
Third quarter 2014

Friday, November 07, 2014

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Bezons

- ▶ This document contains further forward-looking statements that involve risks and uncertainties concerning the Group's expected growth and profitability in the future. Actual events or results may differ from those described in this document due to a number of risks and uncertainties that are described within the 2013 Reference Document filed with the Autorité des Marchés Financiers (AMF) on April 2, 2014 under the registration number: D14-0272 and its update filed with the Autorité des Marchés Financiers (AMF) on August 5, 2014 under the registration number: D.14-0272-A01.
- ▶ Business Units include **Germany, France, United-Kingdom & Ireland, Benelux & The Nordics** (BTN: The Netherlands, Belgium, Luxembourg, Denmark, Finland, Sweden, and Estonia), **Worldline, Central & Eastern Europe** (CEE: Austria, Bulgaria, Croatia, Cyprus, Czech Republic, Greece, Hungary, Italy, Lithuania, Poland, Romania, Russia, Serbia, Slovakia, Switzerland and Turkey), **North America** (USA and Canada), **Iberia** (Spain, Portugal, and Andorra), and **Other Business Units** including Major Events, Latin America (Brazil, Argentina, Mexico, Colombia, Chile and Uruguay), Asia-Pacific (Australia, China, Hong Kong, Indonesia, Japan, Malaysia, New Zealand, Philippines, Singapore, Taiwan and Thailand), India, Middle East & Africa (IMEA: Algeria, Benin, Burkina Faso, Egypt, Gabon, India, Ivory Coast, Lebanon, Madagascar, Mali, Mauritius, Morocco, Qatar, Saudi Arabia, Senegal, South Africa and UAE), and Cloud & Enterprise Software.
- ▶ Revenue organic growth is presented at constant scope and exchange rates.

1. Financial performance
2. Commercial activity
3. Integration of Bull
4. Key takeaways
5. Q&A session

Michel-Alain Proch,
Executive Vice President and Group CFO

Financial performance

Key figures

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	Q3 2014	Q3 2013 <i>Statutory figures</i>
Revenue (€m)	2,209 +5.9% year-on-year -0.9% organically	2,086 -4.4% year-on-year -1.8% organically
Order entry (€m)	2,222	1,780
Book to bill*	101%	85%
Net cash (€m)	762	353
Total number of employees	85,239	77,080

* Order entry recognition rules have been harmonized at the occasion of Bull integration (see Press Release). On a stand-alone basis and with former recognition methodology, book to bill would have been 86%.
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The Group reaffirms its objectives for 2014:

► Revenue

Taking into account 4 months of Bull contribution, the Group expects to grow circa +5% year-on-year (nearly stable organically).

► Operating margin

The Group confirms its objective to reach an operating margin rate **between 7.5% and 8.0%** of revenue, including 4 months of Bull consolidation.

► Free cash flow

The Group expects to achieve a free cash flow **above 2013** level (before circa € 20 million potential additional cash-out to accelerate the Bull reorganization).

Constant scope and exchange rates reconciliation

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<i>In € million</i>	Q3 2014	Q3 2013	% change
Statutory revenue	2,209	2,086	+5.9%
Scope effect		121	
Exchange rates effect		23	
Revenue at constant scope and exchange rates	2,209	2,230	-0.9%

Q3 2014 revenue performance by Service Line

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<i>In € million</i>	Q3 2014	Q3 2013*	% yoy	% organic
Managed Services	1,124	1,147	+4.4%	-2.1%
Consulting & Systems Integration	764	766	+5.3%	-0.2%
Big Data & Cyber-security	49	43	N/A	+13.9%
Total IT Services	1,937	1,957	+6.9%	-1.0%
Worldline**	272	273	-0.7%	-0.5%
TOTAL GROUP	2,209	2,230	+5.9%	-0.9%

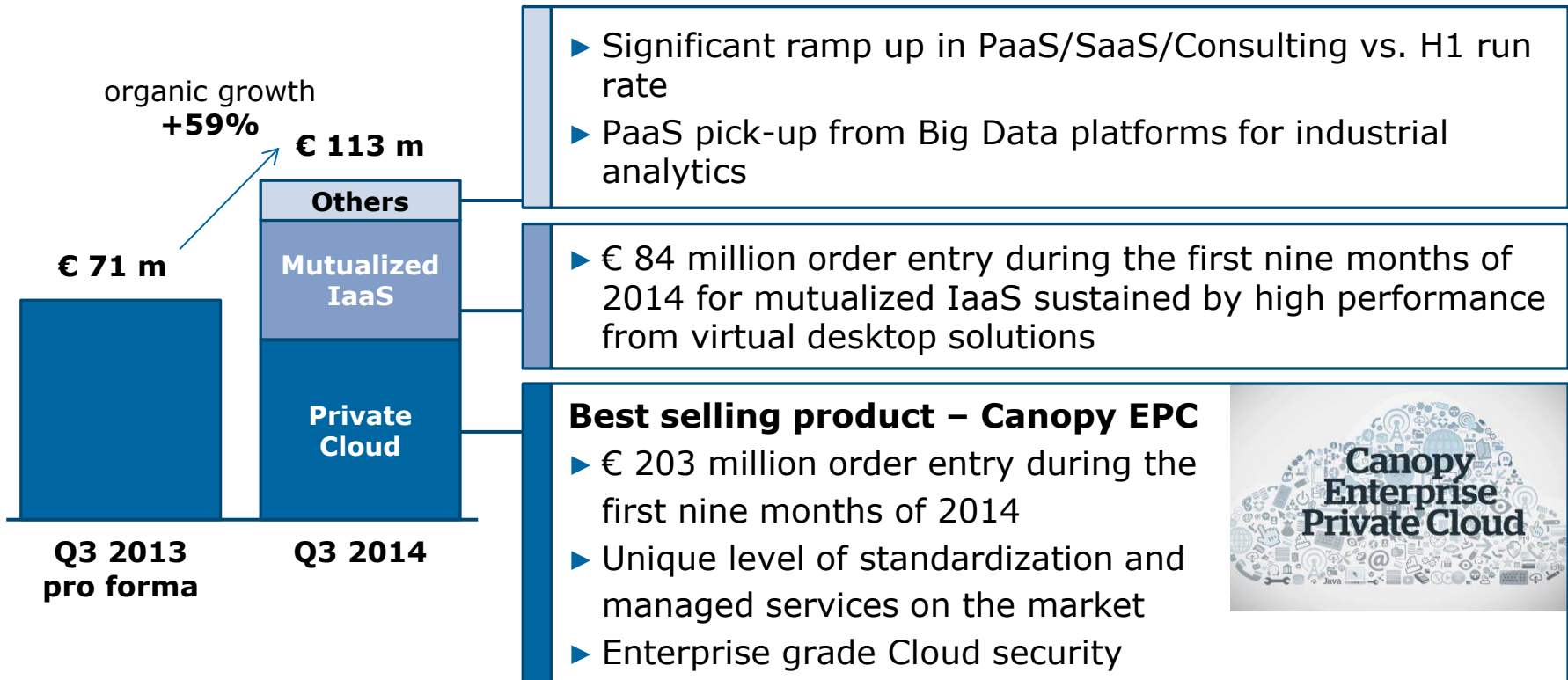
* at constant scope and exchange rates

** Worldline reported +2.5% organic growth on a stand alone basis

Strong revenue growth in Cloud operations

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Fully in line with 2016 ambition: € 700 million FY revenue

Q3 2014 revenue performance by Business Unit

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<i>In € million</i>	Q3 2014	Q3 2013*	% yoy	% organic
United-Kingdom & Ireland	424	395	+16.5%	+7.3%
Germany	390	428	-7.8%	-9.0%
France	298	312	+25.0%	-4.6%
Benelux & The Nordics	252	273	-5.1%	-7.6%
Central & Eastern Europe	206	207	+6.5%	-0.2%
North America	147	147	+0.5%	+0.1%
Iberia	76	81	+2.4%	-6.2%
Other BUs	145	114	+34.0%	+26.9%
Total IT Services	1,937	1,957	+6.9%	-1.0%
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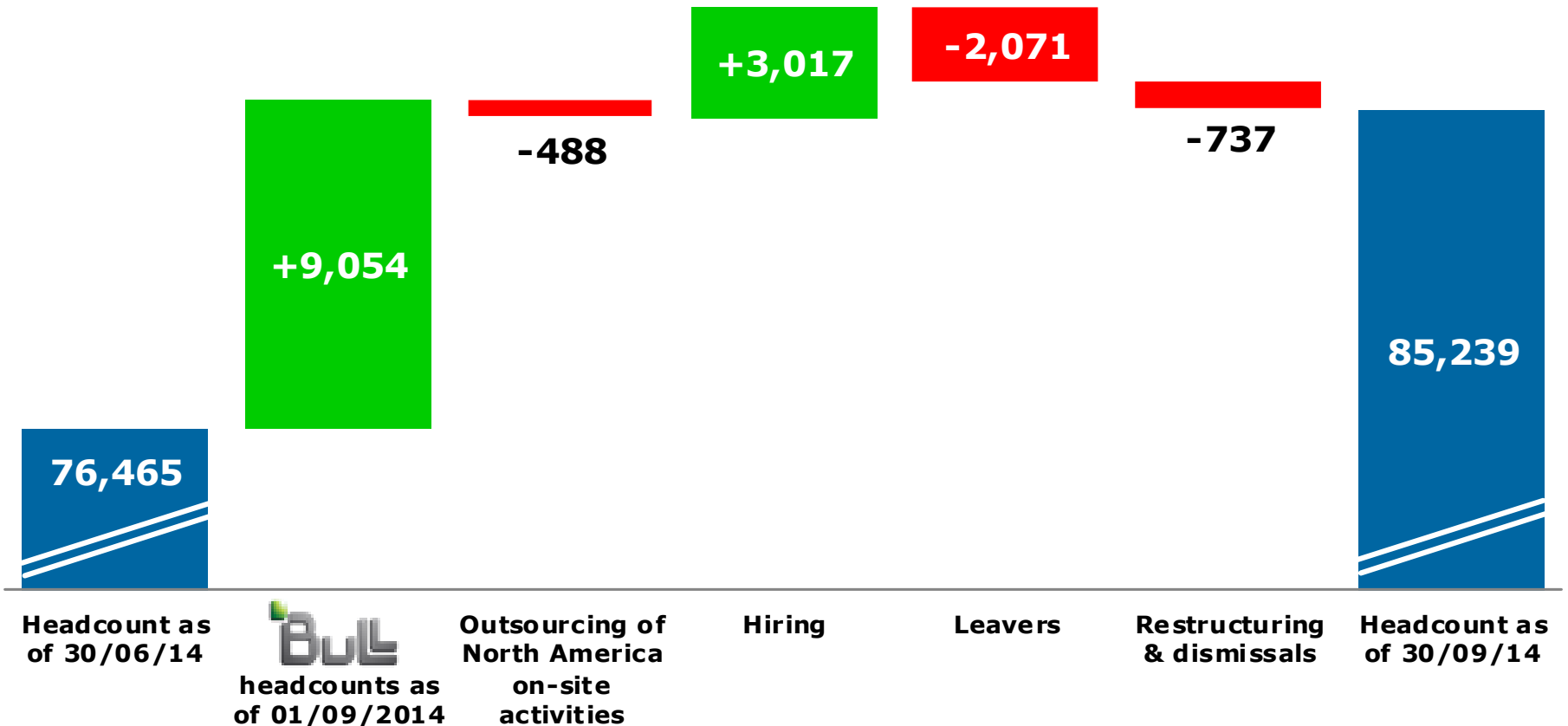
* at constant scope and exchange rates

** Worldline reported +2.5% organic growth on a stand alone basis

Headcount evolution of Atos Group

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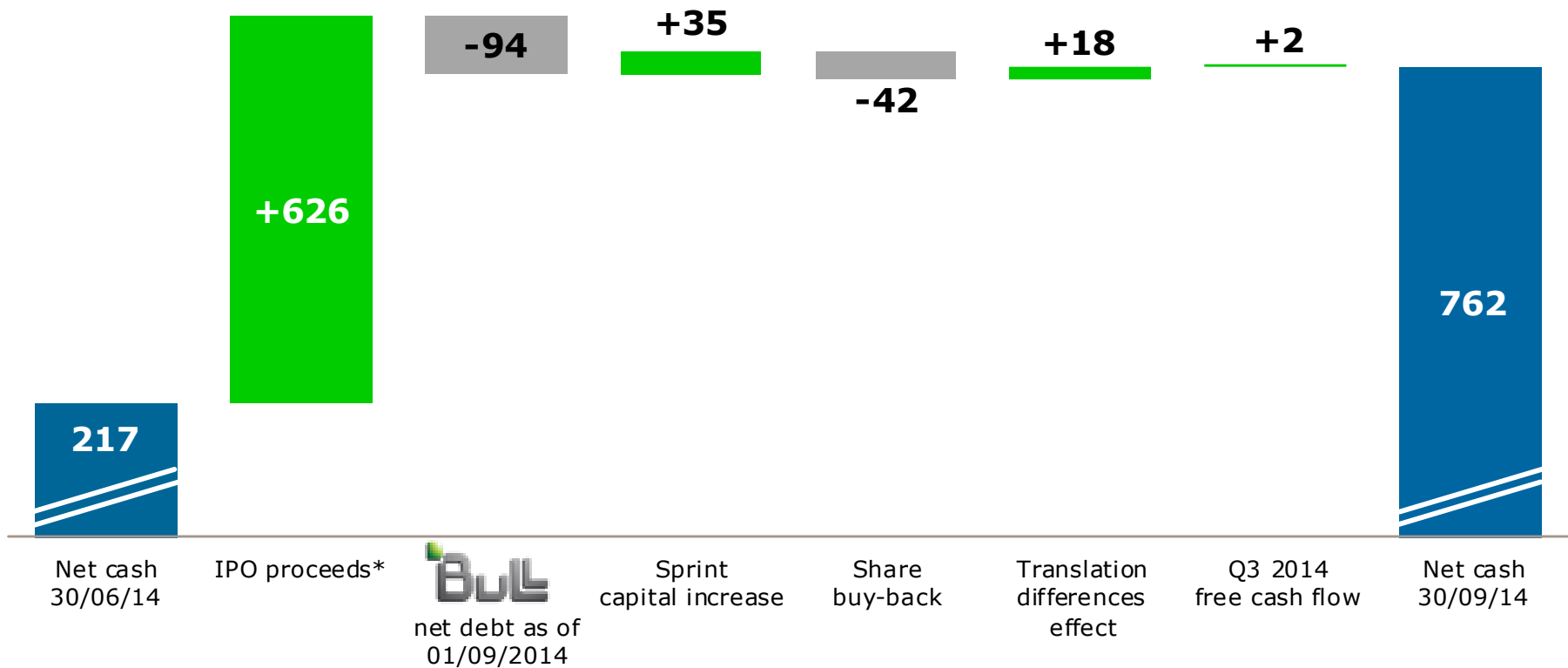


Net cash and cash flow evolution

(in € million)

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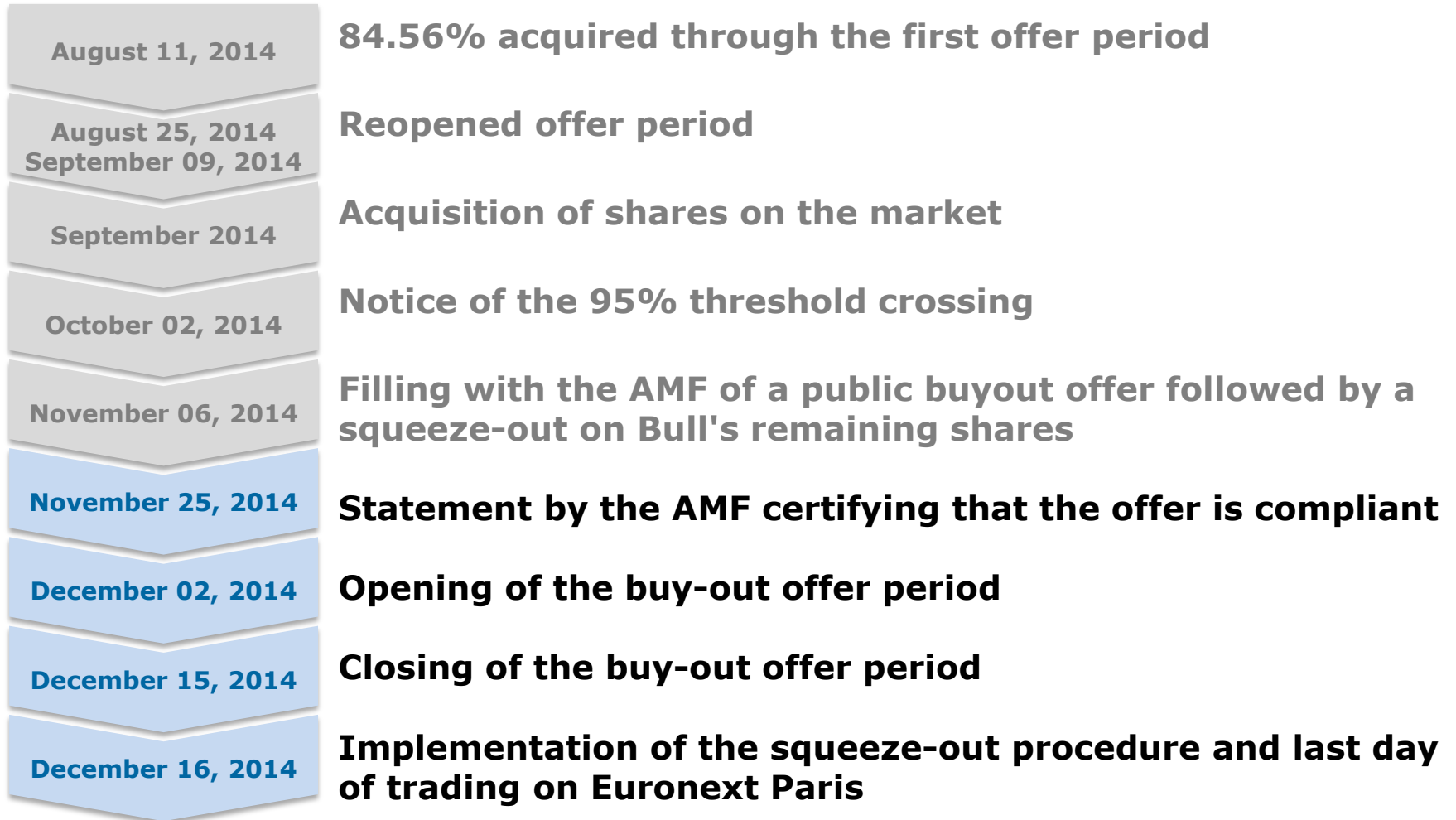
* Final figure expected c. € 619 million, net of remaining fees to be paid

Acquisition of Bull

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Indicative timeline

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Patrick Adiba,
Executive Vice President and Chief Commercial Officer

Commercial activity

Order entry, backlog, and pipeline

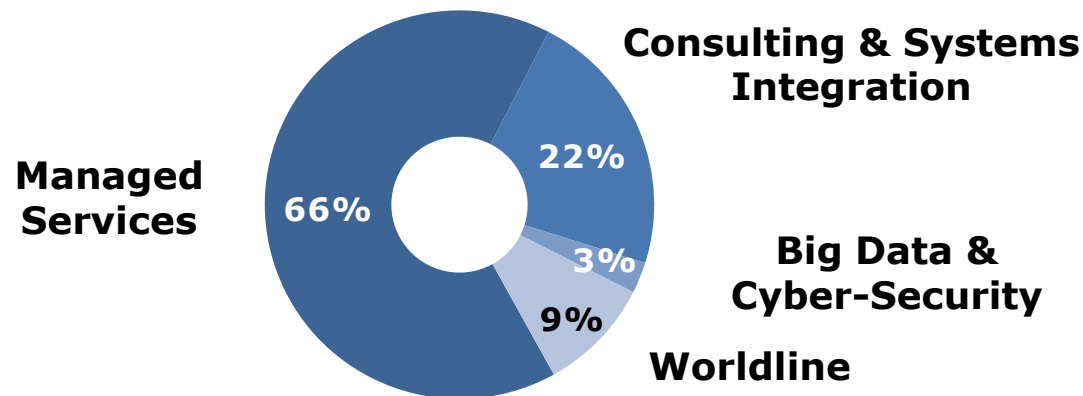
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► Total order entry in Q3 2014 at € 2,222 million

<i>Book to bill*</i>	Q3 2014
Managed Services	102%
Consulting & Systems Integration	101%
Big Data & Cyber-security	123%
Worldline	91%
Total Group	101%

► Backlog: Strong visibility at € 16.3 billion



► Healthy weighted pipeline at € 5.4 billion

* Order entry recognition rules have been harmonized at the occasion of Bull integration (see Press Release). On a stand-alone basis and with former recognition methodology, book to bill would have been 86%.
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Most relevant wins in Q3 2014

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▶	A large aircraft manufacturer	New	France	MS	Infrastructure management	<i>5-years</i>
▶	European commission	New	Benelux	MS & SI	Network User Proximity Services	<i>6-years</i>
▶	Carl Zeiss	Renewal & ext. scope	Germany	MS & SI	Outsourcing & Application Management	<i>2-years</i>
▶	Unify	Renewal & ext. scope	Germany	MS	Datacenter management & Onsite support	<i>5-years</i>
▶	Symrise	Renewal & fertilization	Germany	MS & SI	Storage, Database operations, Network management on Cloud	<i>5-years</i>
▶	Electronic payment systems provider	Renewal & fertilization	France	WLN	Financial processing	<i>8-years</i>

Atos innovative offerings embedded in larger contracts driving commercial dynamism

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Renewal

Cloud

Large oilfield services company

Infrastructure transformation to IaaS

North America

4-years

New

Digital transformation

Govia Thameslink

e-Ticketing

UK

7-years

New

IT

Achmea

Workplace services

Benelux

2-years

New

Big Data

LNCC

HPC and Big Data services

Brazil

4-years

New

Connected cars

Audi

Shift workload from local server rooms

Germany

3-years

New

Cloud

TXU Energy

Transformation services

North America

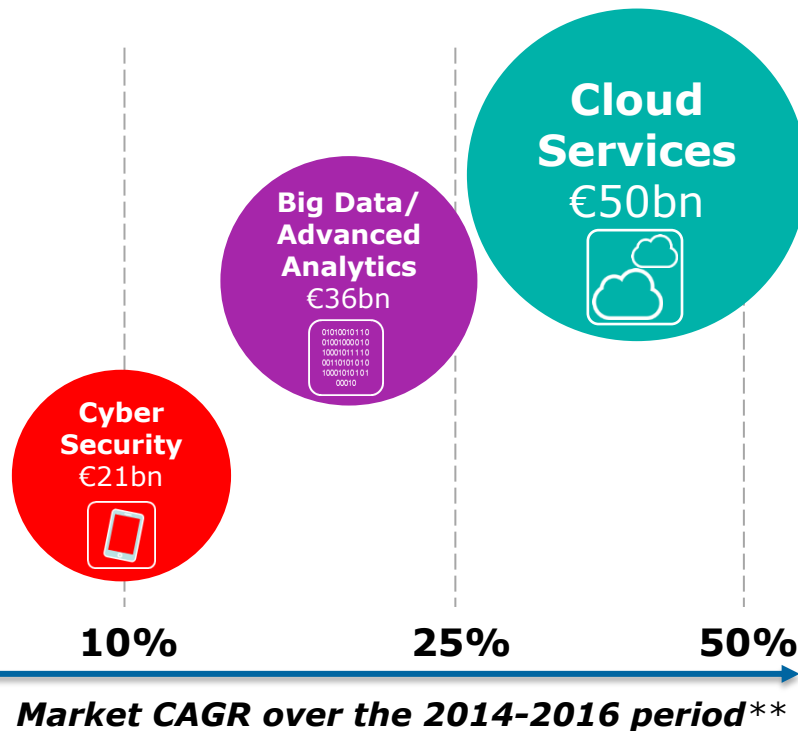
1-year

Significant market opportunity & strong growth prospects

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Atos already generates around
€ 1 billion* revenue in these 3 segments



Cloud
Increase in demand for data storage in the Cloud related to proliferation of digital content

Big Data
Strong traction for High performance in Memory servers in many sectors (industry, earth exploration, military, games)

Cyber-Security
Sustained demand for Cyber-security solutions with a large share of defence-related systems

2013 market size * 2013 pro forma revenue ** Source: Gartner, PAC, Forrester

Creation of a champion in three large and fast growing IT segments leveraging Bull technologies

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Enhanced capabilities integrating Bull

- ▶ Cloud Security operations
- ▶ Big data expertise powered by High Performance Computing systems
- ▶ Bullion world most powerful X86 enterprise server (SPECint)
- ▶ 1000 engineers, >2000 patents and c.100 filed in the last 12 months

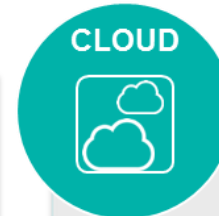
First-class customer cases



- Weather simulation
- DNA sequencing
- Automotive crash tests



- Securization of the command systems for the main European armies
- Antifraud for banks
- Mobile data protection



- Trusted public cloud
- Olympic delivery



Big Data for climate research

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BIG
DATA

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HPC



Thanks to Bull, DKRZ can offer customized services that exclusively support **climate research**.

From **HPC** to **in-memory server** reducing drastically processing time, our clients benefit from our R&D for the most demanding customers to get faster answer to their queries and make better decision.



Big Data for DNA Sequencing

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HPC



The Leiden University Medical Center is among the international top in Bio Medical research

Thanks to Bull's Big Data storage infrastructure that can handle the **huge volume growth demanded by DNA sequencing**, the Leiden Diagnostic Genome Analysis laboratory speeds up the DNA research for neuromuscular molecular mechanisms of genetic diseases.



LEIDEN UNIVERSITY MEDICAL CENTER

Securization of the command systems for the main European armies

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CYBER
SECURITY



With Bull, the armies can have access to **immediate & user-friendly visualization of combat & tactical information** via secured information system providing strong tactical superiority on battlefields.

Based on the most advanced security development in National Security, our clients benefit from **leading edge innovation in security** to secure and develop full speed cloud critical application and mobility services.

European Research on nuclear fusion

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DATA

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HPC



The Jülich computing center is one of the largest supercomputing centers in the world

Business challenge

- To speed up research into nuclear fusion
- To meet European challenges in high-performance computer simulation

Bull solution

- 100 Teraflops to host applications for the European Union Fusion community



The bank that faster anticipates future

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DATA

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HPC



This highly innovative approach responds perfectly to the needs of a business where the capacity for analysis and speed of decision-making make all the difference

Business challenge

- Risk Management: Improving anticipation, modeling and management of financial risks (market transactions) and operational risk (risk customers and "human")
- Diversification and Income: financial engineering, new product development, market modeling

Bull solution

High Performance Computing
«on demand»

Olympic Games delivery in SaaS

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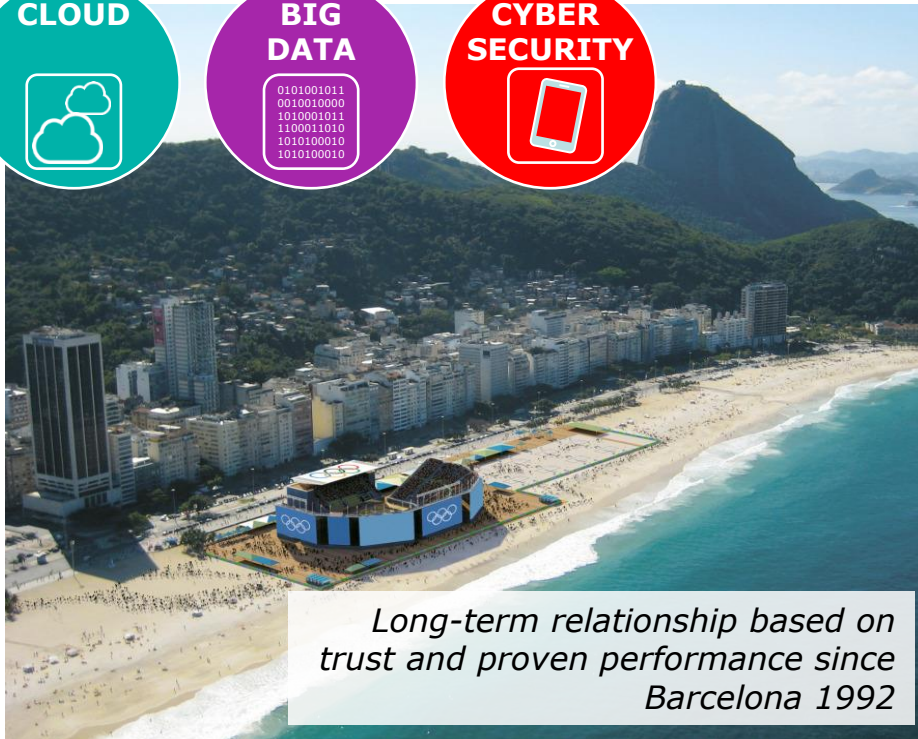
CLOUD



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CYBER
SECURITY



Long-term relationship based on trust and proven performance since Barcelona 1992

IOC challenge is impressive: Starting a business of 200,000 employees, with 4 billion customers, operating 24/7, in a new territory every two years

Atos is part of this story:

"The Olympic Games would not happen without the use of Information Technology." **IOC President said.** *"We rely on Atos's world class expertise and experience."*

Over time, Atos successfully **transitioned classical operations to cloud-based delivery.**

What Atos made possible for the Olympics is now offered to all our clients with **secured and 100% available cloud services.**



sochi.ru
2014



Bull integration: actions for revenue synergies

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- ▶ **TOP common 20 clients addressed** immediately after the integration started:
 - one Client Executive per client for the new Atos
 - 1 face to the customer and immediate business synergies
- ▶ **240 top clients visits** completed or in progress
- ▶ **€ 160 million of business identified in 60 days** (59 different customers in 11 countries and well distributed across markets)
- ▶ **Pro active fast offerings defined and offered**
- ▶ **Some contracts already signed** and several about to be closed
- ▶ **838 people trained** on respective offerings and integrated offerings

→ **Promising pipeline** of incremental opportunities specifically around Cyber-security and Big Data

→ Very positive first response of the clients with **significant pipe and orders already closed**

Our client driven organization is in motion

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- 1** **Foundation meeting with the top 200 Client Executives with the participation of clients**
- 2** **Account plan as a contract** in place for all Top Accounts and actions in line with the growth ambition
- 3** **Acceleration of innovation related activities** with our clients focusing on Big Data and Cyber-security. Alliance as a sales channel has generated the first leads
- 4** **Rapid Growth Market Board** first initiatives in progress to generate non-solicited offers and anticipate on the demand

The sum of the account plans of the 200 Top clients comforts our order entry and revenue growth target for 2015 and 2016

Charles Dehelly,
Senior Executive Vice President, Global Operations

Integration of Bull

Launch in August on Bull perimeter of Atos proven integration methodology

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Integration steering committee

Work streams

Transversal work streams

- I1 Financial processes
- I2 Social processes
- I3 Purchasing
- I4 Internal IT
- I5 Managed services (MS)
- I6 System integration (SI)
- I7 Big Data and Security
- I8 Cloud / Canopy
- I9 Communication, organization and talents
- I10 Sales
- I11 Real estate
- I12 Technology convergence
- I13 Country specific items
- I14 Merge process

- ▶ 14 work streams covering all aspects of the integration
- ▶ Weekly steering committees
- ▶ All work streams are led by Atos and Bull top management (co-leadership)

SPEED of the integration

Goal: new organization in place as of January 1st, 2015

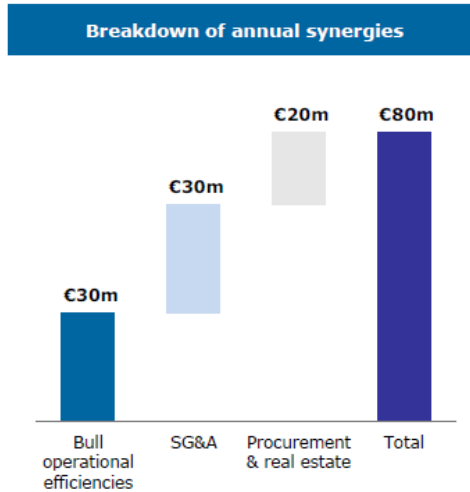
€ 80 million potential savings confirmed after review of Bull cost base

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€80m cost synergies within 24 months

- 1 €80m of run-rate synergies including acceleration of One Bull plan
- 2 Implementation of synergies achieved in only 2 years
- 3 Implementation costs of €45m¹
- 4 Additional potential operational and revenue synergies not factored in



CONFIRMED

¹ This amount comes in addition to the €50 to 60 million costs of the "One Bull" plan announced in January 2014. As part of the on-going "One Bull" plan, Bull's top management intends to submit the booking of a provision reflecting these costs to the Bull's Audit Committee and to the Bull's Board of Directors approving the accounts to be closed on June 30th, 2014.

Current plan should deliver cost synergies faster than initially anticipated

Strong plans are now in place to support cost savings targets (1/2)

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Acceleration 1Bull plan

Target: € 30 million



- ▶ Acceleration of closure/exit or combination with Atos
- ▶ Roughly half of 1Bull exit decisions has been reconsidered leveraging Atos footprint
- ▶ All savings confirmed: either from exit or combination with Atos

SG&A optimization

Target: € 30 million



- ▶ Launch of an Added Value Analysis (AVA) in France
- ▶ Full plan ready for execution by end of Q4 2014 through detailed reviews of indirect functions by each Business Unit and Global functions

Strong plans are now in place to support cost savings targets (2/2)

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Purchasing & Real estate: target € 20 million

top tier 1

Purchasing

- ▶ Atos purchasing process and authorization rules already extended to Bull
- ▶ Group global buyers scope extended to Bull
- ▶ € 15 million already identified until end 2015 through alignment on most favorable contracts and renegotiation adding more volume on current contract

Real estate

- ▶ Examples of quick wins implemented according to local social regulations:
 - Singapore
 - Beijing and Tapei
 - Vienna
 - Rio and Sao Paulo
 - Bordeaux and Rennes
- ▶ Real estate long term strategy including Data Centers to be finalized by Q1 2015

Charles Dehelly,
Senior Executive Vice President, Global Operations

Key takeaways

- ▶ **Improving revenue trend** from the beginning of 2014
- ▶ **Sales momentum** confirmed with strong drive on commercial actions to deliver revenue growth
- ▶ Following the success of the public offerings, Atos owns 95.6% of Bull share capital **allowing tax consolidation.**
- ▶ **Integration of Bull** operations well on track to accelerate the delivery of synergies in 2015 with an organization in place as of January 1st, 2015. **Confirmation of € 80 million cost synergies.**
- ▶ With 2014 revenue expected at circa +5%, in line with its 2016 Ambition, **the Group reaffirms its financial objectives** for profitability and cash generation
- ▶ **Tier1 program** delivering in line with **2016 Ambition 3-years plan**

Management team

Q&A session

From Questions to Answers

Thank you

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