

- » BOOST PERFORMANCE
- » REDUCE COST
- » INCREASE AGILITY
- » ENHANCE CRM
- » SHORTEN TIME TO MARKET
- » DRIVE INNOVATION
- » IMPROVE EFFICIENCY
- » INCREASE ADAPTIVITY
- » ENABLE BUSINESS TRANSPARENCY
- » ENSURE REGULATORY COMPLIANCE

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Origin

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## Atos Origin Q1 2007 Revenues Conclusion of Group review of strategic options

Paris, 14 May 2007

# Disclaimers



- » This presentation contains further forward-looking statements that involve risks and uncertainties concerning the Group's expected growth and profitability for 2007. Actual events or results may differ from those described in this presentation due to a number of risks and uncertainties that are described within the 2006 annual report filed with the Autorités des Marchés Financiers (AMF) on 6 April 2007 as a Document de Référence under the registration number : D07-302

# Agenda



- » **CONCLUSION OF REVIEW OF STRATEGIC OPTIONS**
- » Q1 2007 HIGHLIGHTS
- » Q1 2007 FINANCIAL PERFORMANCE
- » STATUS ON TRANSFORMATION PLAN
- » 2007 OUTLOOK

## Conclusion of review of strategic options



- » Strategic review announced 26 March 2007 following expressions of interest
- » Indepth but short review process without disruption to operations
- » No binding offers at end of process, few private equities familiar with IT sector therefore reference price difficult to achieve
- » Supervisory and Management Board unanimous in decision to continue to pursue stand-alone option as best value creating strategy for all stakeholders on the basis of the execution of the transformation plan
- » Performance on track, transformation plan gaining momentum, strong client base, recurring revenues and healthy financial situation
- » Accelerate development in payment sector capitalizing on strength of Atos Worldline
- » Pursue development opportunities in Asia
- » Objective of doubling operating margin in absolute value by end 2009 confirmed

# Agenda



- » CONCLUSION OF REVIEW OF STRATEGIC OPTIONS
- » **Q1 2007 HIGHLIGHTS**
- » Q1 2007 FINANCIAL PERFORMANCE
- » STATUS ON TRANSFORMATION PLAN
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## Q1 2007 Financial highlights



- » Revenue at EUR 1,435 M with top line growth at +6.9% and organic growth at +2.5%
- » Underlying net debt of EUR 411 M compared to EUR 360 M as of 31 December 2006
- » Transformation Plan well on track
- » UK action plan in progress
- » Italy restructuring in progress with some delay

# Agenda



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## Q1 2007 – Revenue organic growth



| In € Millions                | Q1 2007 | Q1 2006 | % Change |
|------------------------------|---------|---------|----------|
| Revenue reported for Q1 2006 | 1,435   | 1,342   | +6.9%    |
| Acquisition                  | (65)    |         |          |
| Disposals                    |         | (5)     |          |
| Exchange Rate impact         |         | (1)     |          |
| Organic growth               | 1,370   | 1,336   | +2.5%    |



# Performance by geographical area

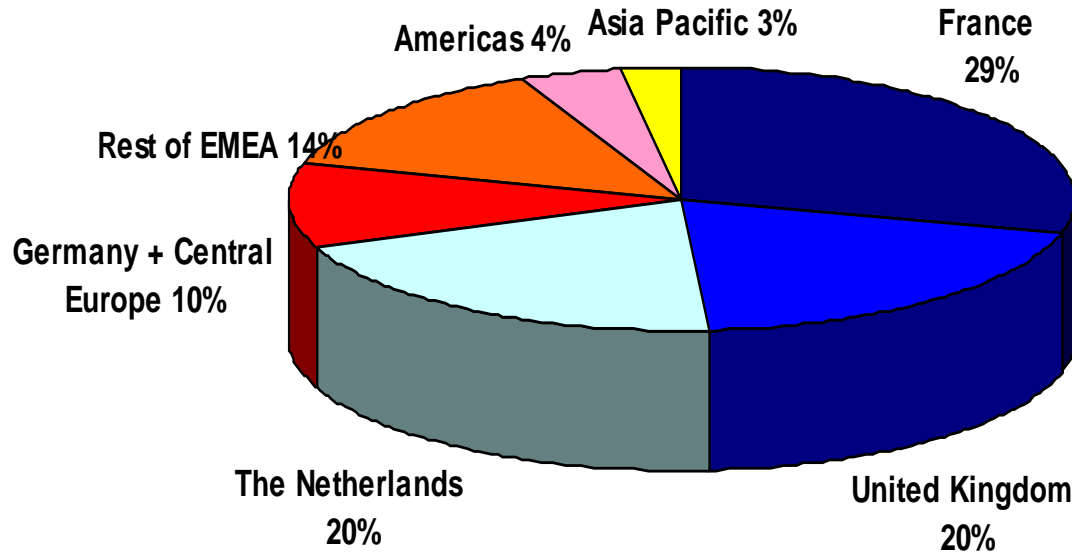


| In € Millions            | Revenue      |              |                  |                   |
|--------------------------|--------------|--------------|------------------|-------------------|
|                          | Q1 2007      | Q1 2006      | % Current growth | % Organic growth* |
| France                   | 398          | 405          | -1.7%            | -1.1%             |
| United Kingdom           | 273          | 270          | +1.2%            | -1.3%             |
| The Netherlands          | 273          | 259          | +5.6%            | +5.6%             |
| Germany + Central Europe | 143          | 143          | +0.2%            | +1.7%             |
| Rest of EMEA             | 257          | 186          | +38.4%           | +4.4%             |
| Americas                 | 55           | 47           | +17.3%           | +29.7%            |
| Asia Pacific             | 35           | 33           | +7.3%            | +13.3%            |
| <b>Total Group</b>       | <b>1,435</b> | <b>1,342</b> | <b>+6.9%</b>     | <b>+2.5%</b>      |

(\*) Revenue organic growth : at constant scope and exchange rates

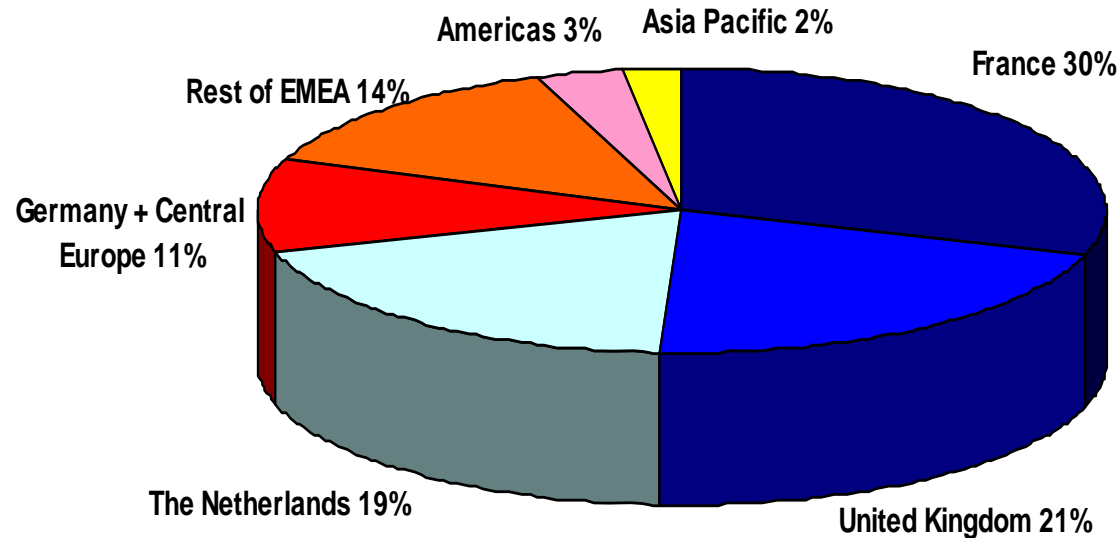
# Revenue mix by geography

Q1-07



At constant scope and exchange rates

Q1-06



# UK 1/2



## » Consulting

- Staff / profile mix underway and 50 staff restructured
- New organisation in place facing off Public, Private and Finance sectors
- Utilisation rates from 51% in December 2006 to 63% in March 2007 :

*+6 points coming from restructuring*

*+6 points coming from more volume*

- Book to bill ratio in Q1 07 of 114%

## » Systems Integration

- Industrialization underway – test factory running in Nottingham
- Off-shoring volume target increased at 250 staff this year
- Professional services organisation now up and delivering results
- Restructuring underway ; 70 staff left in Q1 and 60 in Q2 07
- Situation settled in 3 out the 4 difficult contracts from 2006

# UK 2/2



- » Managed Operations
  - Transition of all contracts underway (DCA, NFUM, NHS Scotland, Gateway portal)
  - Off-shoring to Malaysia and India in process
- » Medical Services
  - NHS Diagnostics contract :
    - Early service contract in Q1 2007
    - Decision to postpone the start of the prime contract in agreement with the customer
    - Necessary ramp-up period for change management
    - Effect in revenue 2007 EUR 17 million
    - Set up of a clear sales operation to leverage opportunities within the NHS

# Italy



- Revenue decreased by 9.8% in Q1-07 vs Q1-06
- Telecom sector growing
- Regione Sicilia build contract continues to develop
- Market environment still deteriorated and continued price pressure resulting in significant decrease of the ADR compared to Q1 2006
- Management efforts resulted in the increase of utilisation rate at 79%
- Industry remains the most difficult market particularly on Application Management and ERP
- Critical size issue on Managed Operations, cluster initiated with France Managed Services to benefit from larger scale
- Restructuring in process : 200 staff at the end of April 2007 on the total plan of 380
- Reduction of subcontractors from 310 end of 2006 to 229 end of March 2007
- Costs savings in housing and logistics with space reduction in each city and effect as of Q3 2007

# Performance by service line



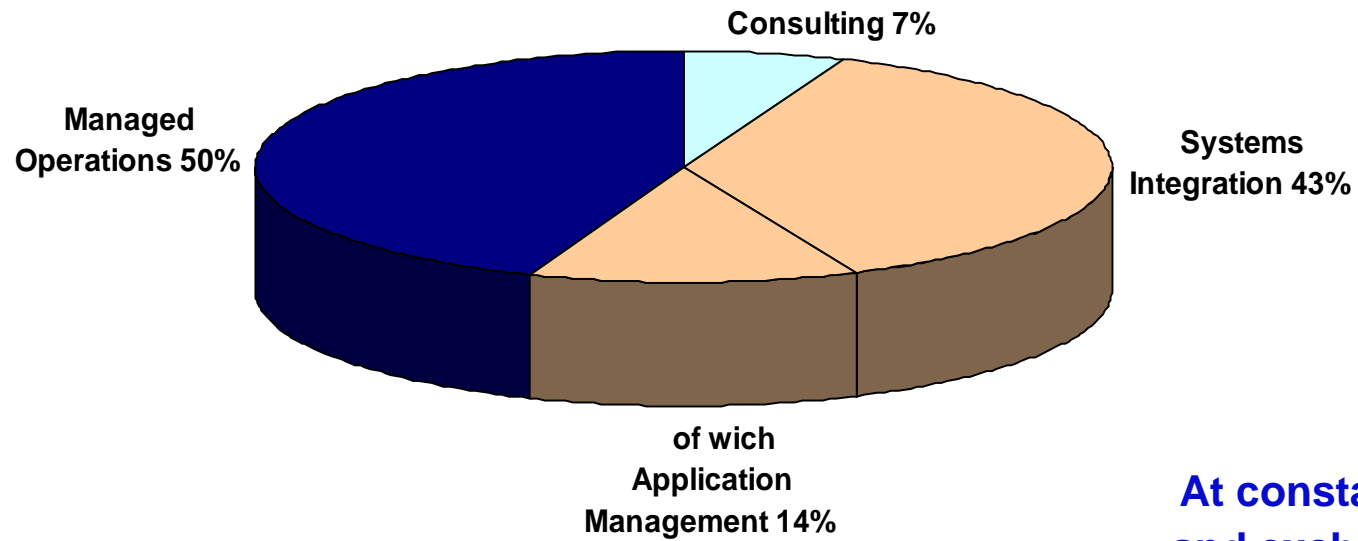
| In € Millions              | Revenue      |              |                  |                   |
|----------------------------|--------------|--------------|------------------|-------------------|
|                            | Q1 2007      | Q1 2006      | % Current growth | % Organic growth* |
| <b>Consulting</b>          | 95           | 103          | -8.0%            | -6.3%             |
| <b>Systems Integration</b> | 584          | 570          | +2.5%            | +3.1%             |
| <b>Managed Operations</b>  | 756          | 669          | +13.0%           | +3.4%             |
| <b>Total Group</b>         | <b>1,435</b> | <b>1,342</b> | <b>+6.9%</b>     | <b>+2.5%</b>      |

(\*) Revenue organic growth : at constant scope and exchange rates

# Revenue mix by service line

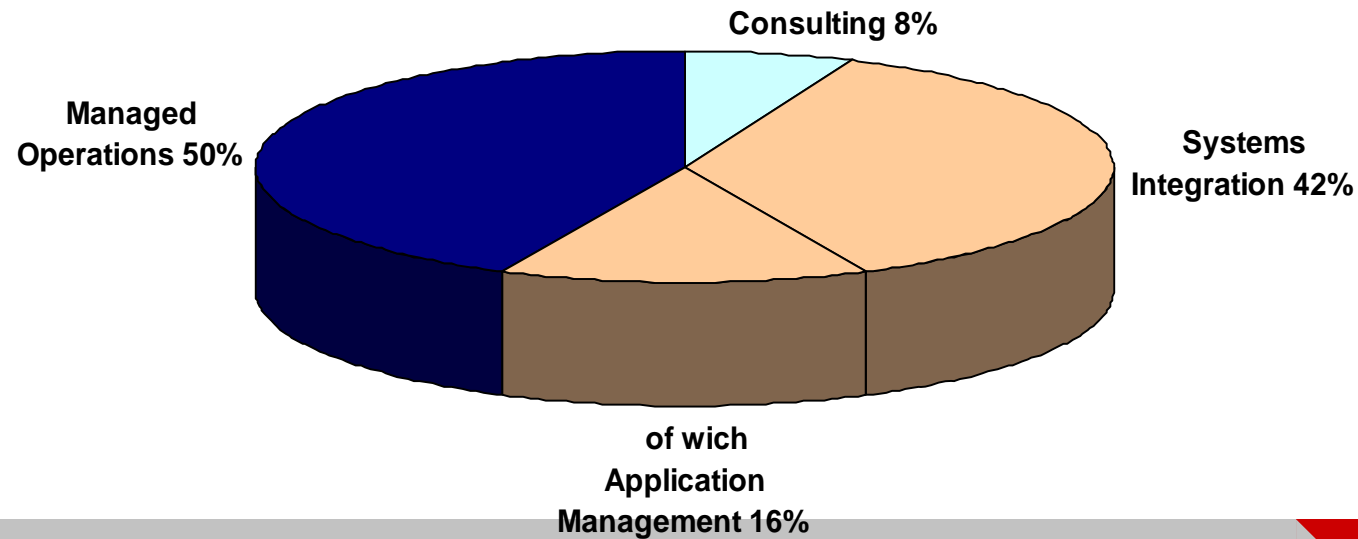


Q1-07



At constant scope and exchange rates

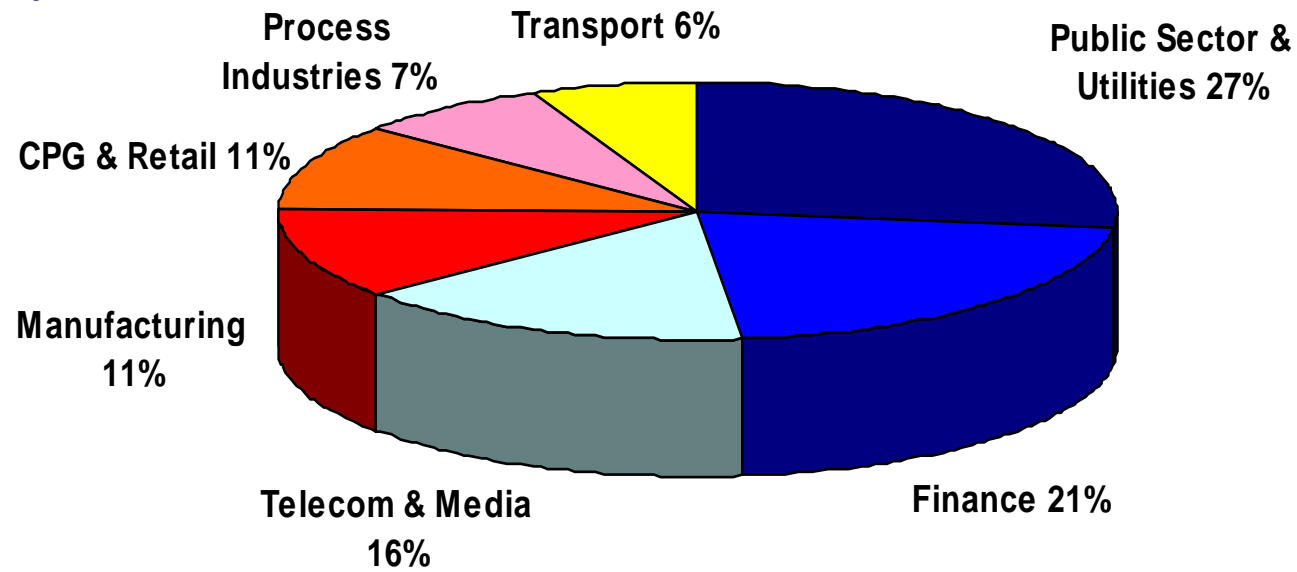
Q1-06



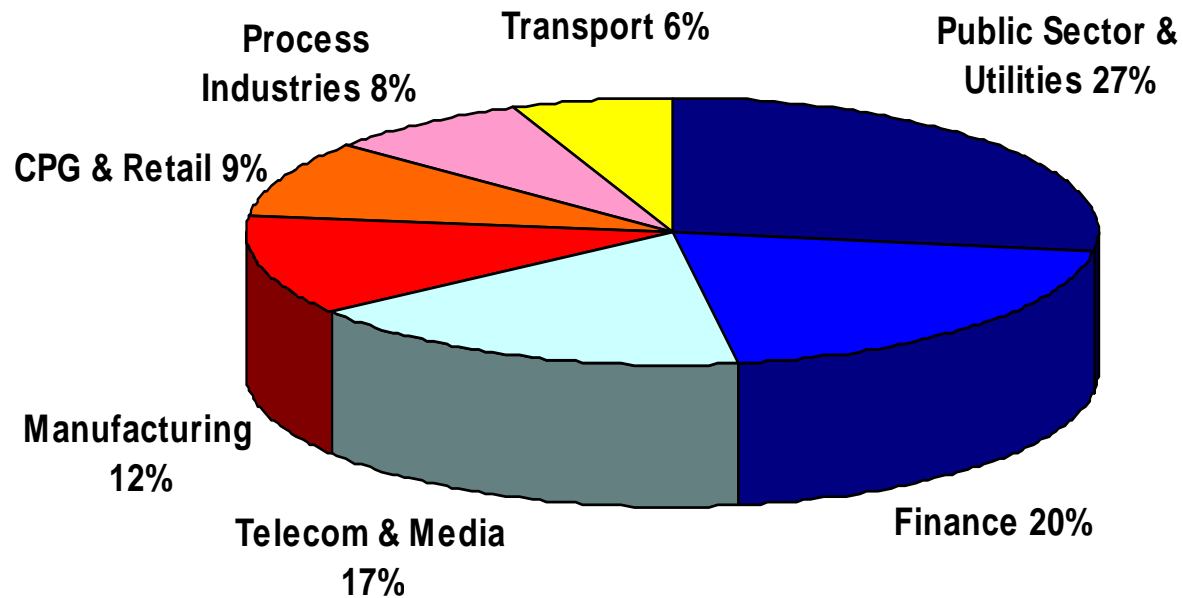
# Revenue mix by sector



Q1-07



Q1-06



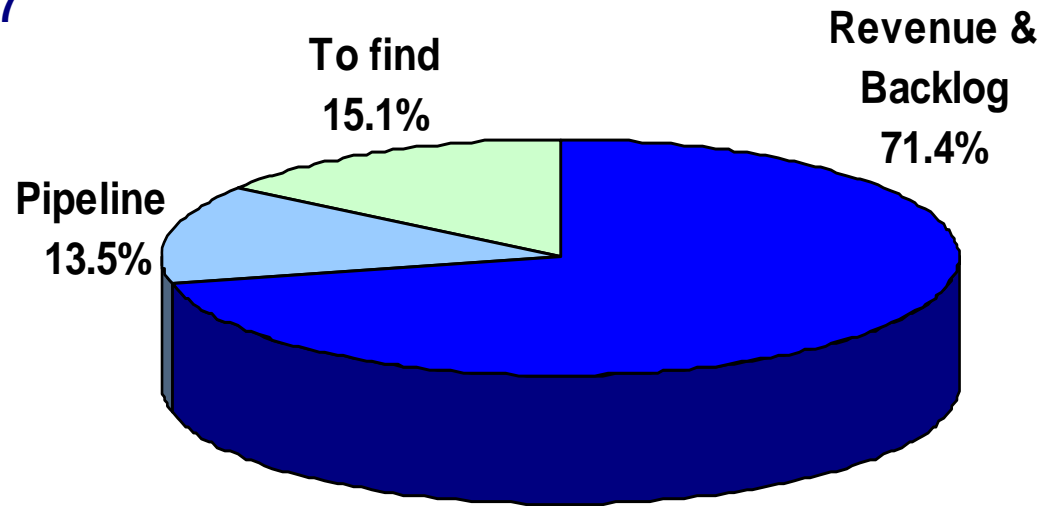
At constant scope and exchange rates



# Backlog coverage

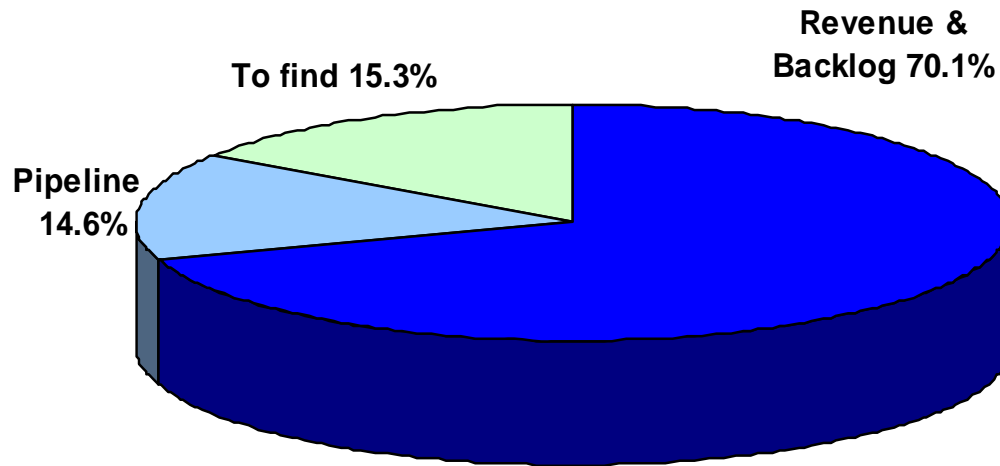


Q1-07



On the basis of +8.5%  
top line growth in  
2007

Q1-06



## Staff Evolution



|   |                |
|---|----------------|
| <b>Opening staff as of 31 December 2006</b> | <b>49,841</b>  |
| <b>Hiring</b>                               | <b>+2,702</b>  |
| <b>Disposals</b>                            | <b>(166)</b>   |
| <b>Leavers</b>                              | <b>(2,090)</b> |
| <b>Lay-offs</b>                             | <b>(187)</b>   |
| <b>Closing staff as of 31 March 2007</b>    | <b>50,100</b>  |

## Staff by geography



|                          | Closing<br>31/12/06 | Closing<br>31/03/07 | % total     | Change since<br>opening |              |
|--------------------------|---------------------|---------------------|-------------|-------------------------|--------------|
| France                   | 14,887              | 14,974              | 30%         | +87                     | +0.6%        |
| United Kingdom           | 6,322               | 6,305               | 13%         | (17)                    | -0.3%        |
| The Netherlands          | 8,248               | 8,503               | 17%         | +255                    | +3.1%        |
| Germany + Central Europe | 3,882               | 3,724               | 7%          | (158)                   | -4.1%        |
| Rest of EMEA             | 10,443              | 10,648              | 21%         | +205                    | +2.0%        |
| Americas                 | 2,774               | 2,518               | 5%          | (256)                   | -9.2%        |
| Asia Pacific             | 3,110               | 3,239               | 6%          | +129                    | +4.1%        |
| Corporate                | 181                 | 189                 | 0%          | +8                      | +4.4%        |
| <b>Total Group</b>       | <b>49,847</b>       | <b>50,100</b>       | <b>100%</b> | <b>+253</b>             | <b>+0.5%</b> |

## Staff by service line



|                            | Closing<br>31/12/06 | Closing<br>31/03/07 | % total     | Change since<br>opening |              |
|----------------------------|---------------------|---------------------|-------------|-------------------------|--------------|
| <b>Consulting</b>          | 2,698               | 2,631               | 5%          | (67)                    | -2.5%        |
| <b>Systems Integration</b> | 24,836              | 24,376              | 49%         | (460)                   | -1.9%        |
| <b>Managed Operations</b>  | 22,132              | 22,904              | 46%         | +772                    | +3.5%        |
| <b>Corporate</b>           | 181                 | 189                 | 0%          | +8                      | +4.4%        |
| <b>Total Group</b>         | <b>49,847</b>       | <b>50,100</b>       | <b>100%</b> | <b>+253</b>             | <b>+0.5%</b> |

# Agenda



- » CONCLUSION OF REVIEW OF STRATEGIC OPTIONS
- » Q1 2007 HIGHLIGHTS
- » Q1 2007 FINANCIAL PERFORMANCE
- » **STATUS ON TRANSFORMATION PLAN**
- » 2007 OUTLOOK

# 303 PLAN



## 3 objectives over 3 years

- 1 Accelerate organic growth capabilities
- 2 Improve operational efficiency
- 3 Operate as a Global Company

## 7 Initiatives

|                      |   |
|----------------------|---|
| Clients/<br>Offer    | » Sales   |
| Global<br>Delivery   | » Industrialization<br>» Offshoring<br>» MS Global Delivery |
| Talents              | » Talents   |
| Support<br>Functions | » Finance, HR and IT<br>» Purchasing                        |

The objectives and assumptions presented to the market in February have been confirmed and transformed into concrete action plans

# 303 Highlights in Q1 and Outlook for Q2



## Q1-07 progress

## Q2-07 milestones

### Sales

- » **Sales University launched:**
  - » Location found, official opening in May
  - » Negotiations with partners underway
  - » 250 Sales people to be trained in 2007, (target 2009: 1,100)
- » Sales Career Path design underway

- » **Review of all existing sales resources**
- » **Recruitment strategy for sales functions**
- » **Re-allocation of part of sales resources to growth accounts**

### Industrialisation

- » **Design of solutions launched** for 7 key projects
- » Testing factory and Project Management launched in several countries

- » **Solution definition completed**
- » **Roadmap** for implementation in countries
- » **Selection of tools**

# 303 Highlights in Q1 and Outlook for Q2



## Q1-07 progress

## Q2-07 milestones

### Offshoring

- » **New offshoring governance in India** (Change to a “**cost center**” model) has greatly **increased demand** for work to be done offshore
- » We are **ahead of projections** made in February:
  - » **Forecast of demand in European countries 15% ahead of budget**
  - » **Recruitments 20% ahead in India**

- » Launch of an **aggressive recruitment plan** in India
- » Opening of a **service delivery platform in Morocco** (target: 100 recruitments in 07, 400 FTE in 2009)
- » Pursuit of **discussions regarding new offshore locations** (Eastern Europe)
- » Launch of a **closhore program** in France

### MS Global Delivery

- » **All plans perfectly confirmed, very high level of maturity**
- » **Initial scope extended for 2 key projects:**
  - » **end-to-end service desk optimization**
  - » **optimization of global service network and voice network**
- » Corresponding **upsides** are currently **being assessed**

- » **Completion of Data Center optimization plan**
  - » **Audits of Data Center candidates for closing**
  - » **Assessment of future role of 9 sites “under consideration”**
- » **Roll-out of Tooling plan for Service Management Improvement**



# 303 Highlights in Q1 and Outlook for Q2



## Q1-07 progress

## Q2-07 milestones

### Talents

- » Launch of **Global Talent Management** initiative and appointment of a **Talent Manager**
- » Implemented a **single global performance management framework** supported by SAP
- » Launch of a **career track development program** for highly demanded competencies
- » Overall recruitment strategy review

- » Implementation of a **new global recruitment strategy**
- » Launch of **Relay - our international mobility program**
- » Launch of our **top talent identification process**

### Finance, HR and IT

- » **Strengthening of power of the Support Functions** by implementation of a **new organisation** (dual reporting of Country / Service Line Functions to Group Functions and to Country CEO / Service Line leaders)
- » Design of a **new controlling organization**
- » **Start of IT systems optimization**

- » Focus on the **business case** for the implementation of a **Shared Services Center (SSC)**
- » **Recruitment of a SSC Manager**
- » **Recruitment of a new Group CIO**

# 303 Highlights in Q1 and Outlook for Q2



## Q1-07 progress

## Q2-07 milestones

### Purchasing

- » AT Kearney hired to pilot achievement of quick-wins on five priority categories
- » Implementation of pilots on:
  - » Subcontractors
  - » PCs and Servers
  - » Telecom Voice
  - » Midrange Maintenance
  - » Storage Virtualization

- » Implementation of a **strong, centralized purchasing organisation**
- » Implementation of a **homogenous reporting across the group**
- » **Extension of pilots to other categories (Travel, Housing...)**
- » **Atos Consulting to be involved in the implementation of the new organisation and the procurement chain.**

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## 2007 OUTLOOK



- » **Generate +8.5% of top line growth**
- » **Recovery of operating margin in the UK and in Italy**
- » **Strengthened management team and organization**
- » **Focused execution of the Transformation Plan**
- » **Development of Atos Worldline, Atos Euronext Market Solutions and Medical BPO**
- » **Improvement of operating margin rate before Transformation costs**

- » BOOST PERFORMANCE
- » REDUCE COST
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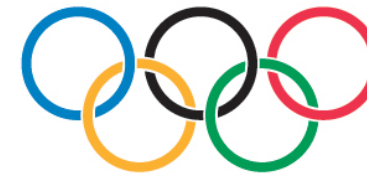
## Questions

Paris, 14 May 2007

- » BOOST PERFORMANCE
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- » INCREASE AGILITY
- » ENHANCE CRM
- » SHORTEN TIME TO MARKET
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Paris, 14 May 2007