | € 0.60 |
| 2011 | € 0.50 |
| 2010 | € 0.50 |

## E.3 Financial calendar

October 24th, 2013 Third quarter 2013 Revenue

## E.4 Contacts

Institutional investors, financial analysts and individual shareholders may obtain information from:

**Gilles Arditti, Group Senior Vice-President Investor Relations and financial communication**,
Tel: +33 (0) 1 73 26 00 66
gilles.arditti@atos.net

Requests for information can also be sent by email to investors@atos.net

## E.5 Common stock

### E.5.1 At June 30th, 2013

As at June 30th, 2013, the Group's issued common stock amounted to EUR 87,111,003 divided into 87,111,003 fully paid-up shares of EUR 1.00 par value each.

Since December 31st, 2012, the share capital was increased by 1,407,573 euros, corresponding to the issuance of 1,407,573 new shares, split as follows:

- 703,967 new shares resulting from the exercise of stock options, issuance premiums amounting to EUR 23,092,392.41 in the aggregate,
- 702,606 new shares resulting from the payment of the 2012 dividend in shares, issuance premiums amounting to EUR 33,689,958 in the aggregate, and
- 1,000 new shares resulting from the definitive acquisition of performance shares.

### E.5.2 Shareholders' agreements

The Group has not received notice of any shareholder agreements for filing with the stock exchange authorities and, to the best knowledge of the Group Management, no other "action de concert" (shareholder agreements) or similar agreements exist.

On the occasion of the acquisition by the Company from Siemens of Siemens' former subsidiary SIS, the Siemens group committed to keep its shareholding in the Company, amounting to 12,483,153 shares, until June 30th, 2016.

To the Company's knowledge, there is no other agreement capable of having a material effect, in case of public offer on the share capital of the Company.

### E.5.3 Treasury stock

#### E.5.3.1 Legal Framework

The 12th resolution of the Combined General Meeting of May 29th, 2013 renewed in favour of the Board of Directors, the authorisation to trade in the Group's shares, in connection with the implementation of a share buyback program. The number of shares purchased may not exceed 10 percent of the share capital of the Company, at any moment in time, such percentage applying to a capital adjusted in accordance with the operations which shall have an effect on the share capital subsequently to this general meeting, it being specified that in the case of shares purchased within a liquidity contract, the number of shares taken into account to determine the 10 percent limit shall correspond to the number of shares purchased from which shall be deducted the number of shares resold during the duration of the authorisation.

These purchases may be carried out by virtue of any allocation permitted by law, with the aims of this share repurchasing program being:

- to keep them and subsequently use them for payment or exchange in relation to possible external growth operations, in accordance with market practices accepted by the *Autorité des Marchés Financiers* (French Financial Market Authority), it being specified that the maximum amount of shares acquired by the Company to this end shall not exceed 5 percent of the share capital,
- to ensure liquidity and an active market of the Company's shares through an investment service provider acting independantly pursuant to a liquidity contract, in accordance with the professional conduct charter accepted by the *Autorité des Marchés Financiers* (French Financial Market Authority),
- to attribute or sell these shares to the executive officers and directors or to the employees of the Company and/or to the current or future affiliated companies, under the conditions and according to the terms set by applicable legal and regulatory provisions in particular in connection with (i) profit-sharing plans, (ii) the share purchase option regime laid down under articles L. 225-177 et seq. of the Commercial Code, and (iii) the free share issuance regime established by articles L. 225-197-1 et seq. of the Commercial Code and (iv) a company savings plan, as well as to carry out all hedging operations relating to these operations, under the terms and conditions laid down by market authorities and at such times as the board of directors or the person acting upon its delegation so decides,,
- to remit the shares acquired upon the exercise of rights attached to securities giving the right, whether immediate or deferred, by reimbursement, conversion, exchange, presentation of a warrant or any other way, to the attribution of shares of the Company, as well as to carry out all hedging operations in relation to the issuance of such securities, under the terms and conditions laid down by market authorities and at such times as the Board of Directors or the person acting upon its delegation so decides, or,
- to cancel them as a whole or in part through a reduction of the share capital pursuant to the thirteenth resolution of the Combined General Meeting held on May 29th, 2013.

The maximum purchase price per share may not exceed EUR 81.99 (fees excluded).

The Board of Directors may adjust the aforementioned purchase price in the event of incorporation of premiums, reserves or profits, giving rise either to an increase in the nominal value of the shares or to the creation and attribution of free shares, as well as in the event of division of the nominal value of the share or regrouping of the shares to take account of the effect of these operations on the value of the share.

As a result, the maximum amount of funds assigned to the share repurchasing program amounts to 702,682,422.57 euros as calculated on the basis of the share capital as at December 31 , 2012.

This authorization was granted for a period of eighteen (18) months as from May 29th, 2013.

#### E.5.3.2 Treasury Stock

As at June 30th, 2013, the Company owned 137,193 shares which amounted to 0.16 percent of the share capital with a portfolio value of EUR 7,822,744.86, based on June 28th, 2013 market price, and with book value of EUR 5,041,889.09. These shares are assigned to the allocation of shares to employees or executive officers and directors of the Company or its group, and correspond to the hedging of its undertakings under the LTI and MIP plans.

### E.5.4 Potential common stock (stock option and convertible bond)

#### E.5.4.1 Potential dilution

Based on 87,111,003 shares in issue, the common stock of the Group could be increased, as at June 30th, 2013 by 18,713,455 new shares, representing 17.7 percent of the common stock after dilution. This dilution could occur with the exercise of all stock subscription options granted to employees or through the conversion of the convertible bond issued in 2009 and 2011; or through the acquisition of performance shares granted in 2011 and 2012 as follows:

| *In shares* | **June 30th, 2013** | **December 31st, 2012** | **Change** | **% dilution** |
|---|---|---|---|---|
| **Number of shares outstanding** | **87,111,003** | **85,703,430** | **1,407,573** | |
| From convertible bonds 2009 | 5,533,872 | 5,533,872 | - | 5.2% |
| From convertible bonds 2011 | 5,447,078 | 5,447,078 | - | 5.1% |
| From stock subscription options | 6,782,555 | 7,542,180 | -759,625 | 6.4% |
| Performance shares | 949,950 | 967,300 | -17,350 | 0.9% |
| **Potential dilution** | **18,713,455** | **19,490,430** | **-776,975** | **17.7%** |
| **Total potential common stock** | **105,824,458** | **105,193,860** | **630,598** | |

### Stock options evolution

| **Number of stock subscription options at December 31st , 2012** | **7,542,180** |
|---|---|
| Stock subscription options granted during the first semester of 2013 | 0 |
| Stock subscription options exercised during the first semester of 2013 | -703,967 |
| Stock subscription options cancelled during the first semester of 2013 | -3,333 |
| Stock subscription options expired during the first semester of 2013 | -52,325 |
| **Number of stock subscription options at June 30th, 2013** | **6,782,555** |

### E.5.4.2 Current authorizations to issue shares and other securities

Pursuant to the resolution adopted by the General Meeting of May 29th, 2013, the following authorizations to modify the share capital, and to issue shares and other securities are in force as of the date of this document:

| Authorization (euros) | Authorization amount (par value) | Use of the authorizations (par value) | Unused balance (par value) | Authorization expiration date |
|---|---|---|---|---|
| E.G.M. 05/30/2012<br>10th resolution<br>Share capital increase with preferential subscription right(*) | 25,000,000 | 0 | 25,000,000 | 07/30/2014 |
| E.G.M. 05/30/2012<br>11th resolution<br>Share capital increase without preferential subscription right (*) | 12,500,000 | 0 | 12,500,000 | 07/30/2014 |
| E.G.M. 05/30/2012<br>13th resolution<br>Share capital increase in the event of a Public Exchange Offer (*) | 12,500,000 | 0 | 12,500,000 | 07/30/2014 |
| E.G.M. 05/30/2012<br>14th resolution<br>Share capital increase to remunerate contribution in kind (*) | 8,711,100 | 0 | 8,711,100 | 07/30/2014 |
| E.G.M. 05/30/2012<br>16th resolution<br>Share capital increase through incorporation of reserves, benefits or premiums | Maximum amount which may be converted into share capital | | n/a | 07/30/2014 |
| E.G.M. 05/30/2012<br>18th résolution<br>Attribution of performance shares to the employees and executive officers and directors | 871,110 | 723,335 | 147,775 | 07/30/2015 |
| E.G.M. 05/29/2013<br>12th resolution<br>Authorization to buyback the Company shares | 10% of the share capital adjusted at any moment | 95,491 as at 06/30/2013 | around 9.89% of the share capital | 11/29/2014 |
| E.G.M. 05/29/2013<br>13th resolution<br>Share capital reduction | 10% of the share capital adjusted as at the day of the reduction | 0 | 10% of the share capital adjusted as at the day of the reduction | 11/29/2014 |
| E.G.M. 05/29/2013<br>14th resolution<br>Share capital increase reserved to the employees | 1,720,800 | 0 | 1,720,800 | 07/29/2015 |
| E.G.M. 05/29/2013<br>15th resolution<br>Attribution of performance shares to the employees and executive officers and directors | 871,110 | 0 | 871,110 | 07/29/2016 |

**Any share capital increase pursuant to this resolution would be deducted from the aggregate 25,000,000 euro cap set for the 10th to 14th resolutions by the 15th resolution that was adopted by the General Meeting of May 30th, 2012.*

The number of new authorized shares that may be issued pursuant to the above-mentioned delegation of authority (the sixteenth resolution of the General Meeting of May 30th, 2012 being set aside) amounts to 26,869,575, representing 30.85 percent of the share capital updated on June 30th, 2013.

### E.5.5 First half of 2013 and subsequent key trading dates

On **February 21st, 2013**, Atos announced its 2012 annual results. Revenue was EUR 8,844 million, representing +0.8 percent organic growth compared to 2011 revenue at constant scope and exchange rates. Book-to-bill ratio was 113 percent in 2012 thanks to major bookings in Managed Services and in BPO, and at the end of the year in Systems Integration. Operating margin was EUR 580.0 million, representing 6.6 percent of revenue compared to 4.8 percent in 2011 at constant scope and exchange rates. The Group generated in 2012 EUR 259 million of free cash flow, leading to a net cash position of EUR 232 million at the end of 2012. Net income Group share stood at EUR 224 million compared to EUR 182 million in 2011 statutory.

The Group announced the decision to carve-out Atos payment and merchant transactional activities around Atos Worldline and specific transactional businesses.

On **March 20th, 2013**, Siemens announced the sale to other investors of all its Atos convertible bonds, it acquired pursuant to contribution of its IT services business (SIS) to Atos in July 2011.

On **April 25th, 2013**, Atos announced its revenue for the first quarter of 2013. Revenue was EUR 2,117 million, representing an organic evolution of -1.2 percent compared to the first quarter of 2012. Order entry was EUR 1,987 million leading to a book to bill ratio of 94 percent. Net cash stood at EUR 258 million at the end of March 2013.

On **July 24th, 2013**, Atos announced its 2013 first half results. Revenue was EUR 4,290 million, representing a limited organic decline of -0.6 percent. The four largest Business Units were Germany and the UK with 19 percent of total revenue each, Benelux & The Nordics with 13 percent and France with 12 percent. Operating margin was EUR 279.0 million, representing 6.5 percent of revenue compared to 5.6 percent in the first semester of 2012. The Group generated EUR 158 million of free cash flow in the first semester of 2013. Net cash position was EUR 359 million at the end of June 2013. Book to bill ratio reached 106 percent thanks to a strong commercial activity in the second quarter of year at 118 percent. Net income Group share stood at EUR 116 million compared to EUR 102 million in the first half of 2012.

All 2013 objectives were confirmed as well as the completion of the carve-out process announced in February 2013 of its global payment and transactional activities. Operational since July 1st, 2013 Worldline, an Atos company, combines in one entity the payment and transactional activities of Atos to form the European leader in these domains.

## F CLAIMS AND LITIGATION

The Atos Group is a global business operating in some 47 countries. In many of the countries where the Group operates there are no claims, and in others there are only a very small number of claims or actions made involving the Group. Having regards to the Group's size and revenue, the level of claims and litigation remains low.

The low level of claims and litigation is attributable in part to self-insurance incentives and the vigorous promotion of the quality of the services performed by the Group and the intervention of a fully dedicated Risk Management department, which effectively monitors contract management from offering through delivery and provides early warnings on potential issues and issues. All potential and active claims and disputes are carefully monitored, reported and managed in an appropriate manner.

During the first half-year of 2013 some significant claims made against the Group were successfully resolved in terms favorable to the Group.

Group Management considers that sufficient provisions have been made.

The total amount of the provisions for litigation risks, in the consolidated accounts closed as of June 30th, 2013, to cover for the identified claims and litigations, added up to EUR 82 million (including tax and social contribution claims but excluding labour claims).

### F.1 Tax and Social Contribution claims

The Group is involved in a number of routine tax & social contribution claims, audits and litigations. Such claims are usually solved through administrative non-contentious proceedings.

A number of the tax & social contribution claims are in Brazil, where Atos is a defendant in some cases and a plaintiff in others. Such claims are typical for companies operating in this region. Proceedings in this country usually take a long time to be processed. In other jurisdictions, such matters are normally resolved by simple non-contentious administrative procedures.

Following the decision in a reported test case in the UK, there is substantial ongoing court claim against the UK tax authorities for a tax (Stamp Duty) re-imbursement of an amount over EUR 9 million.

The total provision for tax & social contribution claims, as inscribed in the consolidated accounts closed as at June 30th, 2013, was EUR 14 million.

### F.2 Commercial claims

There is a small number of commercial claims across the Group.

Some claims were made from 2006 by a company for services allegedly supplied to the Group in the past. After a thorough investigation, the Group concluded that the claims were not legitimate. These claims were thus rejected, no payment was made by the Group and, consequently, several judicial proceedings were made. These proceedings are still pending before the courts.

The group is facing a very small number of IP cases of a highly speculative nature in which the claims are heavily inflated and without merit.

There were a number of significant on-going commercial cases in various jurisdictions that the group acquired through the acquisition of Siemens IT Solutions and Services. Some of these cases involve claims on behalf of the group and in 2013 a number were successfully resolved.

The total provision for commercial claim risks, as inscribed in the consolidated accounts closed as at June 30th, 2013, was EUR 68 million.

## F.3 Labour claims

There are over 77,000 employees in the Group and relatively few labour claims. In most jurisdictions there are no or very few claims. Latin America is the only area where there is a significant number of claims but such claims are often of low value and typical for companies operating in this region.

The Group is a respondent in a few labor claims of higher value in France, Brazil and the UK, but in the Group's opinion most of these claims have little or no merit and are provisioned appropriately.

There are 32 claims against the Group which exceed EUR 200,000. The provision for these claims, as inscribed in the consolidated accounts closed as at June 30th, 2013 was EUR 3.9 million.

## F.4 Representation & Warranty claims

The Group is a party to a very small number of representation & warranty claims arising out of acquisitions/dispositions.

## F.5 Miscellaneous

To the knowledge of the Company, there are no other administrative, governmental, judicial, or arbitral proceedings, pending or potential, likely to have or having had significant consequences over the past smester on the Company's and the Group's financial situation or profitability.

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