

Atos Origin

Acquisition of KPMG Consulting
UK and NL

Bernard Bourigeaud

- End to end service offerings
- Balanced mix of consulting, build and run
- Capitalize on industry sector knowledge
- Develop a focused consulting practice
- Focus on clients
- Leverage strong HR management

Build on global presence

KPMG Consulting UK & NL

- Highly respected consulting leaders
- Revenue in 2002 E : € 600 Million
- 2800 staff including 150 partners

- Overview of KPMG Consulting UK & NL
- Acquisition rationale
- Financials
- Acquisition execution
- Conclusion



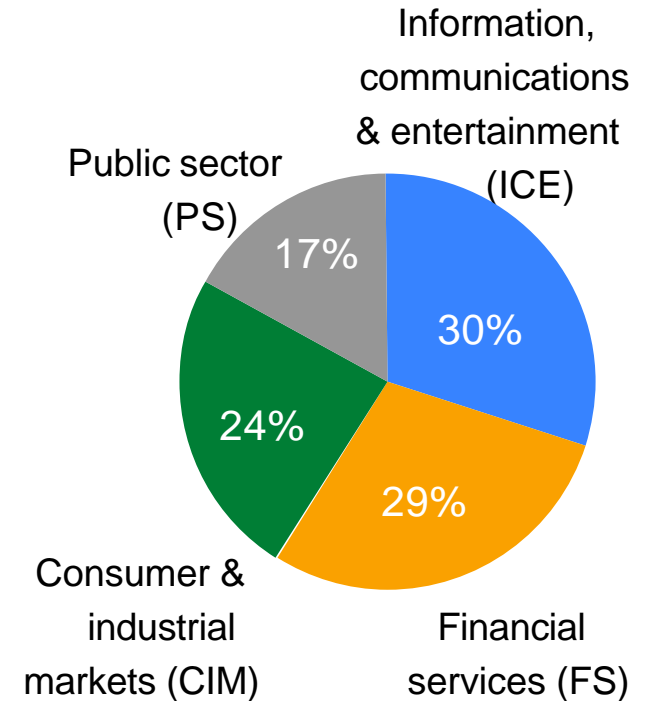
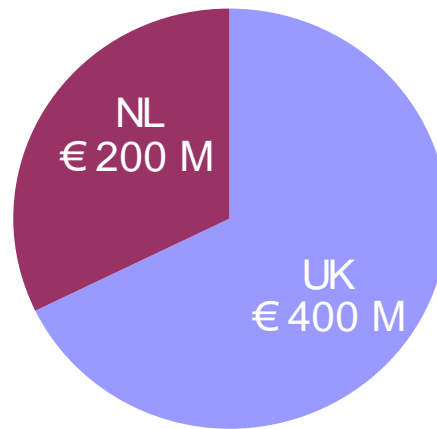
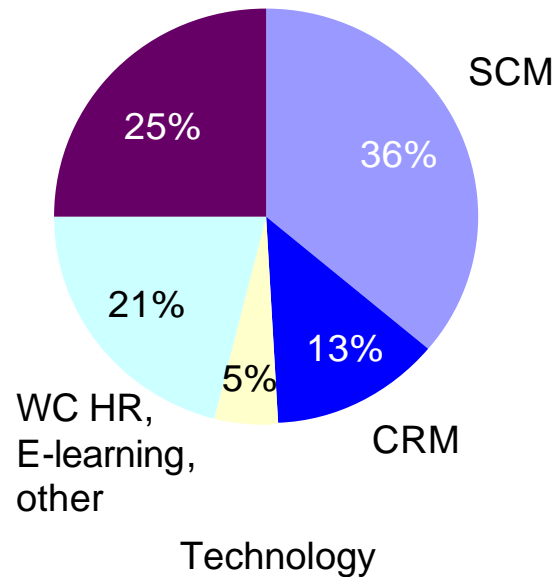
KPMG Consulting UK & NL

Business Consulting

Strengthen European presence

Market driven organisation

WC Finance



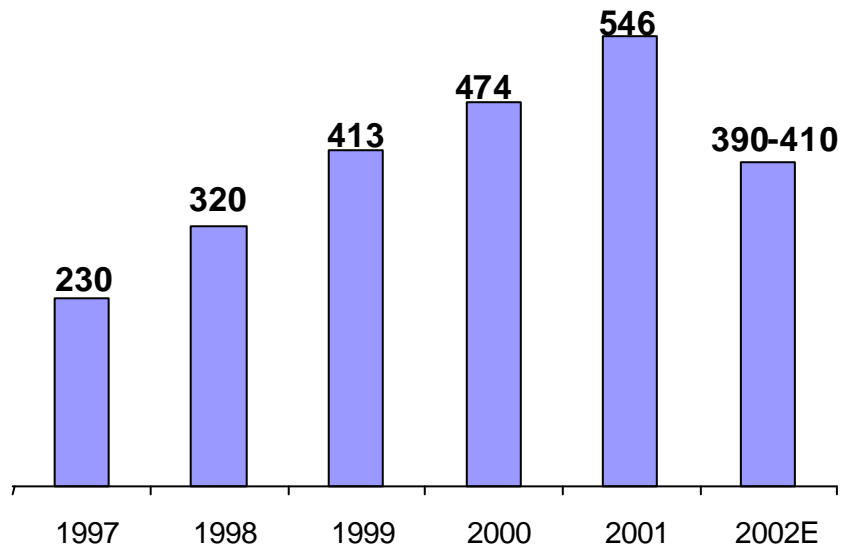
Strong solution offerings

Stronghold in the UK, and the Netherlands

Deep market knowledge

Note: All figures based on 2001A revenue, except for solutions mix, based on total headcount

Revenue* (€m)



Revenue growth (%)		39%	29%	15%	15%	(27%)
Ebit margin** (%)				6.4%	11.4%	9%

*Based on currency rate : 1£=1,6€

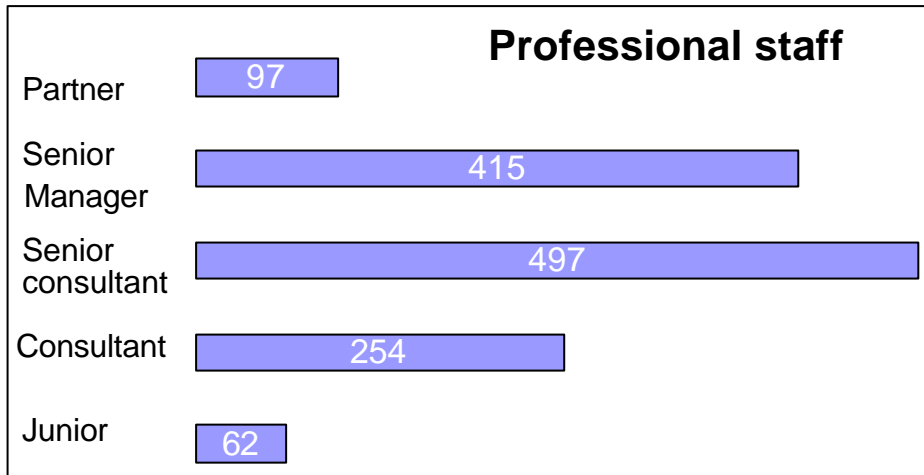
**Based on US GAAP

Background

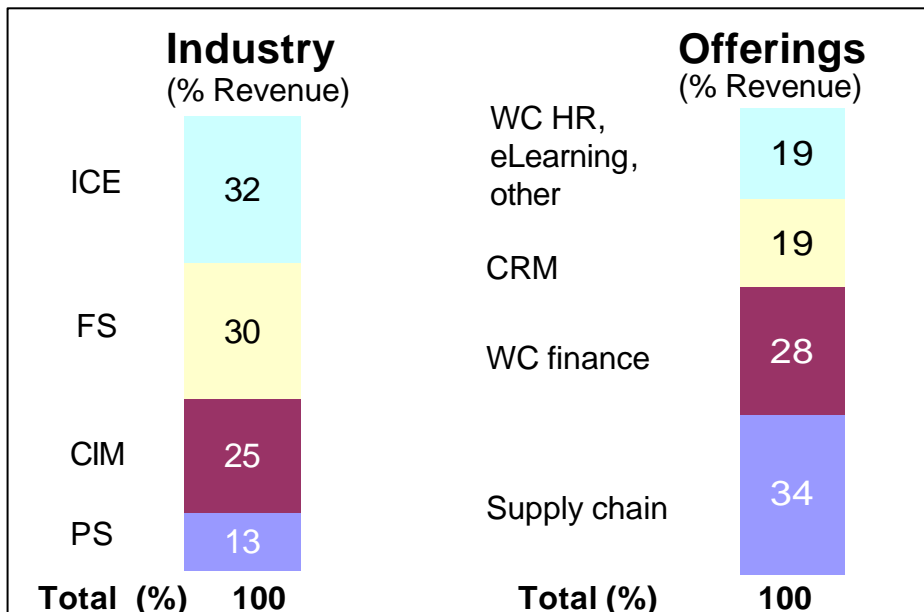
- Organisation along 4 vertical sectors
- Large scale investment in technology capabilities : € 15M in Ebit
- Investing in the development of long term client relationships
- Building support processes, knowledge systems and methodologies
- Investing in repeatable solutions
- Radically reshaping the skill base of partners and employees (520 staff restructured in the last 2 years)
- Improvement in utilisation rate as a result of business focus and restructuring



KPMG Consulting UK

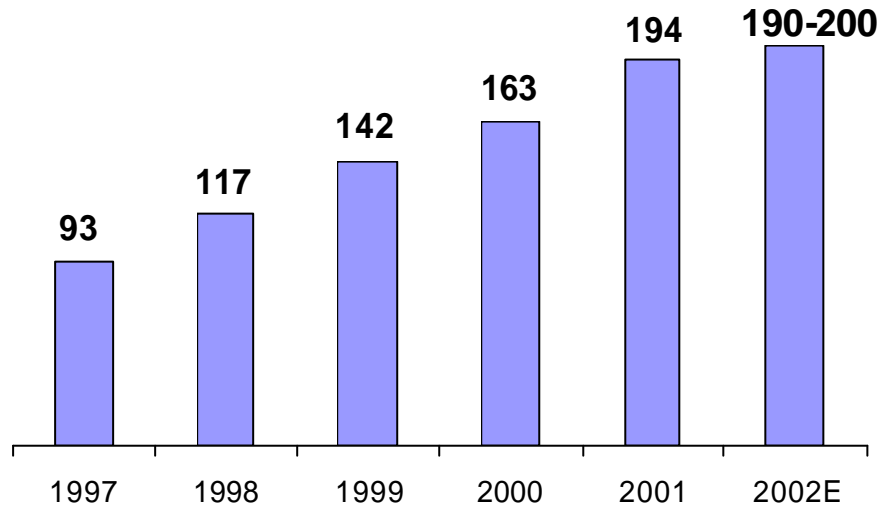


(€m)	2002 E
Gross revenue	390 - 410
Total staff	1614
Professionals	1325



- ### Highlights
- Strong management capabilities
 - Performance-based compensation
 - Market driven organisation
 - Strong Financial Services position
 - Fast growing Public Sector presence
 - R&D center : Stockley Park (Cisco/MS)
 - Focus on global account management
 - Blue-chip client base

Revenue (€m)



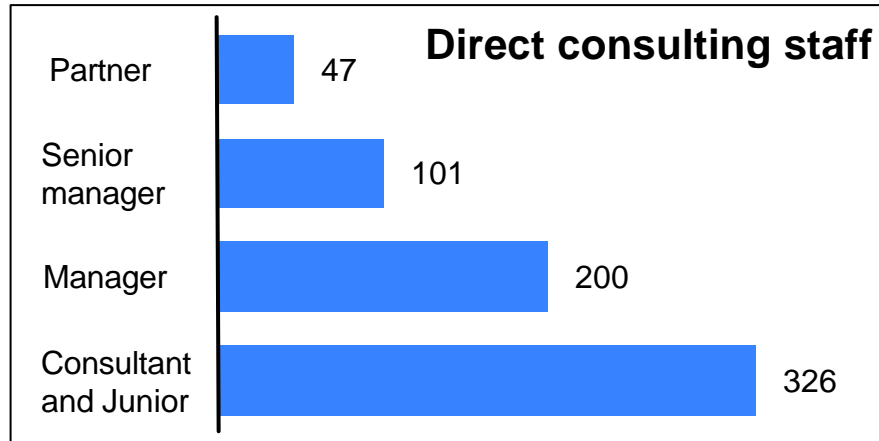
Revenue growth (%)		25%	21%	15%	19%	0-3%
Ebit margin* (%)				12.3%	10.6%	10%

*Based on US GAAP

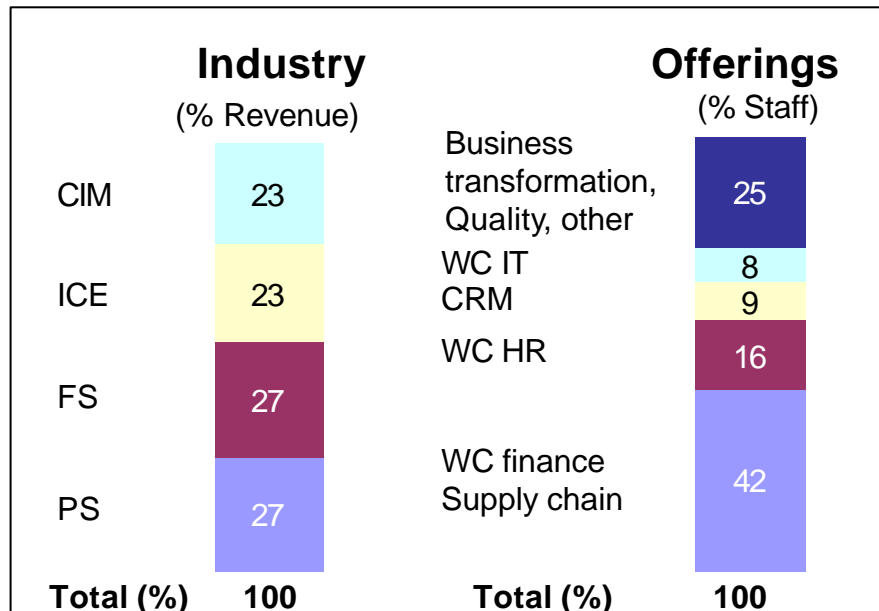
* Based on non audited combined financial statements

Background

- Transformation from partnership to corporate started in 1999
- Organisation in 4 Lines of Business
- Technology focus on Information Systems
- 50 staff restructured in the last 2 years



(€m)	2002 E
Gross revenue	190 - 200
Total staff	1151
Direct consulting staff	674
Other professionals	245



- Highlights**
- Strong management capabilities
 - Performance-based compensation
 - Market-driven organisation
 - Strong brand recognition
 - Good access at Board level with Nolan Norton
 - Focus on global account management
 - Blue chip client base
 - Nolan Norton, KIG, Metrum

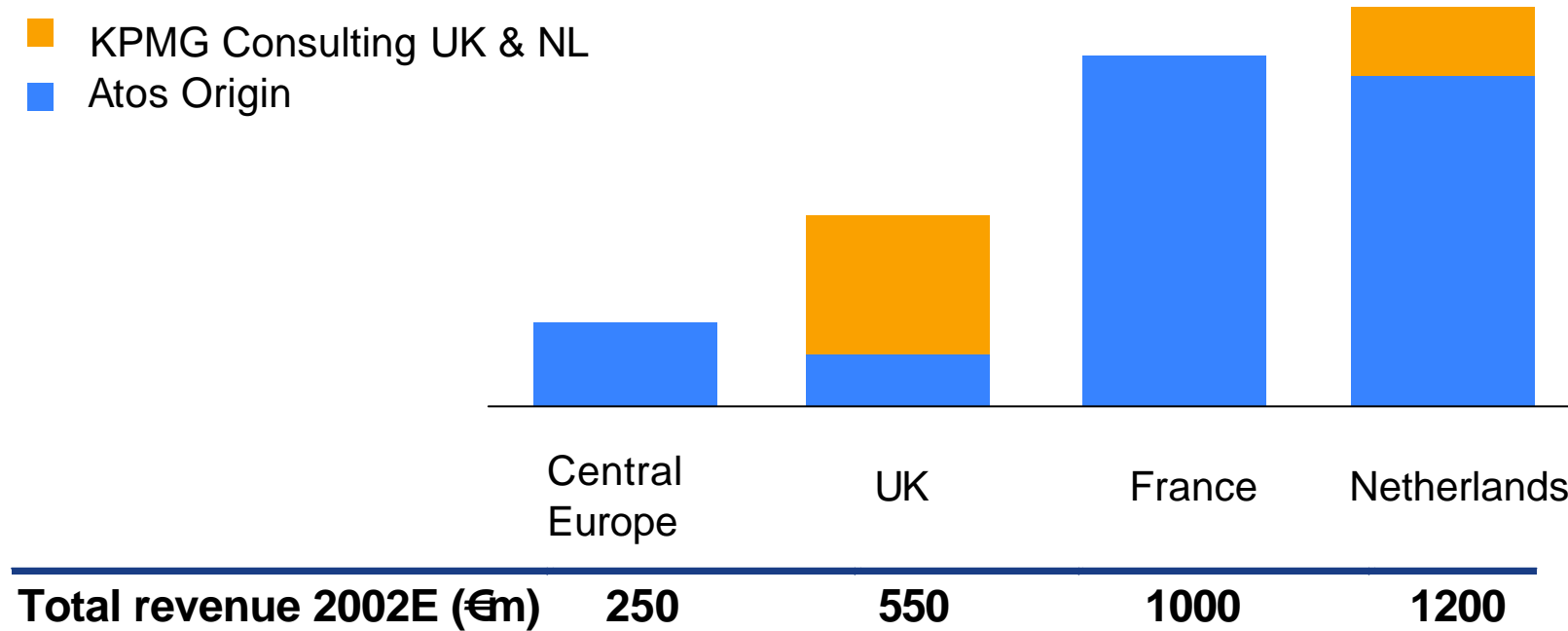
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Acquisition benefits

Geography	<ul style="list-style-type: none">• Significant market presence in the UK and leadership in the Netherlands
Industry segments	<ul style="list-style-type: none">• Leader in Financial Services• Improved positioning in Consumer & Industrial Markets and Information, Communications & Entertainment• Stronger base in Public Sector
Key clients	<ul style="list-style-type: none">• Extended and complementary client portfolio and improved wallet share
Service offerings	<ul style="list-style-type: none">• Strong consulting capabilities leading to increased outsourcing and systems integration opportunities
Human Resources	<ul style="list-style-type: none">• Enhanced managerial capabilities• Major role in market, client and solution management

Strengthened position in UK and NL

- KPMG Consulting UK & NL
- Atos Origin



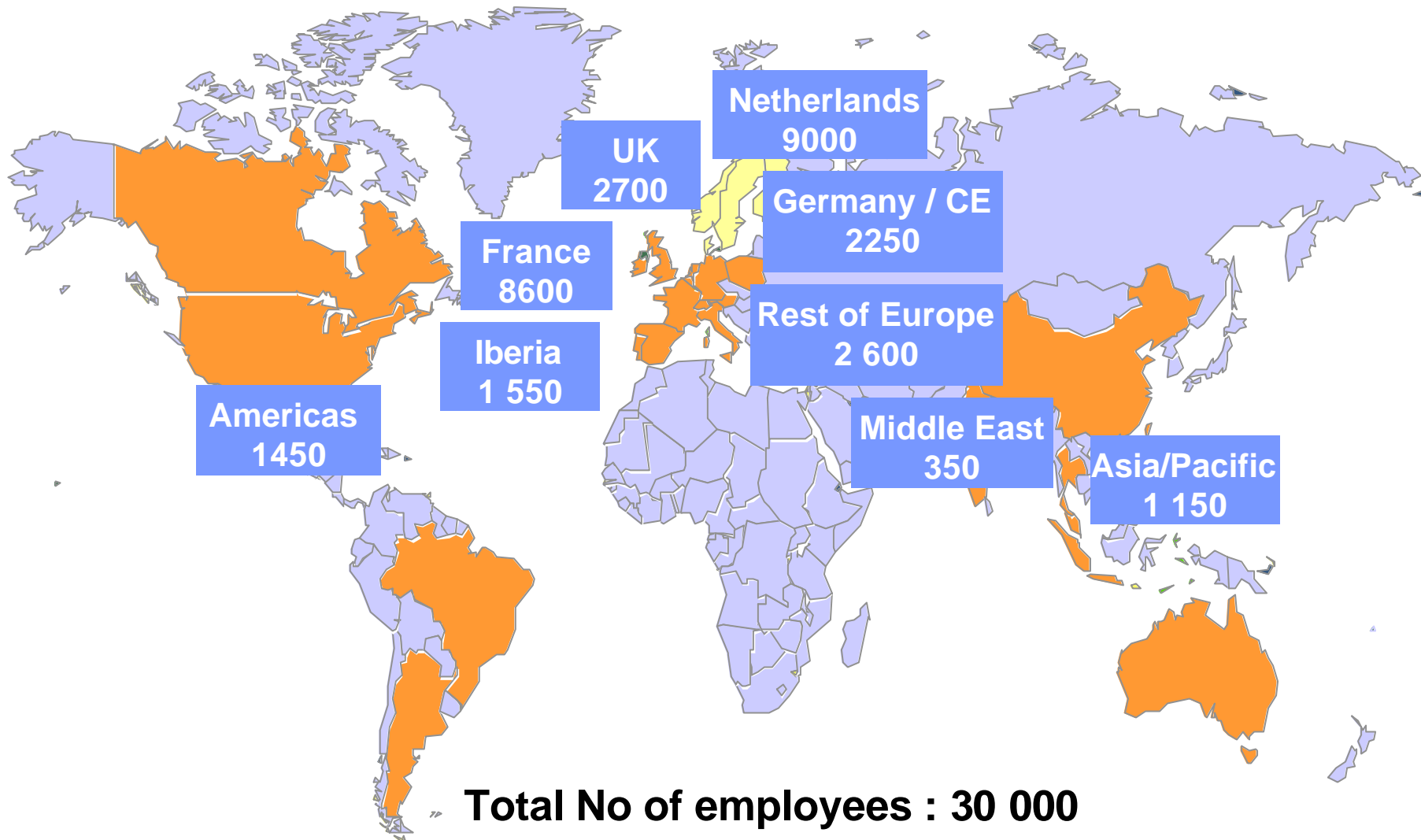
United Kingdom post-closing

- Combined revenue of €550 M - Staff : 2700
- Home to many large global clients
- Increased credibility in Financial Services
- Access to major European financial institutions operating in the UK
- Strong base for expanding European presence in consulting
- Platform to build outsourcing capability without further acquisition
- Access to larger systems integration projects
- Major European Partner with Oracle and strong SAP position
- Base for expansion in Middle-East, Asia Pacific and US

The Netherlands post-closing

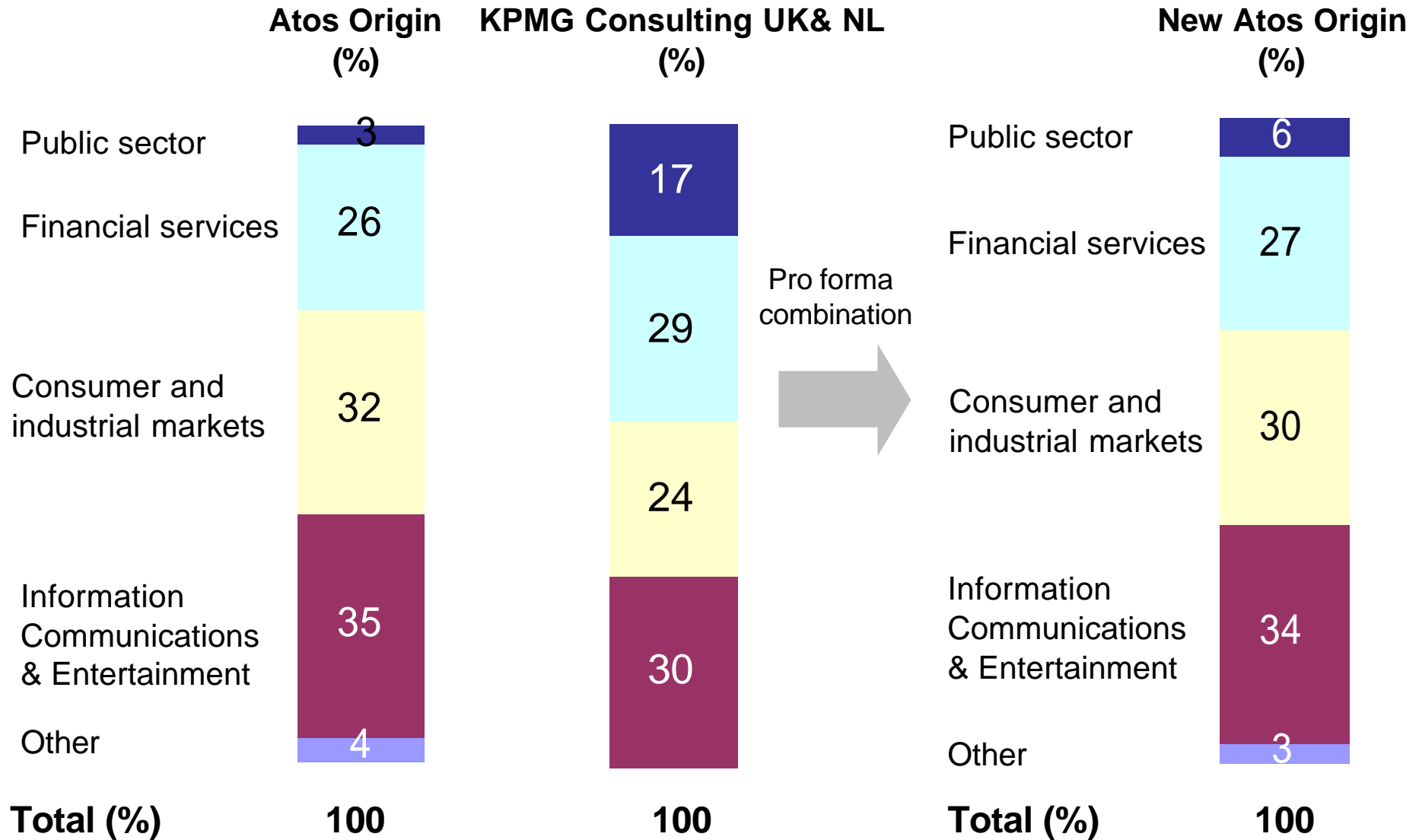
- Combined revenue of € 1.2 bn - Staff : 9,000
- 59% recurring revenue, based on multiple-year contracts
- Atos Origin now the undisputed market leader
- Broader and more balanced client portfolio
- Board level access to clients particularly through Nolan Norton
- Leverage further outsourcing opportunities in the Dutch market
- Springboard for Public Sector

Worldwide coverage

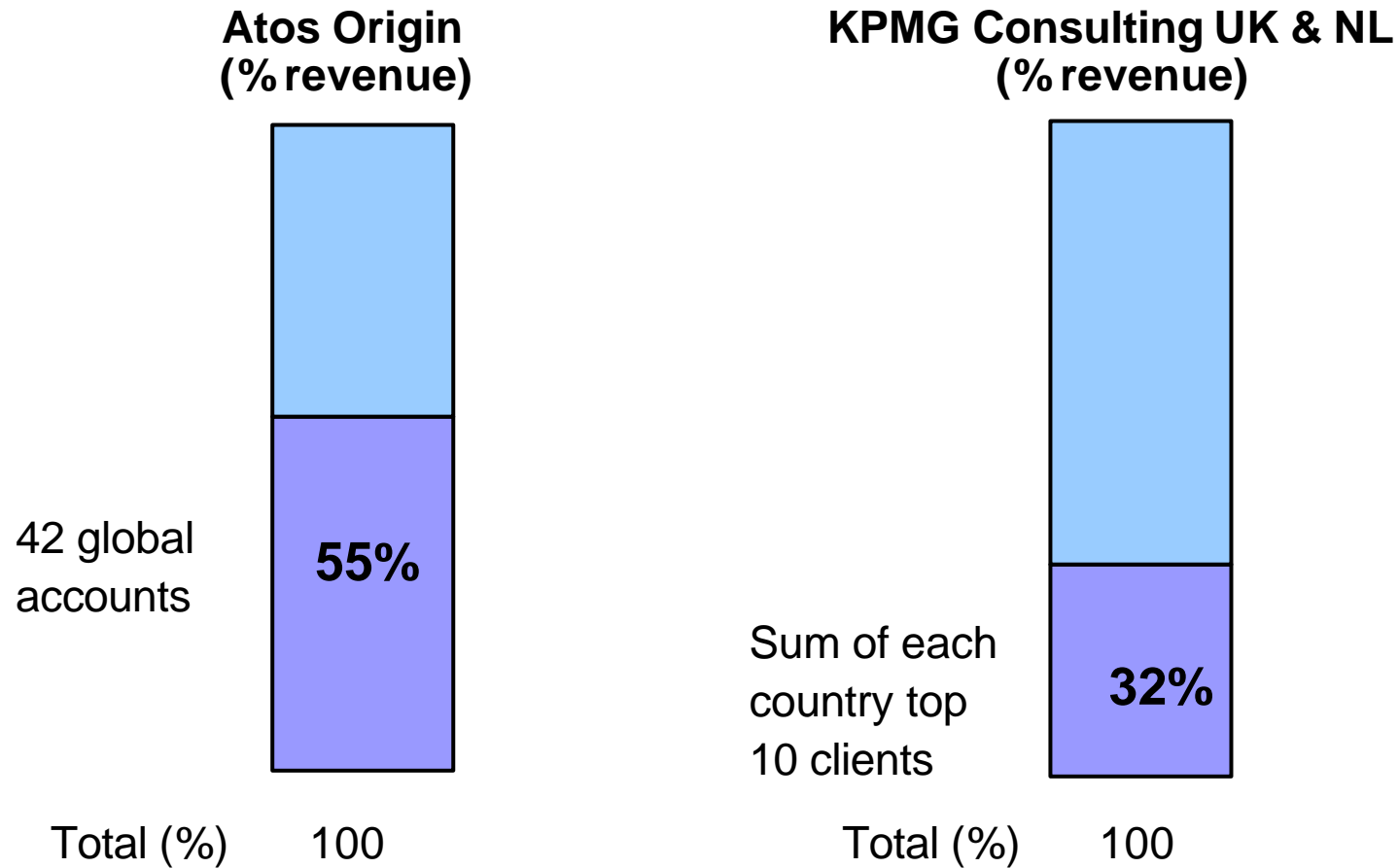




Stronger and broader industry focus



Focus on global accounts



Strong potential to improve presence within clients

Atos Origin Key clients

Enhanced wallet share

Inform, Com & Entertain.

- ➔ **Philips** (Worldwide)
Lucent (8 countries)
- ➔ **FT - Equant** (France)
- ➔ **KPN** (Netherlands)
- ➔ **Vodafone** (2 countries)
- ➔ **Vivendi Universal** (France)
Flextronics (2 countries)
- ➔ **Telefonica** (Iberia, Lat. Am.)

Consumer & Ind. Markets

- ➔ **Philip Morris** (10 countries)
Procter & Gamble (10 countries)
- ➔ **Unilever** (9 countries)
PPR (France)

- ➔ **Akzo Nobel** (Worldwide)
Acordis (3 countries)
EDF (France)
FIAT (France, Italy)
Novartis (4 countries)
ICI (6 countries)
Aramco (Middle East)
ENI (Italy)
Exxon Mobil (7 Countries)
- ➔ **Shell** (12 countries)
Total Fina Elf (France)

- ➔ **Peugeot** (France)
Renault (France)
DSM (Netherlands)
Repsol (Iberia, Lat. America)

Finance & Banking

- ➔ **ABN Amro** (Fce, Brazil, NI)
BNP Paribas (France)
Credit Lyonnais (France)
- ➔ **Fortis** (France, Belux, NI)
HSBC - CCF (France)
- ➔ **Deutsche Bank** (Ger. Sp.)
- ➔ **ING** (Netherlands, Belux)
Société Générale (Frce)
- ➔ **Axa** (Fce, Belux, UK, Germ.)
Euronext (20 countries)

Rabobank (Netherlands)

Public Sector / Other

- ANPE (France)
- Dutch Env. Ministry (NI)
- French Edu. Ministry (Fr)

KPMG Consulting key clients

Extended delivery prospect

Inform, Com & Entertain.

Canon
 HP
 Matsushita
 Microsoft
 ➔ **Philips**
 Bbnd
 BT Cellnet
 C&W
 Colt
 Equant
 Hutchinson 3G
 ➔ **KPN**
 NTL
 Reed Elsevier
 Reuters
 UB media
 Vizzavi
 ➔ **Vodafone**
 ➔ **Wolters Kluwer**

Cons. & Ind. Markets

Ahold
 Airbus
 ➔ **Akzo Nobel**
 Astra Zeneca
 Aventis
 BAE systems
 Boots
 BP
 Diageo
 Glaxo Smith Kline
 Heineken
 Huntsman
 Kimberly Clark
 Nestlé
 Pfizer
 ➔ **Philip Morris**
 ➔ **Shell**
 TNT
 ➔ **Unilever**

Finan. Services

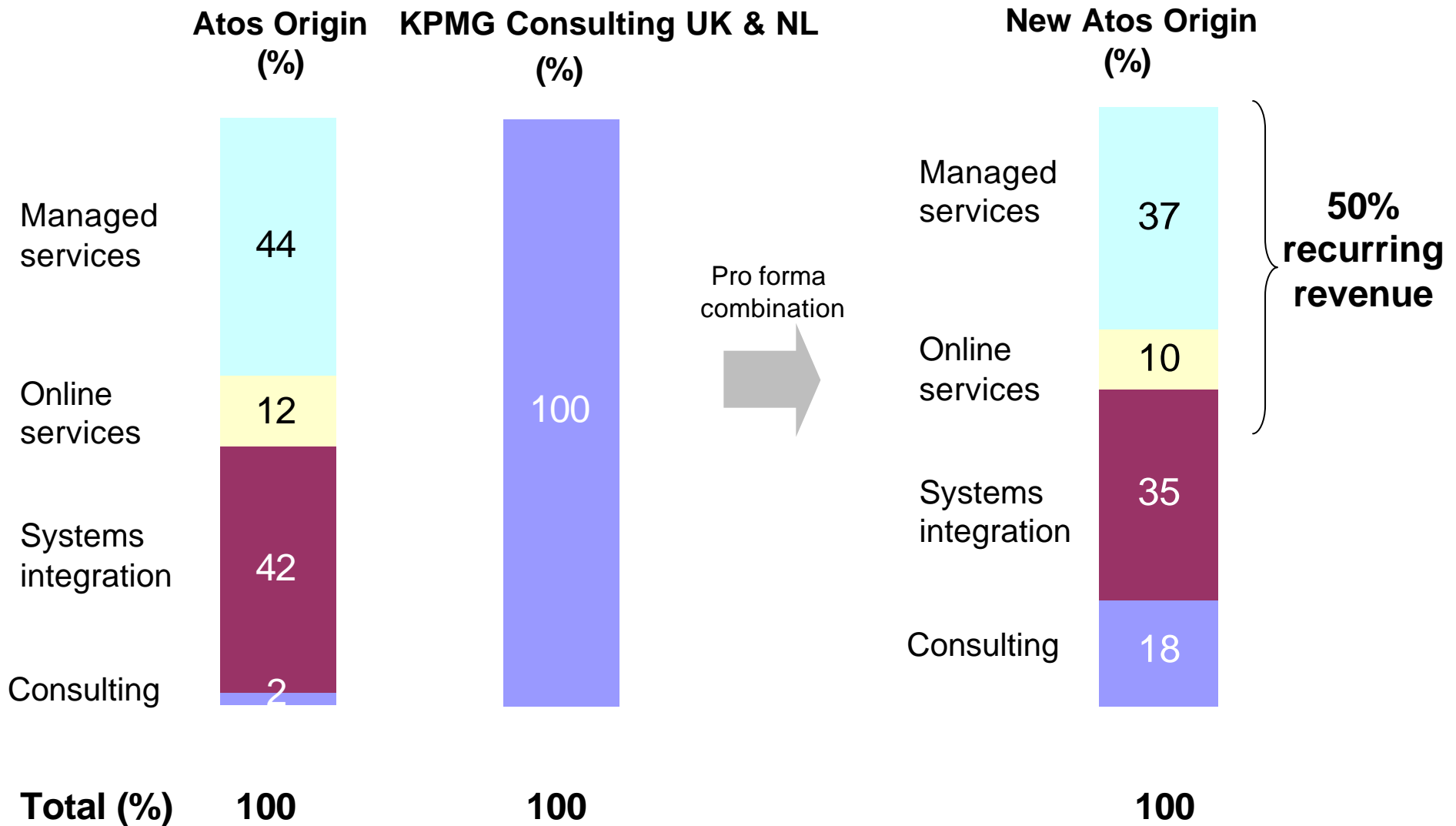
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 Achmea
 ➔ **AXA**
 B. Of Scotland
 Barclays
 CGNU
 CSFB
 ➔ **Deutsche Bank**
 ➔ **Fortis**
 ➔ **ING**
 JP Morgan
 Lloyds TSB
 Prudential
 ➔ **Rabobank**
 RBoS
 Swiss Re
 Zurich

Public Sector

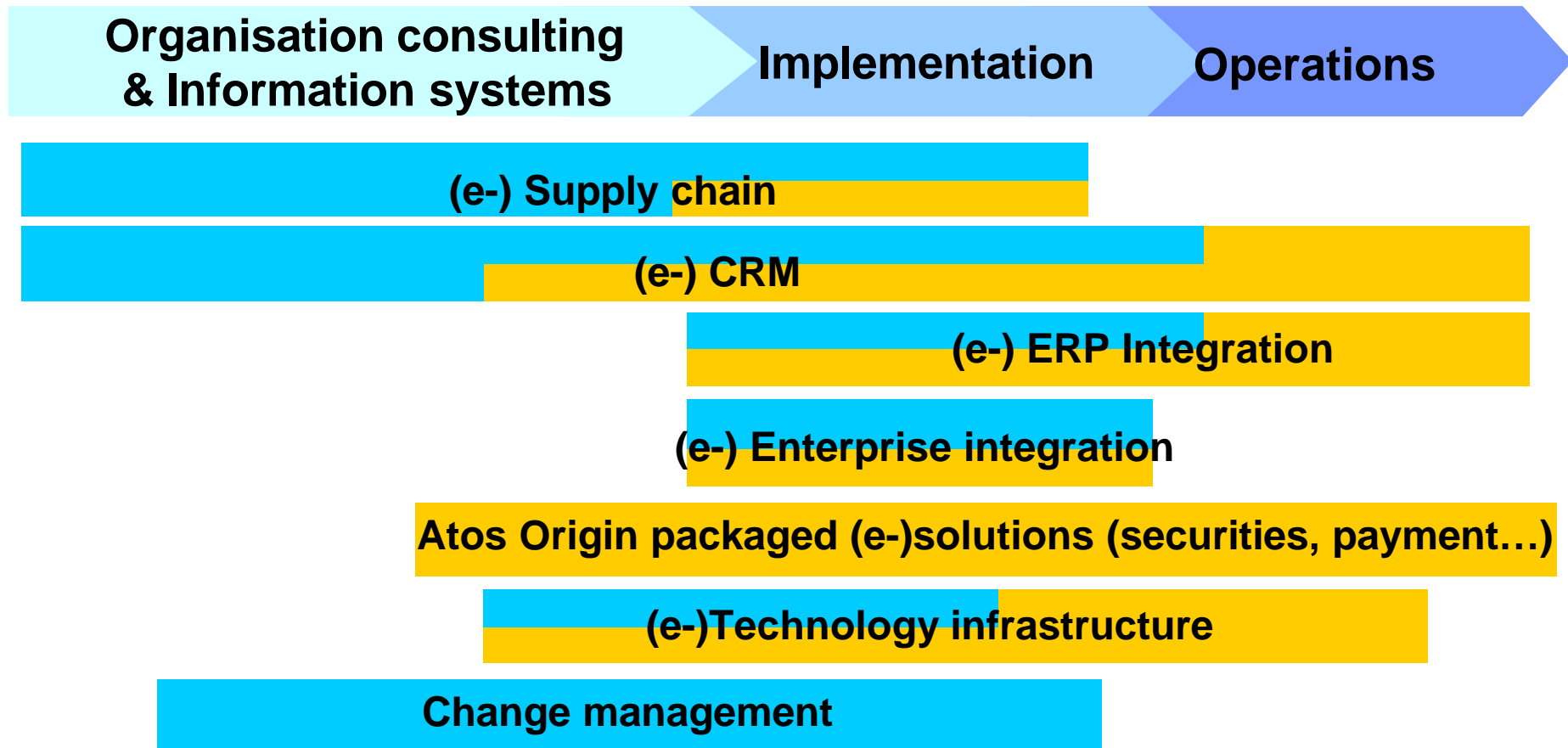
UK D. for intern. Develop
 UK D. of Environment
 Food & Rural Affairs
 UK D. of Work & Pensions
 UK Foreign Office
 UK Local Authorities
 UK Ministry of Defense
 UK National Health Serv.
 UK Postal Services
 Main Dutch Ministeries
 Main Dutch R. Estate



Full end-to-end coverage



Complementary service offerings



 KPMG Consulting

 Atos Origin

Strengthened business model

- Enhanced managerial capabilities
- Huge potential for developing key accounts
- Major role in market, global accounts and solution management
- Accelerate market focused organisation

Atos Origin's business development accelerated by 2-3 years

A major strategic move

- Excellent platform of consulting operations in Europe
- Strong brand name in the UK and NL
- Significant presence in the UK
- Market leadership in the Netherlands
- Atos Origin was selected as the best partner

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Transaction structure

- Total consideration : € 657 M
 - Cash : € 422 M
 - 3.66 M new shares @ € 64.2 : € 235 M
- Shares will be issued as ORA's, converted 1 year after closing
- Issued share capital will increase by 8.3%
- Cash payment financed by long term debt
- Earn out : max 1.4 M new shares to consulting partners

✍ Consideration : € 470 M (71% of total)

- € 356 M cash
- 1.77 M shares @ € 64.2 per share : € 114 M
 - 1 year lock-up on shares after closing
 - Audit partners will own 3.7% of new Atos Origin*

* Post ORA conversion, non diluted

Consideration : € 188 M (29% of total)

- € 67 M cash
- 1,89 M shares @ 64.2 € per share : € 121 M
 - A maximum 4 year lock-up on shares after closing
 - A quarter released every 12 months
 - Consulting partners will own 4.0% of new Atos Origin*

Earnout

- Based on revenue and Ebit targets for 2002 (40%) and 2003 (60%).
- Maximum new shares : 1,4 M

Entry stock option grants

* Post ORA conversion, non diluted

Shareholding structure

	31-May-02 non diluted		Post closing non diluted*		Post closing fully diluted**	
	(M shares)	(%)	(M shares)	(%)	(M shares)	(%)
KPMG						
Audit partners	-	-	1,8	3,7%	1,8	3,0%
Consulting partners	-	-	1,9	4,0%	3,3	5,6%
Philips	21,3	48,6%	21,3	44,9%	26,1	44,0%
BNP Paribas	2,2	4,9%	2,2	4,6%	2,2	3,6%
Employees	0,3	0,7%	0,3	0,6%	4,4	7,5%
Treasury stock	0,3	0,7%	0,3	0,6%	0,3	0,5%
Free float	19,8	45,1%	19,8	41,6%	21,2	35,8%
Total	43,9	100,0%	47,5	100,0%	59,3	100,0%

* Assumes full conversion of ORAs

**see comments in appendix re. potential dilution

- Consolidation from July 2002
- Pro forma equity as of Dec 2001 : € 714 M*
- Pro forma net debt as of Dec 2001 : € 691 M*
- Net debt to combined pro forma ebitda : 1.4
- Transaction will be earnings enhancing before goodwill

* Based on combined pro forma balance sheet as of Dec 2001 : see appendix



Timetable

- Announcement June 5, 2002
- Partners' vote June 2002
- Regulatory approvals Prior to closing
- Extraordinary shareholder meeting to approve issuance July 2002
- Expected closing July 2002

Note : subject to regulatory approvals

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- There must be strong complementarity / fit
 - Top line synergies
 - Margin improvement
- Clear strategic intent / clear disposal strategy
 - Industry sectors – Clients – Skills & offerings
 - Disposals
- Management structure must be clear (no compromises)
 - New structure to be announced
- Communication
 - Internal – Markets – Clients
- Speed of implementation
 - First decisions on Day 1

Management Board

Region responsibility

- Bernard Bourigeaud, CEO
- Wilbert Kieboom
- Dominique Illien
- Tim Lomax
- **Jeremy Anderson**
- Eric Guilhou, CFO
- Jans Tielman, HR & Coms

Central Europe

NL, Belux

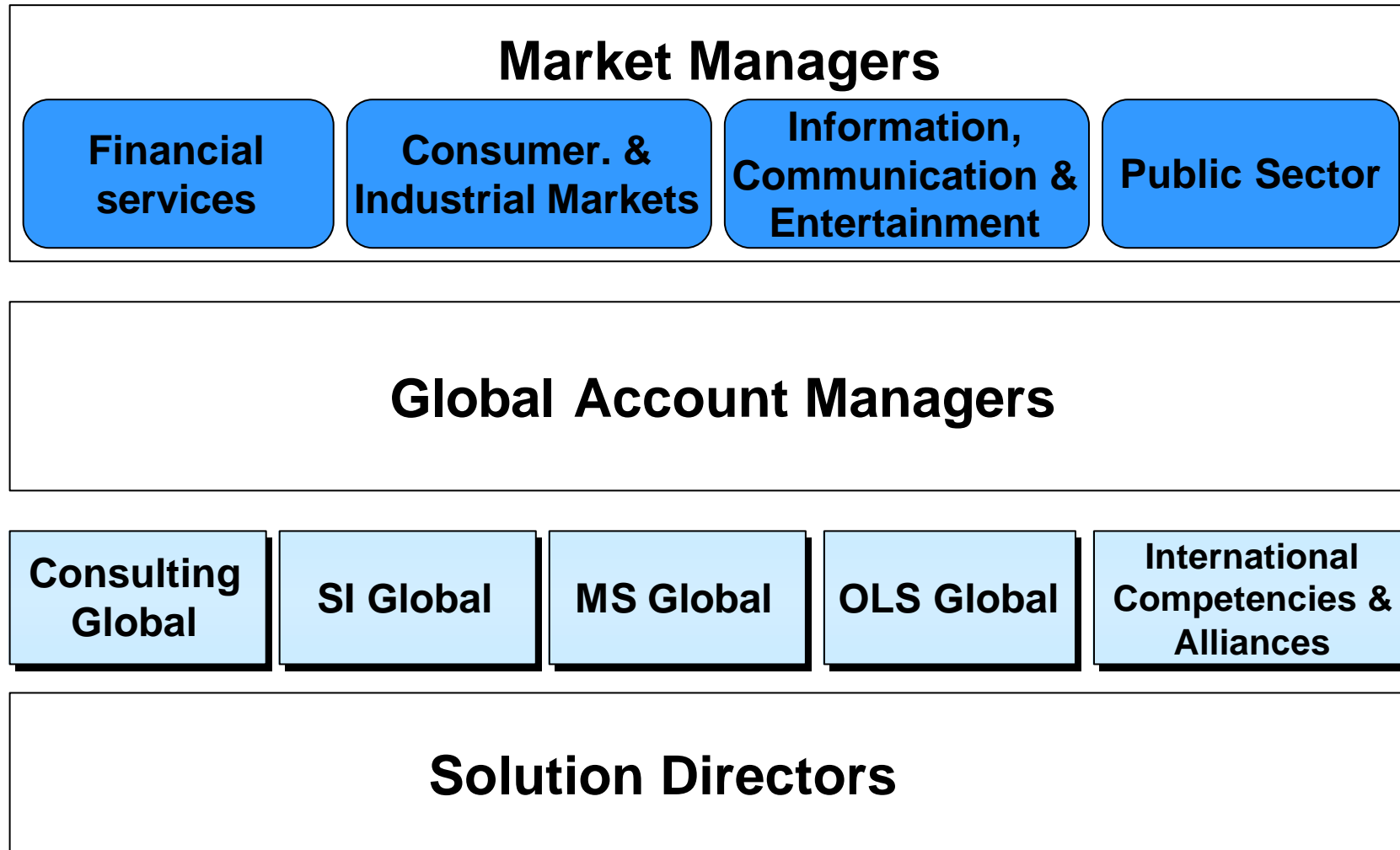
France, Italy, Spain, Lat. America

USA, Middle East, Asia Pacific

UK

- Jos Zandhuis
 - Joins the Management Board of Region 1
 - Responsible for overall C&SI in the Netherlands
 - Reports to Wilbert Kieboom
- Marten La Haye
 - CEO of Consulting operations in the Netherlands
 - Reports to Jos Zandhuis
- Paul Bingham
 - Head of MS and SI in the UK
 - Reports to Jeremy Anderson

- B. Bourigeaud leads the newly created Global Consulting service line
- Atos Origin organised in 4 service lines :
 - Consulting
 - System integration
 - Managed Services
 - On Line Services
- Consulting will operate as separate entity in each country
 - Consulting brand in the UK and NL : Atos KPMG Consulting
 - Brand retained for up to 3 years



Timetable

- Deal announcement June 5, 2002
- Top management structure Day 1
- Country organisation Day 1
- Detailed organisation structure June
- Internal roadshows June-July
- Expected closing End July
- Key client visits June-September
- Full commercial review July
- Full financial review July
- Completion of operational systems review End September
- Kick-off meeting December
- Merger completion End December

Top line synergies

- Increase revenues by selling to each other's existing client base
- Leverage our complementary industry knowledge
- Leverage our complementary solution skills portfolio
- Leverage our global presence

Plan of action

Margin improvement

- Replace subcontractors on SI projects by own staff
- Cessation of shared services at the end of 2003
- Combined cost synergies
 - Purchasing
 - R&D
 - Premises
 - Infrastructure

Consulting backdrop

- Tough environment in consulting during 2001 and H1 2002
- Revenue decline expected in 2002
- Restructuring actions to address current adverse market
- Positioning to become completely independent from audit
- Prospect of return to high revenue growth rates

Atos Origin going forward

- Existing Atos Origin financial outlook remains valid
- KPMG Consulting will be consolidated from July 2002
- Increase of 10% in Group revenues for 2002
- Operating margin confirmed at 9.5%

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KPMG Consulting UK & NL

- UK & NL only
- Well prepared for sale
- Market-oriented structure
- Earn-out incentive

Atos Origin

- Clear strategy
- Proven track record in M&A
- Understanding of consulting business

New Atos Origin

- No overlap
- Shared strategic vision
- Common business model
- Separate activities
- Cultural fit

- Customer dedication
- Commitment to execute
- Conviviality
- Entrepreneurship and team spirit
- Profitability

- End to end service offerings
- Balanced mix of consulting, build and run
- Capitalize on industry sector knowledge
- Develop a focused management consulting practice
- Focus on clients
- Leverage strong HR management

Build on global presence

**A client centric company with global operations
... powered by people**



Annexes

KPMG Consulting UK & NL

P&L

(M€)	2000	2001
Revenue	637	740
Income from operations	50	83
Net financial expense	-1	-2
Non recurring items*	-13	-44
Corporate income tax	-12	-12
Minority interests	0	-2
Net income before amortization of goodwill	24	23
Amortization of goodwill	0	0
Net income for the period - group share	24	26
Non recurring items	8	27
Net income before exceptional	32	53

* Refer to slide 6 and 8 for comments on non recurring items



Combined proforma Balance sheet at December 31, 2001

(M€)	Atos Origin 31-Dec-01	KPMG Consulting UK & NL	Fair value adjustments	KPMG NL+ UK	Acquisition	Conso.	Atos Origin Post closing
Goodwill	405	0		0		630	1035
Other Intangible assets	23	0		0	663	-663	23
Other Fixed Assets	344	11		11			355
Working Capital	193	84		84			277
Total	965	94	0	94	663	-33	1689
Equity	479	64	-31	33	235	-33	714
Provisions	251	2	31	33			284
Net debt	235	28		28	428		691
Total	965	94	0	94	663	-33	1689

Notes :

- Purchase price (€663 M) = transaction price (€657 M) + acquisition costs (€6 M)
- Net debt from acquisition (€428M) = transaction price (cash part : €422 M) + acquisition costs (€6M)
- Fair value adjustments (€31 M) = pension provisions + disentanglement of shared services
- Goodwill = purchase price (€663 M) – equity (€33M)



Potential shareholding dilution

(1/2)

	(#)
New shares to Audit partners	1 768 000
New shares to Consulting partners	1 889 000
New shares issued to vendors	3 657 000
Earnout	
Potential shares from warrants (BSA) to consulting partners	1 412 500
Maximum new shares issued for the transaction	5 069 500
Dilution (as of December 2001)	
Shares issued to employees (stock subscription options)	3 994 172
Shares issued to employees (AOwner)	122 522
Shares issued for convertible bonds (2004)	1 440 501
Shares issued for Philips warrants (class A & B)	4 774 826
Total new shares (fully diluted basis)	15 401 521

Potential shareholding dilution

(2/2)

- **Note 1** Under the terms of the transaction, Consulting partner in KPMG Consulting UK and NL may receive up to 1,4 Million shares under the term of the Earn-out agreement.
- **Note 2** Under the terms of the Atos Origin merger in October 2000, Philips received two tranches of warrants ('A' and 'B' warrants), the exercise of which is linked to movements in the Atos Origin share price. The issue of these warrants may be regarded as additional incentive consideration since the consideration payable for each tranche is a nominal 1€. Each tranche consists of 2,387413 stock subscription warrants. Philips may exercise the 'A' warrants if the Atos Origin share price exceeds € 156 on 12 consecutive days before June 30th 2002. Philips may exercise the 'B' warrants if the Atos Origin share price exceeds € 208 on 12 consecutive days before June 30th 2003. Immediately after exercising warrants Philips may not hold more than 35% of the total issued share capital of Atos Origin.
- **Note 3** In June 1999, Atos issued convertible bonds in the amount of € 172.5 Million (traded under Euroclear, code 180810). A total of 1,440,501 bonds with a face value of € 119.8 were issued and the bonds pay interest at 1% per annum. They are redeemable on October 1st, 2004 at a price at € 131.4, representing a yield to maturity of 2.75%, or at any time from October 1st, 2002 at the issuer's initiative, with a premium. The bonds may be converted at any time from July 6th 1999 onwards on the basis of one share per bond
- **Note 4** There were 3,779172 share options and stock subscription warrants ('C', 'D', and 'E' warrants) outstanding at December 31st, 2001 at prices ranging between € 23 and € 160, at various times between now and 2011. Moreover 215 000 stock options are granted to key KPMG Consulting people as they join the Group.
- **Note 5** In May 2002 « Aowner » gave each Atos Origin employee the opportunity to acquire shares at a 20% discounted price and to receive 1 stock subscription option for each lot of 4 stocks purchased. 122 522 shares have been issued (98561 stocks and 23961 options).