Update of the 2015 Registration Document

Including the 2016 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 Update of the 2015 Registration Document has been filed with the Autorité des Marchés Financiers (AMF) on August 4, 2016, in accordance with Article 212-13 of the AMF's general regulations. It complements the 2015 Registration Document filed with the AMF on April 7, 2016 under number D.16-0300. This document has been issued by the Company and commits its signatories. This update of the Registration Document is available on the AMF website (www.amf-france.org) and the one of the issuer (www.atos.net).

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A PERSONS RESPONSIBLES

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 this Update to the 2015 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 condensed consolidated financial statements of Atos S.E., for the period from January 1st to June 30, 2016 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the financial position and results of the Company and all the other companies included in the scope of consolidation, and that the included half-year financial report gives a fair description of the material events that occurred in the first six months of the financial year and their impact on the financial statements, the main related party transactions, as well as a description of the main risks and uncertainties for the remaining six months of the year.

I obtained a statement from the Statutory Auditors at the end of their engagement affirming that they have examined the information in respect of the financial position and the accounts contained herein and read the whole of the Update of the 2015 Registration Document.

Thierry Breton
CEO and Chairman, Atos
Bezons, August 3, 2016

A.3 For the audit

Appointment and term of offices

Statutory Auditors	Substitute Auditors
Grant Thornton Victor Amselem • Appointed on: May 27, 2014 for a term of 6 years • Term of office expires: at the end of the AGM held to adopt the 2019 financial statements	Cabinet IGEC • Appointed on: May 27, 2014 for a term of 6 years • Term of office expires: at the end of the AGM held to adopt the 2019 financial statements
Deloitte & Associés Jean Pierre Agazzi • Appointed on: May 30, 2012 for a term of 6 years • Term of office expires: at the end of the AGM held to adopt the 2017 financial statements	Cabinet B.E.A.S. • Appointed on: May 30, 2012 for a term of 6 years • Term of office expires: at the end of the AGM held to adopt the 2017 financial statements

B ATOS IN THE FIRST HALF OF 2016

January

On **January 19, 2016**, Atos announced that it has been ranked by PAC as one of the top three leading security IT services providers in Europe, the Middle East & Africa. The report ranks the top 20 IT security software vendors and the top 20 IT security services providers in EMEA. For IT services providers it considers infrastructure support, project and outsourcing services as well as application management and project services. It also takes into account BPO services as well as costs for hardware and personnel.

On **January 20, 2016**, Atos announced it has completed the acquisition from Gores Group and Siemens of Unify, the world number three in integrated communication solutions generating € 1.2 billion annual revenue. The acquisition creates a unique integrated proposition for unified communications improving the social collaboration, digital transformation and business performance of its clients.

As disclosed on **January 21, 2016**, the bullion servers from Bull, the Atos brand for technology products and software, have again beaten performance records, according to the international benchmark from Standard Performance Evaluation Cooperative (SPEC). Performed with a 16-socket configuration, this benchmark demonstrates that the high-end enterprise bullion x86 servers perform at exceptional levels and are the most powerful in the world in terms of speed and memory.

Orange Cyberdefense and Atos, through its technology brand Bull, announced on **January 25, 2016** having signed a strategic partnership to jointly take on the secure mobile terminal communications market. This partnership with Atos completes Orange Cyberdefense range of communications security solutions. Under the agreement, Orange Cyberdefense will be selling Hoox, the most secure smartphone on the market, to its customers.

February

On **February 24, 2016**, Atos announced its 2015 annual results. All 2015 objectives were achieved. Revenue was € 10,686 million, up +18% year-on-year and +0.4% organically. Operating margin was € 883.7 million, representing 8.3% of revenue, compared to 7.1% in 2014 at constant scope and exchange rates. Order entry was € 11.2 billion leading to a book to bill ratio of 105%. Full backlog increased by €+2.9 billion to € 19.1 billion, representing 1.7 year of revenue. Net cash position was € 593 million at the end of 2015. Free cash flow was € 450 million in 2015 compared to € 367 million in 2014. Net income was € 437 million, up +55% year-on-year and net income Group share was € 406 million, up +53% compared to 2014. Significant further improvements are planned in 2016

April

On **April 07, 2016**, Atos launched its fully integrated business-driven analytics solution – Atos Codex. According to Gartner, "by 2017, organizations using predictive business performance metrics will increase their profitability by 20%". Atos Codex provides data analytics end-to-end along the complete IT value chain. The services range from digital transformation strategy & consulting, use case business modeling, data science expertise, agile analytics deployment and ongoing evolution management.

On **April 12, 2016**, Atos revealed Bull sequana, the world's most efficient supercomputer. This first exascale-class computer is capable of processing a billion billion operations while consuming 10 times less energy than current systems. Designed to integrate the most advanced technologies in the futures, Bull sequana is already being implemented at the French Alternative Energies and Atomic Energy Commission (CEA). As such, Atos strengthens its leadership in high-volume data processing and analysis, enabling its customers to reinvent their business models through "Atos Codex", an integrated end-to-end predictive & cognitive analytics solution.

On **April 21, 2016**, Atos announced its 2016 first quarter revenue and a strong start of the year reinforcing the achievement of all 2016 objectives. Revenue was € 2,757 million, up +1.6% organically and +15.0% at constant exchange rates. Order entry was € 2,794 million leading to a book to bill ratio of 101%.

May

On **May 18, 2016**, through its technology brand Bull, Atos simplifies and speeds up implementation of Big Data solutions with the launch of new appliance 'Data lake & analytics factory' by bullion. Atos launched a Big Data appliance – the Data lake & analytics factory by bullion. Big-Data-in-a-box: integrated with the bullion server as an appliance that industrializes data collection, storage and analytics. This significantly enhances data analytics agility, security and efficiency in real-time. It offers organizations fast and cost efficient means to exploit the value of their existing data. The Data lake & analytics factory by bullion is the latest innovation part of the Atos Codex offer.

Atos announced certification of its Cloud Foundry platform on **May 23, 2016** by the Cloud Foundry Foundation. The company actively participates in the industry's only certification program designed to establish reliable portability across platforms in a multi-vendor, multi-cloud environment. Thanks to this certification, Atos joins a prestigious list of providers certified by the Cloud Foundry Foundation to deliver the leading multi-cloud platform.

Atos SE held on **May 26, 2016** its Annual General Meeting chaired by Mr. Thierry Breton, Chairman and Chief Executive Officer of the Company. All resolutions submitted by the Board of Directors were approved. In particular, the General Meeting approved the annual and consolidated accounts for the financial year ending December 31, 2015, the dividend payment of €1.10 per share, as well as the option for payment of the dividend in either shares or cash. The General Meeting also renewed the terms of office of Directors of Ms. Aminata Niane, Ms. Lynn Paine, and Mr. Vernon Sankey. Following the renewal of the Directors' terms of office, the Board of Directors held after the General Meeting decided to confirm the composition of the Board's Committees.

On **May 30 2016**, Atos demonstrated its continued excellence in corporate sustainability as it published its 2015 Corporate Responsibility Integrated Report in accordance with the most demanding recommendations from the Global Reporting Initiative (GRI) G4 comprehensive option and the International Integrated Reporting Framework (IIRC). Indeed, since 2014 and for the second year in a row, Atos successfully completed the GRI Content Index Service with the G4 comprehensive option. With this approach, Atos demonstrates that its extra financial performance disclosures are accurate and exhaustive. All the information has been assured by an external auditor and is gathered in two documents: the Corporate Responsibility Report and the Registration Document.

Atos, through its commercial brand Bull, launched on **June 14, 2016** the Bull Battle Management System (BMS). Bull BMS is a complete solution that optimizes real-time information sharing for land and air-land combat, throughout entire battalions (at HQ, inside vehicles and for the dismounted soldiers) and for all mission types. It allows rapid creation of combined arms battle groups, which can share information about the mission effectively, even in degraded network conditions. It has optimal ergonomics making it easy to learn and use. The highly intuitive user interface is similar to those of civilian tools. Thus it has high tolerance for manual entry and it automates the capture of data, two major advantages on the battlefield. The solution has a level of technical neutrality which means it can be easily adapted to the national choice of equipment – such as tactical radio, vehicles, vetronics, operating systems and connected armaments. Atos establishes partnerships with the local ecosystem of defence industries. Relying on a shared software base and open architecture, Atos develops a national solution in close collaboration with its clients. It allows specific elements to be taken into account regarding the doctrine of use, the geographic and linguistic context and the order of battle.

As announced on **July 20, 2016**, Atos delivers the IT Backbone to Rio 2016™ Olympic Games. Distributing the results to the world in less than half a second, with no second chances, is a technological feat years in the making – one to be fully realized at the Rio 2016™ Olympic Games. Driven by the maturity of mobile technology, Atos – the worldwide IT Partner and lead integrator of the Olympic and Paralympic Games – has led the IOC's technology effort to enable Games results and other data to be shared both online and through traditional means faster, to any platform, anywhere. In order to relay results, events and athlete information to spectators and media around the world, Atos has further strengthened its well-developed complex systems with new technologies, such as the Olympic Video Player. The Olympic Video Player gives viewers of live sporting events real-time results, statistics, biographies and social media conversations– all in one, integrated screen. The Olympic Video Player will showcase content as it's never shown before, at just a mouse click away for fans. Whatever the devices, wherever they are, Olympic Games fans have the ultimate choice and control over what, how, where and when they watch, in the territories where the Rights-Holding Broadcasters have chosen to use the OVP.

C FINANCE

C.1 Operational review

C.1.1 Executive summary

Revenue in the first half of 2016 reached € 5,697 million, +15.3% compared to H1 2015 statutory (+17.9% at constant exchange rates) and +1.7% organically. The Group reached +1.8% organic growth in the second quarter of 2016, continuing the positive trend observed in the first quarter (+1.6% organically). In addition to the organic growth which strongly improved compared to H1 2015, the year-on-year growth was mainly led by the contribution of Xerox ITO acquired in July 2015 and Unify since February 2016, of which only the Communication & Collaboration Services (CCS) business has been transferred to Managed Services and is included in the figures presented hereafter. The Unify Software & Platforms (S&P) business has been accounted for as discontinued operations from the date of acquisition and is therefore not consolidated in the figures presented in the operational review. Exchange rates had a negative effect of €-114 million, mainly attributable to the British pound (-6% year-on-year versus euro), the Argentine peso (-39%), the Brazilian real (-20%), the Turkish lira (-13%) and the Swiss franc (-4%).

Operating margin reached € 444.4 million in the first half of 2016, up +28.6% year-on-year mainly thanks to productivity gains from industrialization programs, the effect of recent acquisitions and the related costs synergies, notably on Bull, Xerox ITO, and Unify CCS, and the impact from the restatement related to the change in the classification of share based payment expense from operating margin to other operating incomes and expenses in line with the presentation adopted by Atos' main competitors. Profitability reached 7.8% of revenue, +60 basis points compared to 7.2% in the same period of 2015 at constant scope and exchange rates. The improvement was +130 basis points excluding € 38 million one-offs recorded in H1 last year related the pension schemes optimization.

Representing 57% of the Group in the first half of 2016, **Managed Services** revenue was € 3,221 million, +29.5% year-on-year. At constant scope and exchange rates, revenue grew by +0.6% over the period, slightly improving compared to the trend observed since last year (2015 organic growth was +0.4%) and in the first quarter of 2016 (+0.4%). The Service Line continued to successfully drive the transition of its customers to Cloud infrastructures resulting in positive organic growth, thanks to volume increases and market share gains globally compensating for unit price decrease. Growth materialized primarily in North America, benefitting from the full integration of Xerox ITO and fueled by increased volumes with several large customers within Public & Health and Telecom, Media & Utilities sectors. Germany went back to positive, mainly benefitting from increased volumes in the public sector, in Financial Services and with Siemens. In "Other Business Units", Asia Pacific achieved a solid growth particularly due to higher volumes in Financial Services, while India, Middle-East & Africa increased thanks to new customers in the telecom sector. Revenue stabilized in France thanks to the signature of several contracts in the last few quarters. The situation remained more challenging for Benelux & The Nordics, notably due to ending contracts mainly within Financial Services, and in the UK, largely attributable to a base effect last year.

Operating margin in Managed Services was € 281.0 million in the first half of 2016, representing 8.7% of revenue. This improvement of +150 basis points compared to H1 2015 at constant scope and exchange rates came from strong operational savings throughout all geographies, in particular thanks to the migration to the Cloud of several customers' infrastructure generating significant unit cost reduction. The operating margin improvement in Unify CCS resulting from the large restructuring program in Unify also contributed to the operating margin improvement of the Service Line. The strong margin increase performed by the Service Line was achieved despite the lower revenue and therefore margin in the UK mentioned above. The operating margin improvement reached +180 basis points excluding the pension one-off effect recorded in H1 2015.

Representing 28% of the Group, **Consulting & Systems Integration** revenue was € 1,584 million in the first half of 2016, turning to a positive organic growth of +0.5%, confirming the trend observed in the first quarter (+0.4%). The new management team was able to return to positive organic growth with main improvements performed in France and Germany, fueled by a strong activity in most of the markets. In Central & Eastern Europe and to a lesser extent in North America, the delay of several contracts into the second semester affected the organic growth in the first half.

Operating margin was € 77.8 million, representing 4.9% of revenue, an improvement by +20 basis points compared to the first half of 2015 at constant scope and exchange rates or +70 basis points excluding the pension one-offs recorded in H1 2015. This was mainly attributable to the successful workforce improvement actions in most of the geographies, including France, the UK and Germany, and the costs synergies achieved following Bull integration in France. The start of the recovery of Consulting & Systems Integration both in revenue and margin was achieved while investing in innovation and new offerings to enhance the planned operating margin catch up with best in class peers.

Revenue in **Big Data & Cybersecurity** was € 302 million in the first half of 2016, up +12.8% organically, consistent with the +12.2% posted in the first quarter, representing 5% of the Group revenues. Growth was recorded in almost all geographies, with very strong dynamics in Germany, UK, Benelux & the Nordics, and Central & Eastern Europe, materializing the increasing internationalization of the former Bull business through the roll-out of highly demanded innovative solutions in the Big Data and Cybersecurity activities.

Operating margin was € 42.4 million, representing 14.0% of revenue. This improvement of +10 basis points compared to H1 2015 at constant scope and exchange rates was largely driven by the strong revenue performance combined with continuous costs optimization including Bull integration synergies, which enabled to maintain a high level of margin.

From a contributive perspective to Atos, **Worldline** revenue was € 589 million, growing by +5.9% at constant scope and exchange rates. On a standalone basis, revenue reached € 615 million, up +6.0% on a like-for-like basis. The three global business lines contributed to the organic growth over the period:

- Merchant Services & Terminals achieved a healthy double digit growth rate, notably thanks to increased volume of transactions and price mix in Commercial Acquiring as well as a strong level of Payment Terminals sales in both local and international markets.
- Financial Processing & Software Licensing expanded thanks to the continued transactions volumes growth in Acquiring Processing, notably in France and in India, increased revenues from Authentication and Fraud Management services within Issuing Processing business, and a strong level of licenses sold in Europe and in Asia.
- In Mobility & e-Transactional Services, growth was led by e-Consumer & Mobility activities enjoying a double-digit growth rate thanks to several new contracts signed and projects ramp-up mainly in France. e-Ticketing activities also contributed to the growth with increased project delivery with railways companies in the UK and higher volumes of e-Ticketing in Argentina. A good performance was also recorded in France and Argentina in e-Government Collection. Overall, the Business Line managed to more than compensate the base effect resulting from the end of the VOSA contract in the UK in the third quarter last year.

Operating margin was € 91.6 million or 15.6% of revenue, improving by +170 basis points compared to H1 2015 at constant scope and exchange rates, fueled by the strong performance in Merchant Services & Terminals, thanks to transactions volumes growth with a better price mix, as well as margin recovery in the UK. Operating margin in Financial Processing & Software Licensing was stable, while Mobility & e-Transactional Services achieved to almost compensate for the end of the VOSA contract. On a standalone basis, OMDA increased by +80 basis points, reaching € 117.2 million and 19.1% of revenue. The stronger increase of the operating margin rate compared to OMDA stemmed from a more efficient project delivery resulting in a lower level of provisions booked on contracts.

Several large geographies such as Germany, North America, and France significantly improved their revenue performance during the first semester:

- Germany confirmed its recovery, turning back to positive revenue growth in all Service Lines, with a strong organic growth of +4.9% (to be compared to -1.4% posted in H2 last year), notably thanks to strong actions undertaken in Systems Integration by the new management;
- North America was up +4.4%, compared to +0.1% posted in H2 last year, benefitting from the full effect of the integration of Xerox ITO and the new sales dynamic, mainly in Managed Services;
- France with +3.4% organic revenue growth, improving compared to +1.1% recorded in H2 2015, grew notably in Systems Integration and in Big Data & Cybersecurity.

In the first semester of 2016, the main contributors to Group revenue growth were Germany, North America, Worldline, France and "Other Business Units". In addition to the ones mentioned above:

- Worldline continued to contribute to the Group organic growth with a strong +5.9% over the period;
- "Other Business Units" also contributed to Group revenue growth, thanks to a good performance in Asia Pacific, South America and IMEA.

In the first semester of 2016, the Group continued to execute the Tier One Program through industrialization, global delivery from offshore locations, and continuous optimization of SG&A. In addition, the Group benefitted from the full impact of costs synergies following the integration of Bull and Xerox ITO, coupled with the effect of the Unify restructuring plan. The margin improvement was particularly visible in several major GBUs such as Germany (also benefitting from a positive base effect due to a settlement recorded last year in Unify), North America and France. The UK managed to broadly stabilize its operating margin in spite of the revenue effect already mentioned while Benelux and the Nordics faced a lower margin coming from the level of activity in Managed Services in particular in Financial Services. It is worth to be noted that in the first semester of 2016 the Group did not benefit from the impact of pension schemes optimization while € 38 million were recorded last year in Germany and in Global structures.

During the first half of 2016, the Group recorded **€ 6,309 million order entry**, **up +24.0% year-on-year** and representing a **book to bill ratio** of **111%**.

Commercial activity was particularly strong in Q2 with a book to bill ratio of 120%, driven by Cloud migration projects such as in the contract signed with the Texas Department of Information Resources for Hybrid Cloud Services and by digital transformation projects as for example the signature with a new logo, an American large quick serve restaurant provider, to deliver digital retail solution and an improved customer experience with the development of a mobile app. The Group also renewed large contracts such as the PIP contract with the UK Department for Work & Pensions. Commercial dynamism also came from the cross-selling strategy of the Group. As such, the Group signed a significant contract in Big Data with a French car manufacturer including the sale of a HPC, showing the promising perspectives of Big Data opportunities in the private sector, and had one of its first significant wins with Unify for the outsourcing of the communication network's management and services of Solvay.

Commercial dynamism translated into healthy book to bill ratios in all Service Lines during the first half of 2016. Managed Services book to bill ratio reached 110% thanks to large signatures in Benelux & The Nordics as well as in North America and Germany. Consulting & Systems Integration order entry represented 106% of revenue thanks to several contract wins in UK & Ireland in particular as well as in Benelux & The Nordics and in France. The level of booking was also high in Big Data & Cybersecurity and Worldline at 127% and 116% respectively.

In line with the dynamic commercial activity, the **full backlog** at the end of June 2016 amounted to **€ 19.5 billion**, representing 1.7 year of revenue, compared to € 19.1 billion published at the end of 2015. The **full qualified pipeline** was representing 6.7 months of revenue at **€ 6.4 billion**, compared to € 6.2 billion published at the end of 2015.

The **total headcount** was **96,352** at the end of June 2016. The increase of +5.5% of the Group workforce compared to 91,322 at the end of December 2015 was mainly due to the circa 5,200 staff who joined the Group from Unify on February 1st, 2016.

Attrition was 12.2% at Group level of which 18.4% in offshore countries, excluding the discontinued Unify Software & Platforms operations.

The number of direct employees at the end of June 2016 was 88,926, representing 92.3% of the total Group headcount, compared to 93.7% at the end of 2015. Adjusted from the scope effect from Unify, indirect staff decreased by -5.1% in line with the continuous optimization of the indirect workforce.

Number of staff in offshore countries reached 26,126 people by the end of June 2016. The majority of the offshore workforce is located in India, the rest being mainly in Eastern Europe. Offshore for Systems Integration represented 44% of direct staff.

C.1.2 Statutory to constant scope and exchange rates reconciliation

Revenue in H1 2016 reached € 5,697 million, +15.3% compared to H1 2015 statutory, +17.9% at constant exchange rates, and +1.7% organically. Operating margin reached € 444.4 million (7.8% of revenue), up +28.6% year-on-year and +10.7% compared to € 401.5 million (7.2% of revenue) in H1 2015 at constant scope and exchange rates (+60 basis points).

In € million	**H1 2016**	**H1 2015**	***% change***
Statutory revenue	5,697	4,941	*+15.3%*
Exchange rates effect		-108	
Revenue at constant exchange rates	5,697	4,833	*+17.9%*
Scope effect		776	
Exchange rates effect on acquired/disposed perimeters		-6	
Revenue at constant scope and exchange rates	**5,697**	**5,603**	***+1.7%***
Statutory operating margin	444.4	345.6	*+28.6%*
Equity based compensation reclassification		15.5	
Scope effect		51.7	
Exchange rates effect		-11.2	
Operating margin at constant scope and exchange rates	**444.4**	**401.5**	***+10.7%***
as % of revenue	*7.8%*	*7.2%*	

The table below presents the effects on H1 2015 revenue of acquisitions and disposals, internal transfers reflecting the Group's new organization, and change in exchange rates.

In € million	**H1 2015 statutory**	**Scope effects**	**Internal transfers**	**Exchange rates effects***	**H1 2015 at constant scope and FX**
North America	340	606	4	-2	948
Germany	759	127	0	0	886
United-Kingdom & Ireland	995	25	0	-58	962
France	825	-6	0	0	819
Benelux & The Nordics	515	5	0	0	521
Other Business Units	936	17	-4	-39	911
Worldline	571	0	0	-15	556
TOTAL GROUP	**4,941**	**776**	**0**	**-114**	**5,603**
Managed Services	2,488	779	-1	-63	3,203
Consulting & Systems Integration	1,612	-2	1	-34	1,576
Big Data & Cybersecurity	270	-1	0	-2	268
Worldline	571	0	0	-15	556
TOTAL GROUP	**4,941**	**776**	**0**	**-114**	**5,603**

** At average June 2016 YTD exchange rates*

Scope effects on revenue amounted to €776 million and mainly related to the positive contribution of Xerox ITO (6 months for €+596 million) and Unify (5 months for €+244 million, including €+89 million of revenue made with Unify Software & Platforms discontinued operations). Other effects were mainly related to (i) the early termination of the DWP WCA contract (2 months), (ii) the disposal of on-sites services in France (2 months), (iii) the sale of the Occupational Health business in January 2016 (6 months), and (iv) the external revenue made with Unify and accounted as internal revenue further to the acquisition (5 months).

It was decided to record this flow as external revenue to be consistent with the associated operating margin (more particularly for the operating margin rate reporting purpose)

Exchange rates had a negative impact of €-114 million on H1 2015 revenue, mainly attributable to the British pound (-6% year-on-year versus euro), the Argentine peso (-39%), the Brazilian real (-20%), the Turkish lira (-13%) and the Swiss franc (-4%).

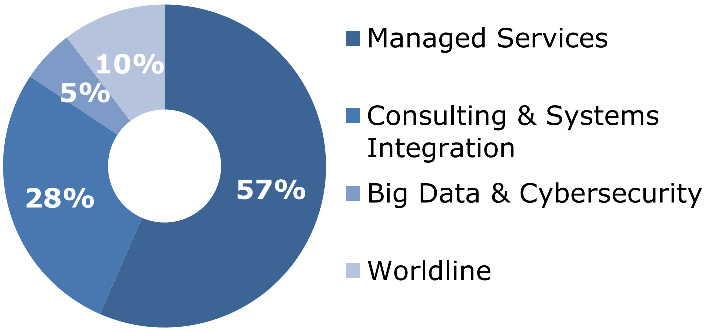
Same effects as well as the reclassification of the cost of equity based compensation are reflected in the operating margin at constant scope and exchange rates. As such, net scope effect on operating margin amounted to € 51.7 million and exchange rates effect accounted for €-11.2 million. These effects are detailed below:

In € million	**H1 2015 statutory**	**Scope effects**	**Internal transfers**	**Exchange rates effects***	**Equity based compensations**	**H1 2015 at constant scope and FX**
North America	26.4	45.2	1.6	-0.4		72.7
Germany	41.1	2.2	0.0	0.0		43.3
United-Kingdom & Ireland	102.9	1.9	0.0	-5.9		98.9
France	30.1	0.9	0.0	0.0		31.0
Benelux & The Nordics	47.6	0.4	0.0	0.0		48.0
Other Business Units	59.9	1.1	-1.6	-2.9		56.5
Global structures	-40.4			0.4	14.2	-25.8
Worldline	78.1	0.0	0.0	-2.4	1.3	76.9
TOTAL GROUP	**345.6**	**51.7**	**0.0**	**-11.2**	**15.5**	**401.5**
Managed Services	185.7	51.0	-0.8	-5.4		230.4
Consulting & Systems Integration	76.6	0.7	0.8	-3.3		74.8
Big Data & Cybersecurity	37.5	0.0	0.0	-0.3		37.1
Corporate costs	-32.3	0.0	0.0	0.3	14.2	-17.8
Worldline	78.1	0.0	0.0	-2.4	1.3	76.9
TOTAL GROUP	**345.6**	**51.7**	**0.0**	**-11.2**	**15.5**	**401.5**

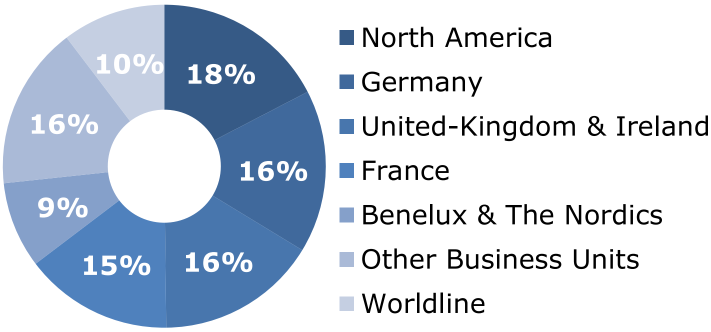
** At average June 2016 YTD exchange rates*

C.1.3 Revenue profile

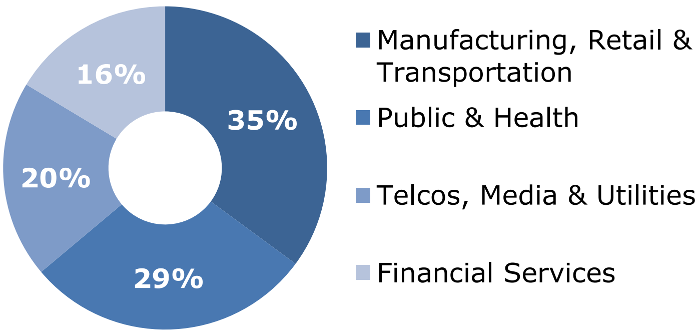
C.1.3.1 By Service Line



C.1.3.2 By Business Unit



C.1.3.3 By Market



C.1.4 Performance by Service Line

	Revenue			Operating margin		Operating margin %	
In € million	**H1 2016**	**H1 2015***	***% organic***	**H1 2016**	**H1 2015***	***H1 2016***	***H1 2015****
Managed Services	3,221	3,203	*+0.6%*	281.0	230.4	*8.7%*	*7.2%*
Consulting & Systems Integration	1,584	1,576	*+0.5%*	77.8	74.8	*4.9%*	*4.7%*
Big Data & Cybersecurity	302	268	*+12.8%*	42.4	37.1	*14.0%*	*13.9%*
Corporate costs**				-48.4	-17.8	*-0.9%*	*-0.4%*
Worldline	589	556	*+5.9%*	91.6	76.9	*15.6%*	*13.8%*
TOTAL GROUP	**5,697**	**5,603**	***+1.7%***	**444.4**	**401.5**	***7.8%***	***7.2%***

** At constant scope and exchange rates*

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

C.1.4.1 Managed Services

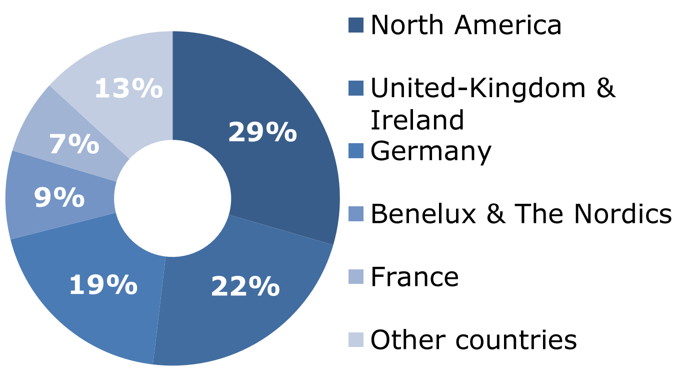
In € million	**H1 2016**	**H1 2015***	***% organic***
Revenue	3,221	3,203	*+0.6%*
Operating margin	281.0	230.4	
Operating margin rate	*8.7%*	*7.2%*	

** At constant scope and exchange rates*

2016 first half **revenue** in Managed Services was € 3,221 million, up +0.6% at constant scope and exchange rates, with a significant growth in Cloud Services and in Technology Transformation Services. In addition, the Service Line won several key contracts notably in the area of workplace and service desk automation supporting growth in several geographies such as North America, Asia Pacific and Germany. The Service Line strategy is to proactively propose to its key clients in its large geographies to transform their IT landscape enabling them to automate and to migrate to cloud infrastructures.

Revenue organic growth materialized in almost all markets. Public & Health led the growth in almost all geographies, in particular in North America with an increase mainly fueled by large sales to an American state agency, the renegotiation of volumes and rates with a Californian county, as well as additional business with a county in Texas. In Germany, growth came from increased volumes and sales with the Ministry of Justice as well as increased activity from Unify Communication & Collaboration Services with various local administrations. Revenue grew in the public sector in the United Kingdom mainly pulled by a new pricing structure on the DWP PIP contract as well as volumes increase. In France, revenue grew thanks to new business with DCNS (Shipbuilding National Agency) and the ramp-up of contracts with a large Aircraft company and French Railways. Central & Eastern Europe benefitted from new contracts and additional businesses with several clients especially in Switzerland. Manufacturing, Retail & Transportation benefitted from license sale to Siemens in Germany and from new business with a large biotechnology corporation in North America. Telco, Media & Utilities benefitted from a sustained activity mainly with Disney in North America, as well as in "Other Business Units". This more than offset a drop in Financial Services, with a significant one-off activity with NS&I in the United Kingdom and McGraw-Hill Financial in North America in 2015, and the ramp-down of a significant contract with a large bank in Benelux & the Nordics.

Managed Services revenue profile by geographies



Operating margin in Managed Services was € 281.0 million in the first half of 2016, representing 8.7% of revenue. This improvement of +150 basis points compared to H1 2015 at constant scope and exchange rates was realized thanks to strong operational savings throughout all geographies, in particular with the migration to the Cloud of several customers' infrastructures generating significant unit cost reduction. The improvement in margin of the Unify CCS business resulting from the large restructuring program in Unify also contributed to the operating margin improvement of the Service Line. In terms of geographies, North America, Germany, France, Central & Eastern Europe, and Asia Pacific profitability increased either in line with revenue performance or was strengthened by a tight monitoring of costs including Tier One Program actions, mainly through synergies from integrations, workforce management actions, the continued offshoring efforts, and procurement savings. The strong margin increase performed by the Service Line was achieved despite the lower revenue and therefore margin in the UK mentioned above. The operating margin improvement reached +190 basis points excluding the pension one-off effect recorded in the prior year.

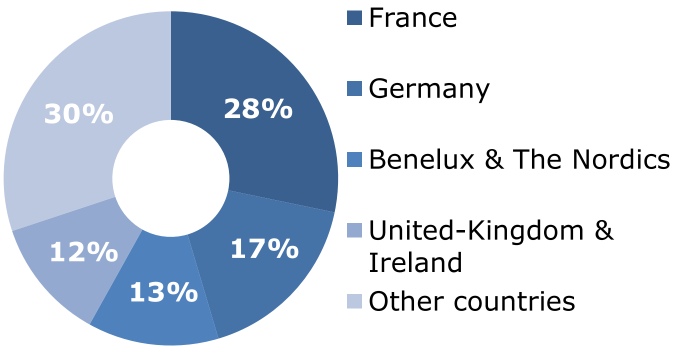
C.1.4.2 Consulting & Systems Integration

In € million	**H1 2016**	**H1 2015***	***% organic***
Revenue	1,584	1,576	*+0.5%*
Operating margin	77.8	74.8	
Operating margin rate	*4.9%*	*4.7%*	

* *At constant scope and exchange rates*

Consulting & Systems Integration **revenue** during the first half of 2016 reached € 1,584, up +0.5% at constant scope and exchange rates. Financial Services was the main growth contributor, notably in France, thanks to higher volumes with large French banks, and in the UK with the delivery and installation of equipment at customers such as Close Brothers. Telco, Media & utilities also achieved a positive growth mainly driven by additional projects with a large Media company in the UK. Manufacturing remained slightly behind due to fewer projects with Siemens in the first half. In the public sector, new contracts signed with the French Ministry of Defense and Ministry of Justice in Germany partly compensated for the Ashgabat phase II project ramp-down, several projects ended in the first semester of 2015 in Slovakia and Turkey, and several delays into the second semester.

Consulting & Systems Integration revenue profile by geographies



Operating margin was € 77.8 million, representing 4.9% of revenue. The improvement of +20 basis points compared to the first half of 2015 at constant scope and exchange rates, or +70 basis points excluding the pension one-off recorded in H1 2015, was mainly attributable to the successful workforce improvement actions in most of the geographies, including France, the UK, and Germany, and to the costs synergies achieved following Bull integration in France. Conversely, Central & Eastern Europe was impacted from lower-than-expected revenue and declining profitability on some projects, notably in Turkey and Poland, while India, Middle-East & Africa had to cope with a difficult contract where the status is steadily improving. Overall, the start of the recovery of Consulting & Systems Integration both in revenue and margin was achieved while investing in innovation and new offerings to enhance the planned operating margin catch up with best in class peers.

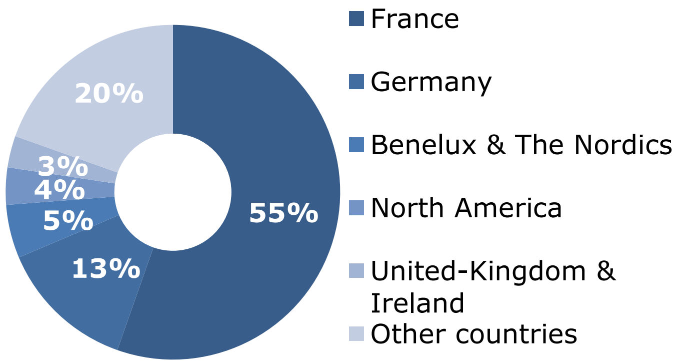
C.1.4.3 Big Data & Cybersecurity

In € million	**H1 2016**	**H1 2015***	***% organic***
Revenue	302	268	*+12.8%*
Operating margin	42.4	37.1	
Operating margin rate	*14.0%*	*13.9%*	

** At constant scope and exchange rates*

Revenue in Big Data & Cybersecurity was € 302 million, showing a healthy organic growth of +12.8% with a strong performance recorded in almost all geographies. Growth was primarily driven by the Public & Health sector in France, through High Performance Computing sales to Météo France and the CEA (Commission for Atomic Energy and Alternative Energies), software license revenue with the Ministry of Defense and Cybersecurity activity for the Ministry of the Interior. Manufacturing, Retail & Transportation also contributed to growth being positively impacted by a one-off sale of software license to a large BtoB specialty retailer in Germany.

Big Data & Cybersecurity revenue profile by geographies



Operating margin was € 42.4 million, representing 14.0% of revenue. This improvement of +20 basis points compared to the first semester of 2015 at constant scope and exchange rates was largely driven by the strong revenue performance combined with continuous costs optimization including Bull integration synergies, which enabled to maintain a high level of margin.

C.1.4.4 Worldline

A detailed review of Worldline half-year 2016 results can be found at worldline.com, in the investors section.

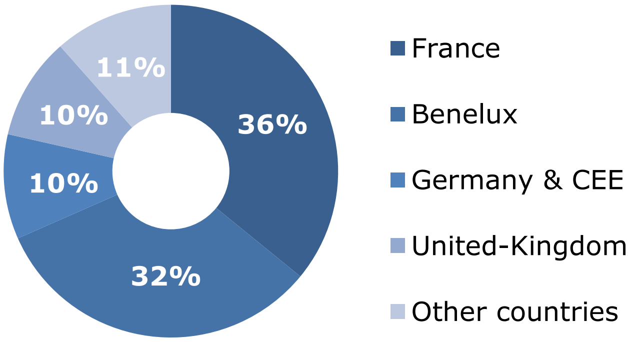
In € million	**H1 2016**	**H1 2015***	***% organic***
Revenue	589	556	*+5.9%*
Operating margin	91.6	76.9	
Operating margin rate	*15.6%*	*13.8%*	

** At constant scope and exchange rates*

Worldline contributive **revenue** was € 589 million, improving by +5.9% organically. On a standalone basis, Worldline revenue reached € 615 million over the first semester of 2016, up +6.0% at constant scope and exchange rates. All Global Business Lines contributed to the revenue organic growth:

- In **Merchant Services & Terminals**, revenue was € 209 million or +10.0% on a like-for-like basis. Commercial Acquiring achieved a strong performance with a double digit growth through increased transaction volumes (+7%) both in Belgium and on international markets, by a more favorable price mix as well as an increased payment terminals base installed in India. Revenue in Payment Terminals increased double-digit thanks to a very good performance in International sales and in the Netherlands, while Germany continued on its good momentum. Private Label Cards & Loyalty Services grew thanks to larger volumes of digital self-service kiosks in the UK and to higher activity in the Fuel Genie card scheme. In Online services, revenue for Acceptance & e-payment services slightly increased, while e-Commerce services decreased due less project activity compared with the first half of 2015.
- **Financial processing & Software Licensing** revenue reached € 206 million, up + 4.1% compared to last year. Main growth driver was Acquiring Processing, thanks to volume growth and the raise of the terminal base under management in India. Revenue increase in Issuing processing was driven by a strong activity in Authentication services in France, Belgium and Germany (ACS, 3D secure, Trusted Authentication) and in e-Wallets. Good volume growth in core issuing was also recorded, notably in Fraud services in Belgium and in Germany, more than compensating the effect of price decreases. Sales in Payment Software Licensing grew thanks to good trends in APAC, with higher managed card services and project-based activity, and to expansion in Europe. Despite higher volumes notably in Online Banking electronique Payment, revenue in Online Banking Services was almost stable due to an unfavorable 2015 comparison basis.
- In **Mobility & e-Transactional Services**, revenue was € 175 million and +3.5% organically, fueled by a double digit growth rate in e-Consumer & Mobility driven by Contact & Consumer Cloud activities in France and by increased revenue with Teleshopping. Sales of e-Ticketing solutions grew thanks to digital transformation projects in the UK rail industry and to the rollout of the new Onboard Ticketing solution MTIS. These favorable trends more than compensated some end of contracts. The growth was also strong in Latin America notably on Cordoba and Tucuman contracts. e-Government Collection revenue suffered from the effect of the end of VOSA contract which occurred at end of Q3 2015. Excluding this negative effect, the trend was however very good, with a substantial growth in France driven by revenue increase with various public sector projects and in Luxembourg. Growth was also strong in Argentina (Farmalink, Salta) and in Austria. As anticipated and communicated in 2015, the French "Radar" contract (with ANTAI) stopped on June 8, 2016.

Worldline revenue profile by geographies



Operating margin was € 91.6 million or 15.6% of revenue, improving by +170 basis points compared to 2015:

- In **Merchant Services & Terminals**, operating margin was € 33.9 million and 16.3% of revenue, up + 570 basis points on a like-for-like basis, driven by volume growth and positive price effect in Commercial Acquiring, coupled with margin recovery in the merchant network in the UK and the positive base effect derived from a settlement with a customer recorded last year.
- **Financial processing & Software Licensing** operating margin reached € 44.1 million and 21.5% of revenue, down – 20 basis points compared to the first semester of 2015. A strong revenue growth fall through notably in Payment Software & Licensing and Issuing Processing as well as improved projects profitability in many geographies, had a favorable impact on margin. These positive trends were however offset by specific investments made to reinforce infrastructure security and robustness as well as customary price concessions granted end of 2015 in the context of renewal of long-term processing contracts.
- **Mobility & e-Transactional Services** operating margin was € 23.2 million and 13.3% of revenue, decreasing by -60 basis points. The profitability of the business line was impacted as revenue from VOSA, which was a very mature contract, was substituted by new business consisting of project activities and ramping-up volumes.

Standalone **Operating Margin before Depreciation and Amortization** (OMDA) increased by +80 basis points on a standalone basis, reaching € 117.2 million and 19.1% of revenue. The stronger increase of the operating margin rate compared to OMDA stemmed from a more efficient project delivery resulting in a lower level of provisions booked on contracts.

C.1.5 Performance by Business Units

In € million	Revenue			Operating margin		Operating margin %	
	H1 2016	H1 2015*	% organic	H1 2016	H1 2015*	H1 2016	H1 2015*
North America	990	948	+4.4%	100.4	72.7	10.1%	7.7%
Germany	930	886	+4.9%	80.8	43.3	8.7%	4.9%
United-Kingdom & Ireland	918	962	-4.6%	89.0	98.9	9.7%	10.3%
France	847	819	+3.4%	47.6	31.0	5.6%	3.8%
Benelux & The Nordics	492	521	-5.5%	38.3	48.0	7.8%	9.2%
Other Business Units	931	911	+2.2%	53.4	56.5	5.7%	6.2%
Global structures**				-56.8	-25.8	-1.1%	-0.5%
Worldline	589	556	+5.9%	91.6	76.9	15.6%	13.8%
TOTAL GROUP	**5,697**	**5,603**	**+1.7%**	**444.4**	**401.5**	**7.8%**	**7.2%**

** At constant scope and exchange rates*

*** Global structures include the Global Services Lines costs not allocated to the Group Business Unit and Corporate costs*

Several large geographies such as Germany, North America, and France significantly improved their revenue performance during the first semester:

- Germany confirmed its recovery, turning back to positive revenue growth in all Service Lines, with a strong organic growth of +4.9% (to be compared to -1.4% posted in H2 last year), notably thanks to strong actions undertaken in Systems Integration by the new management;
- North America was up +4.4%, compared to +0.1% posted in H2 last year, benefitting from the full effect of the integration of Xerox ITO and the new sales dynamic, mainly in Managed Services;
- France with +3.4% organic revenue growth, improving compared to +1.1% recorded in H2 2015, grew notably in Systems Integration and in Big Data & Cybersecurity.

In the first semester of 2016, the main contributors to Group revenue growth were Germany, North America, Worldline, France and "Other Business Units". In addition to the ones mentioned above:

- Worldline continued to contribute to the Group organic growth with a strong +5.9% over the period;
- "Other Business Units" also contributed to Group revenue growth, thanks to a good performance in Asia Pacific, South America and IMEA.

Conversely:

- The United Kingdom posted a -4.6% organic decrease mainly attributable to the base effect of outstanding volumes processed for NS&I in H1 2015;
- Benelux & The Nordics at -5.5% due to the ramp-down of contracts in Managed Services, notably in Financial Services.

In the first semester of 2016, the Group continued to execute the Tier One Program through industrialization, global delivery from offshore locations, and continuous optimization of SG&A. In addition, the Group benefitted from the full impact of costs synergies following the integration of Bull and Xerox ITO, coupled with the effect of the Unify restructuring plan. The margin improvement was particularly visible in several major Business Units such as Germany (also benefitting from a positive base effect due to a settlement recorded last year in Unify), North America and France. The UK managed to broadly stabilize its operating margin in spite of the revenue effect already mentioned while Benelux and the Nordics faced a lower margin coming from the level of activity in Managed Services in particular in Financial Services. It is worth to be noted that in the first semester of 2016 the Group did not benefit from the impact of pension schemes optimization while € 38 million were recorded last year in Germany and in Global structures.

C.1.5.1 North America

In € million	**H1 2016**	**H1 2015***	***% organic***
Revenue	990	948	*+4.4%*
Operating margin	100.4	72.7	
Operating margin rate	*10.1%*	*7.7%*	

** At constant scope and exchange rates*

Revenue reached € 990 million, +4.4% at constant scope and exchange rates, mainly fueled by Managed Services where the best performance was achieved in Telcos, Media & Utilities with large customers such as Disney. Public & Health was fueled by higher levels of resale and installation with an American state agency and a county in Texas, as well as a result of higher volumes and reviewed contract terms with a Californian county. Manufacturing, Retail & Transportation benefitted from new business and ramp-up on several contracts such as Xerox, Israel Chemical as well as a large biotechnology company.

Consulting & Systems Integration was down, especially within Manufacturing, Retail & Transportation derived from ramp-down or large contracts delivered last year and not yet fully compensated by new business. Additionally, the cross-selling program already launched on the large US Managed Services customer base is expected to deliver beyond the first semester of this year.

Revenue in Big Data & Cybersecurity continued to grow mainly in the public sector.

Profitability improved to 10.1% of revenue as **operating margin** grew particularly in Managed Services in line with revenue improvement as well as Tier One Program continuous actions, synergies, procurement savings, offshoring acceleration, and more efficient project management.

C.1.5.2 Germany

In € million	**H1 2016**	**H1 2015***	***% organic***
Revenue	930	886	*+4.9%*
Operating margin	80.8	43.3	
Operating margin rate	*8.7%*	*4.9%*	

** At constant scope and exchange rates*

During the first half of 2016, the Business Unit posted a strong revenue performance, up +4.9% compared to the same period last year at constant scope and exchange rates, leading to € 930 million **revenue**. The Business Unit confirmed the positive trend recorded in the first quarter this year following a better fourth quarter last year with an improvement coming from all Service Lines and most of the Markets, in particular from Public & Health.

Managed Services growth came from Public & Health, improving through ramp-up volumes for the Department of Justice as well as an increased activity from Unify Communication & Collaboration Services with various local administrations. Manufacturing, Retail & Transportation benefitted primarily from larger project and resale volumes with Siemens. Financial Services grew thanks to project volumes with a major German bank, while the Telecom market was impacted by reduced activity with longstanding customers such as Nokia.

Consulting & Systems Integration continued to record a strong organic growth, with all the markets turning to positive, reflecting the positive sales dynamic as a result from the change of the Service Line management last year. In particular, Public & Health posted a double digit growth led by higher volumes with the Ministry of Justice, while the other Markets managed to win both new customers and additional projects.

Big Data & Cybersecurity also achieved a double digit revenue growth, mainly driven by a very strong performance in Manufacturing, Retail & Transportation attributable to software license sales which largely offset the base effect of a High Performance Computing project delivered last year.

Operating margin reached € 80.8 million or 8.7% of revenue, significantly improving compared to H1 2015 at constant scope and exchange rates. Operating margin improved in Managed Services thanks to the combination of strong revenue growth and continued strong actions on cost, notably from significant optimization of the workforce, as well as an increased activity from offshore delivery platforms. In addition, the Service Line benefitted from Unify restructuring plan and from a one-off settlement recorded last year with one customer. Consulting & Systems Integration pursued its recovery thanks to continued workforce optimization while posting revenue growth as mentioned above.

C.1.5.3 United Kingdom & Ireland

In € million	**H1 2016**	**H1 2015***	***% organic***
Revenue	918	962	*-4.6%*
Operating margin	89.0	98.9	
Operating margin rate	*9.7%*	*10.3%*	

** At constant scope and exchange rates*

Revenue was € 918 million, down -4.6% year-on-year at constant scope and exchange rates.

The Business Unit was largely impacted by the comparison effect with last year in Managed Services when outstanding volumes were processed for NS&I. Public & Health grew, benefiting from the ramp-up of the new contract with Metropolitan Police combined with increased volumes and projects achieved with DWP for the PIP contract. This was not sufficient to compensate for the NS&I base effect in Financial Services and for Telcos, Media & Utilities impacted by specific projects performed last year for large customers which was not repeated during the first half of this year.

Revenue in Consulting & Systems Integration was almost stable. Growth was achieved in financial and telecom sectors thanks to new contracts and increased volumes, respectively with Close Brothers and a large Media company. In Manufacturing, Retail & Transportation, the growth achieved in new SAP engagements could not compensate for contracts ramp-down with customers such as Brakes and Xerox. Revenue slightly declined in the public sector with large contracts and programs ending, notably with the UK Civil Service, and Skills Development Scotland, partly offset by an increase of project activities on key accounts such as Metropolitan Police and in the Defense area.

Big Data & Cybersecurity revenue strongly grew especially in Public & Health and Telcos, Media & Utilities, notably through software licenses and an increased demand on cybersecurity and High Performance Computing projects.

Operating margin was € 89.0 million and represented 9.7% of the revenue. The Business Unit achieved to maintain its level of profitability despite revenue decline in Managed Services. In particular, strong management actions were implemented to pursue the efforts on costs savings and synergies through Tier One Program initiatives, as well as a tight project management on large contracts. Profitability improved in Systems Integration through costs optimizations as well as in Big Data & Cybersecurity thanks to a strong revenue growth.

C.1.5.4 France

In € million	**H1 2016**	**H1 2015***	***% organic***
Revenue	847	819	*+3.4%*
Operating margin	47.6	31.0	
Operating margin rate	*5.6%*	*3.8%*	

** At constant scope and exchange rates*

At € 847 million, **revenue** in France was up +3.4% organically. This good performance was attributable to a positive turnaround in Consulting & Systems Integration, as well as a continued healthy performance of Big Data & Cybersecurity.

Managed Services was almost stable thanks to new business signed and delivered notably with DCNS (Shipbuilding National Agency) and the ramp-up of contracts such as the ones with PwC and with a large aircraft manufacturer, mainly in Manufacturing, Retail & Transportation. On the other way round, lower resale volumes combined with less projects led to an organic decline in Telcos, Media & Utilities, and in Financial Services.

Consulting & Systems Integration posted a strong revenue organic increase, returning to positive in almost all Markets. In particular, Public & Health benefited from the ramp-up of new contracts, notably with the Ministry of Defense and several local administrations. Financial Services as well as Manufacturing, Retail & Transportation benefitted from additional project volumes and new contracts, in particular with large institutions or companies such as Crédit Agricole, Sanofi, and Accor. In Telcos, Media & Utilities, projects ramp-up with FDJ and SFR partly offset the ramp-down of several other contracts.

Big Data & Cybersecurity continued on its robust positive trend mainly originated in Public & Health, notably with an increasing demand from the Ministry of Defense, Météo France, the CEA (Commission for Atomic Energy and Alternative Energies) and Ministère de l'Intérieur.

Operating margin reached € 47.6 million, representing 5.6% of revenue, an improvement by +180 basis points. Profitability improved in all Service Lines, primarily led by Managed Services in an environment of stable revenue, driven by strong cost saving actions. Operating margin in Consulting & Systems Integration significantly increased in line with the solid revenue growth and combined with a more optimized utilization of staff in Technology Services within Consulting & Systems Integration resulting from an efficient workforce management initiated last year and with the effect of the cost synergies program on Bull performed in 2015. Finally, Big Data & Cybersecurity's performance was also up thanks to the additional gross margin generated in a context of revenue increase.

C.1.5.5 Benelux & The Nordics

In € million	**H1 2016**	**H1 2015***	***% organic***
Revenue	492	521	*-5.5%*
Operating margin	38.3	48.0	
Operating margin rate	*7.8%*	*9.2%*	

** At constant scope and exchange rates*

At € 492 million, revenue was down -5.5% organically, continuing the negative trend observed last year (-6.1% organic decline in the first semester of 2015).

In Managed Services, revenue was affected by the declining trend mainly originating from Financial Services suffering from the ING contract ramp-down and lower resale volumes with Rabobank. While Manufacturing, Retail & Transportation benefitted from the ramp-up of the new contract with Philips, Public & Health and Telcos, Media & Utilities decreased due respectively to ended contracts with Dutch public institutions as well as the Post Nord contract ramp-down in Denmark, and the termination of some contracts with Telco operators.

Consulting & Systems Integration revenue decrease was due to Telcos, Media & Utilities in the Netherlands, while in Manufacturing, Retail & Transportation the Siemens account faced lower volumes mainly in Denmark. Conversely Financial Services and Public & Health performed respectively higher resale volumes in Denmark and increased service delivery with the European Union in Belgium.

Big Data & Cybersecurity continued to record a high growth on a business launched further to the acquisition of Bull, driven by sales of software licenses, cybersecurity and High Performance Computing products in the Belgian and Denmark public sector.

Operating margin reached € 38.3 million, representing 7.8% of revenue. Benelux & The Nordics managed to contain the margin erosion in spite of a difficult market environment and a context of a significant revenue decrease. This performance resulted from workforce management efficiency with the optimization of the costs base in Consulting & Systems Integration in particular. Operating margin increase in Big Data & Cybersecurity directly stemmed from the expansion of the business.

C.1.5.6 Other Business Units

In € million	**H1 2016**	**H1 2015***	***% organic***
Revenue	931	911	*+2.2%*
Operating margin	53.4	56.5	
Operating margin rate	*5.7%*	*6.2%*	

** At constant scope and exchange rates*

Revenue in "Other Business Units" reached € 931 million, up +2.2% organically, enhanced by Managed Services, in particular in Financial Services from higher volumes with a large bank in Hong-Kong as well as in Telcos, Media & Utilities from new projects in South Africa and India. This allowed compensating for slightly lower volumes and price reductions with Siemens and some large equipment deliveries recorded in the prior year in Manufacturing, Retail & Transportation.

Revenue grew in Big Data & Cybersecurity at a double-digit rate organically, similar to the trend observed in the first quarter, mainly driven by two new contracts in Switzerland.

This fully compensated for ending projects in Consulting & Systems Integration, notably Ashgabat phase II.

Operating margin was € 53.4 million, representing 5.7% of revenue, broadly stable compared to the first half of 2015 at constant scope and exchange rates. Margin benefitted from revenue improvement as well as increased productivity in the global delivery centers and from tight monitoring of costs allowing for an improved price competitiveness.

C.1.5.7 Global structures

Global structures costs increased by €-31.0 million compared to the first half of 2015 at constant scope and exchange rates, impacted by both the optimization of the pension scheme recorded in the prior year, and the effect of the increased globalization of the Group functions which will be fully reflected in the Group recharges to business units on a full year basis.

C.1.6 Revenue by Market

In € million	**H1 2016**	**H1 2015***	***% organic***
Manufacturing, Retail & Transportation	2,000	1,982	*+0.9%*
Public & Health	1,639	1,532	*+6.9%*
Telcos, Media & Utilities	1,125	1,111	*+1.3%*
Financial Services	933	978	*-4.6%*
TOTAL GROUP	**5,697**	**5,603**	***+1.7%***

** At constant scope and exchange rates*

C.1.6.1 Manufacturing, Retail & Transportation

Representing 35% of the Group revenue, Manufacturing, Retail & Transportation was the largest Market segment and reached € 2,000 million in H1 2016, growing by +0.9% compared to H1 2015 at constant scope and exchange rates. Manufacturing, Retail & Transportation revenue benefited from its strong commercial activity notably within Managed Services and Worldline.

In this market, the top 10 clients (excluding Siemens) represented 24% of revenue and were Xerox, a large aircraft manufacturer, Nike, Renault Nissan, Johnson & Johnson, a large electronics company, Daimler Group, Volkswagen, Marriott, and BASF.

C.1.6.2 Public & Health

Public & Health was the second market of the Group (29%) with total revenue of € 1,639 million, representing a strong increase by +6.9% compared to H1 2015 at constant scope and exchange rates. Growth mainly came from North America thanks to Texas Department of Information Resources and from France with the Ministry of Defense. Big Data & Cybersecurity also showed a strong performance across all Business Units.

35% of the revenue in this market was realized with 10 main clients: Department for Work & Pensions (DWP), the UK Ministry of Justice, European Union Institutions, an Texas Department of Information Resources, Ministry of Defense in France, Nuclear Decommissioning Authority (NDA), SNCF, CEA (Commission for Atomic Energy and Alternative Energies) in France, ANTAI in France (Agence Nationale de Traitement Automatisé des Infractions) and Bundesagentur für Arbeit (Federal Employment Agency) in Germany.

C.1.6.3 Telcos, Media & Utilities

Telcos, Media & Utilities represented 20% of the Group revenue and reached € 1,125 million, up by +1.3% compared to H1 2015 at constant scope and exchange rates. Revenue increase was mainly driven by new contracts in North America and "Other Business Units", notably Asia Pacific and India, Middle-East & Africa.

Main clients were a large media company in the UK, EDF, Disney World, Orange, Nokia, Telefonica/O2, Microsoft, Telecom Italia, Engie, and Schlumberger. The top 10 main clients represented 51% of the total Telcos, Media & Utilities revenue.

C.1.6.4 Financial Services

Financial Services was the fourth Market of the Group and represented 16% of the total revenue at € 933 million, declining by -4.6% compared to H1 2015 at constant scope and exchange rates. The decrease mainly came from the base effect related to outstanding volumes processed last year for National Savings & Investments (NS&I) in the UK and from the ramp-down of a contract with a large bank in Benelux & the Nordics.

In this market, 48% of the revenue was generated with the 10 main clients: National Savings & Investments (NS&I), the largest German bank, a large bank in Hong Kong, McGraw-Hill Financial, BNP Paribas, La Poste, Crédit Agricole, Achmea, Société Générale, and Commerzbank.

C.1.7 Portfolio

C.1.7.1 Order entry and book to bill

In the first semester of 2016, the Group **order entry** totaled **€ 6,309 million**, up +24.0% year-on-year, representing a **book to bill ratio** of **111%** and notably **120%** in the second quarter.

Order entry and book to bill by Service Line in IT Services was as follows:

	Order Entry			Book to bill		
In € million	**Q1**	**Q2**	**H1 2016**	***Q1***	***Q2***	***H1 2016***
Managed Services	1,501	2,052	3,553	*97%*	*123%*	*110%*
Consulting & Systems Integration	854	833	1,687	*110%*	*103%*	*106%*
Big Data & Cyber-security	159	224	384	*117%*	*136%*	*127%*
Total IT Services	**2,515**	**3,109**	**5,624**	***102%***	***118%***	***110%***

Commercial activity was particularly strong in Q2 with a book to bill ratio of 120%, driven by Cloud migration projects such as in the contract signed with the Texas Department of Information Resources for Hybrid Cloud Services and by digital transformation projects as for example the signature with a new logo, an American large quick serve restaurant provider, to deliver digital retail solution and an improved customer experience with the development of a mobile app. The Group also renewed large contracts such as the PIP contract with the UK Department for Work & Pensions. Commercial dynamism also came from the cross-selling strategy of the Group. As such, the Group signed a significant contract in Big Data with a French car manufacturer including the sale of a HPC, showing the promising perspectives of Big Data opportunities in the private sector, and had one of its first significant wins with Unify for the outsourcing of the communication network's management and services of Solvay.

Commercial dynamism translated into healthy book to bill ratios in all Service Lines during the first half of 2016. Managed Services book to bill ratio reached 110% thanks to large signatures in Benelux & The Nordics as well as in North America and Germany. Consulting & Systems Integration order entry represented 106% of revenue thanks to several contract wins in UK & Ireland in particular as well as in Benelux & The Nordics and in France. The level of booking was also high in Big Data & Cybersecurity and Worldline at 127% and 116% respectively.

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

	Order Entry			Book to bill		
In € million	**Q1**	**Q2**	**H1 2016**	***Q1***	***Q2***	***H1 2016***
Manufacturing, Retail & Transportation	1,088	1,137	2,226	*109%*	*113%*	*111%*
Public & Health	966	1,113	2,078	*123%*	*131%*	*127%*
Telcos, Media & Utilities	404	574	978	*81%*	*92%*	*87%*
Financial Services	336	690	1,027	*71%*	*150%*	*110%*
Total Group	**2,794**	**3,515**	**6,309**	***101%***	***120%***	***111%***

C.1.7.2 Full backlog

In line with the dynamic commercial activity and representing 1.7 year of revenue, the full backlog at the end of June 2016 amounted to € 19.5 billion including the backlog of Unify CCS, compared to € 19.1 billion published at the end of 2015.

C.1.7.3 Full qualified pipeline

Including Unify CCS, the full qualified pipeline was representing 6.7 months of revenue at € 6.4 billion, compared to € 6.2 billion published at the end of 2015.

C.1.8 Human Resources

The total headcount was 96,352 at the end of June 2016, compared to 91,322 at the end of 2015. The increase of +5.5% (or + 5,030 staff) of the Group total workforce was mostly due to 5,199 staff from Unify who joined the Group on February 1st, 2016, of which 1,871 in Unify CCS part and 3,328 staff in Unify S&P. Excluding the Unify S&P activities, reported under discontinued operations, total headcount would be at 93,312, increasing by +2.2%.

The figures herein below in paragraph C.1.8 exclude the discontinued Unify S&P operations.

During the first semester of 2016, the Group hired 8,247 staff (of which 96% direct employees), mainly in Managed Services counting for more than 60% of the direct hiring over the period. The hiring have been mainly achieved in "Other Business Units" (totaling 63% of direct hiring), notably in offshore countries such as India, Poland, Romania, Morocco, and Philippines, as well as in the US, the UK and Brazil.

Attrition rate was 12.2% at Group level, of which 18.4% in offshore countries.

Headcount evolution in H1 2016 by Business Units and by Service Line was as the following:

	Opening January 2016	Internal transfers	Scope	Hiring	Leavers, Dismissal & Restructuring	Closing June 2016
Managed Services	41,361	-	1,459	4,795	-3,554	44,061
Consulting & Systems Integration	33,710	-	-23	2,517	-3,281	32,923
Big Data & Cybersecurity	3,385	-	-	224	-101	3,508
Functions	352	-	-	4	-199	157
Worldline	6,750	-	-	319	-326	6,743
Total Direct	**85,558**	**-**	**1,436**	**7,859**	**-7,461**	**87,392**
North America	12,074	-2,568	212	1,220	-1,413	9,525
Germany	7,578	204	553	85	-185	8,235
United-Kingdom & Ireland	7,771	210	302	817	-634	8,466
France	11,629	36	-	323	-722	11,266
Benelux & The Nordics	5,189	66	-	56	-342	4,969
Other Business Units	34,128	2,052	369	5,024	-3,831	37,742
Global structures	438	-	-	15	-8	445
Worldline	6,750	-	-	319	-326	6,743
Total Direct	**85,558**	**-**	**1,436**	**7,859**	**-7,461**	**87,392**
Total Indirect	**5,764**	**-**	**407**	**289**	**-540**	**5,920**
Total Group	**91,322**	**-**	**1,843**	**8,148**	**-8,001**	**93,312**

The number of direct employees at the end of June 2016 was 87,392, representing 93.7% of the total Group headcount, stable compared to the end of December 2015. Indirect staff was 5,920, slightly up compared to the end of December 2015. Adjusted from the scope effect from Unify CCS, indirect staff decreased by -5.1% in line with the continuous optimization of the indirect workforce.

Number of staff in offshore countries reached 26,126 people by the end of June 2016. The majority of the offshore workforce is located in India, the rest being mainly in Eastern Europe. Offshore for Systems Integration represented 44% of the activity direct workforce.

C.2 2016 objectives

The Group raised all its objectives for 2016 stated in the February 24, 2016 release:

Revenue: Organic growth of +1.5% to +2.0% (vs. above +0.4% initially). Growth at constant exchange rates above +11% (vs. above +8% initially).

Operating margin: Between 9.2% and 9.5% of revenue (vs. 9.0% to 9.5% initially).

Free cash flow: Above € 550 million (vs. circa € 550 million initially).

The figures above include Unify Managed Services from February 1st, 2016 and exclude Equens contribution.

C.3 Financial review

C.3.1 Income statement

The net income from continuing operations (attributable to owners of the parent) was € 205.2 million, representing 3.6% of Group revenues of the period and an improvement of 66.9% compared to the first half of 2015. The normalized net income before unusual, abnormal and infrequent items (net of tax) for the period was € 285.4 million, representing 5.0% of Group revenues of the period, up +30bp compared to last year.

The Group reported a net income including discontinued operations (attributable to owners of the parent) of € 173.7 million for the half year ended June 30, 2016.

(in € million)	6 months ended 30 June 2016	% Margin	6 months ended 30 June 2015 (*)	% Margin
Operating margin	**444.4**	**7.8%**	**361.1**	**7.3%**
Other operating income / (expenses)	(120.5)		(163.8)	
Operating income	**323.9**	**5.7%**	**197.3**	**4.0%**
Net financial income / (expenses)	(31.8)		(10.7)	
Tax charge	(57.9)		(47.1)	
Non-controlling interests and associates	(29.0)		(16.5)	
Net income from continuing operations – Attributable to owners of the parent	**205.2**	**3.6%**	**123.0**	**2.5%**
Net income from discontinued operations	(31.5)		-	
Net income including discontinued operations – Attributable to owners of the parent	173.7	3.0%	123.0	2.5%
Normalized net income – Attributable to owners of the parent (**)	**285.4**	**5.0%**	**234.5**	**4.7%**

(*) June 30, 2015 adjusted to reflect change in presentation disclosed in Note B.4.6.2 "Significant accounting policies".

(**) The normalized net income is based on continuing operations and is defined hereafter.

C.3.1.1 Operating margin

Operating margin represents the underlying operational performance of the current business and is analyzed 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 € 120.5 million in the first half of 2016. The following table presents this amount by nature:

(in € million)	6 months ended 30 June 2016	6 months ended 30 June 2015 (*)
Staff reorganization	(57.3)	(68.4)
Rationalization and associated costs	(25.6)	(29.5)
Integration and acquisition costs	(14.4)	(18.3)
Amortization of intangible assets (PPA from acquisitions)	(44.7)	(31.2)
Equity based compensation	(21.5)	(15.5)
Other items	43.0	(0.9)
Total	**(120.5)**	**(163.8)**

(*) June 30, 2015 adjusted to reflect change in presentation disclosed in Note B.4.6.2 "Significant accounting policies".

The € 57.3 million **staff reorganization** expense was mainly the consequence of the adaptation of the Group workforce in several countries such as Central & Eastern Europe, France, Germany, Iberia, North America and United Kingdom.

The € 25.6 million **rationalization and associated costs** primarily resulted from the closure of office premises and data centers consolidation, mainly in Central & Eastern Europe, Germany and North America, linked to restructuring plans. This amount also encompasses external costs linked to the continuation of Worldline's TEAM program, including the reorganization of office premises in France and Belgium.

The € 14.4 million **integration and acquisition costs** represented mainly integration costs for Xerox ITO and Unify integration and acquisition costs. These costs also included the execution of the Equens and Paysquare transactions.

The € 43.1 million profit in **other items** corresponded mainly to the gain on the Visa share disposal for € 51.2 million and partially offset by a settlement concluded with a customer in Germany.

C.3.1.3 Net financial expense

Net financial expense amounted to € 31.8 million for the period (compared to € 10.7 million for the first semester of 2015) and was composed of a net cost of financial debt of € 7.9 million and non-operational financial costs of € 23.9 million.

Non-operational financial costs amounted to € 23.9 million compared to € 7.5 million in June 2015 and consisted of pension financial related costs (€ 14.9 million compared to € 14.8 million in 2015), net foreign exchange loss (€ 5.6 million compared to a net foreign exchange gain of € 7.9 million in 2015) and other expenses for € 3.4 million.

C.3.1.4 Corporate tax

The tax charge for the six-month period ended June 30, 2016 was € 57.9 million including the French CVAE tax, with a profit before tax of € 292.1 million. The annualized Effective Tax Rate (ETR) was 19.8% compared to 25.2% for the first half of 2015.

C.3.1.5 Non-controlling interests

Non-controlling interests included shareholdings held by joint venture partners and other associates of the Group. Non-controlling interests amounted to € 29.0 million in June 2016 (compared to € 14.9 million in June 2015). This increase was mostly related to the increased Worldline net income (comprising the gain related to the sale of Visa Europe share) allocated to minority shareholders.

C.3.1.6 Normalized net income

The normalized net income excluding unusual, abnormal and infrequent items (net of tax) was up at € 285.4 million, representing 5.0 % of Group revenues of the period, up +30bp compared to last year.

(in € million)	6 months ended 30 June 2016	6 months ended 30 June 2015 (*)
Net income from continuing operations - Attributable to owners of the parent	**205.2**	**123.0**
Other operating income and expenses	(120.5)	(163.8)
Tax impact on unusual items	40.3	52.3
Total unusual items – Net of tax	**(80.2)**	**(111.5)**
Normalized net income - Attributable to owners of the parent	**285.4**	**234.5**

(*) June 30, 2015 adjusted to reflect change in presentation disclosed in Note B.4.6.2 "Significant accounting policies".

C.3.1.7 Half year Earning Per Share

EPS calculation from continuing operations

(in € million)	6 months ended 30 June 2016	% Margin	% Growth	6 months ended 30 June 2015	% Margin
Net income from continuing operations – Attributable to owners of the parent [a]	**205.2**	**3.6%**		**123.0**	**2.5%**
Impact of dilutive instruments	-			-	
Net income from continuing operations restated of dilutive instruments - Attributable to owners of the parent [b]	**205.2**	**3.6%**		**123.0**	**2.5%**
Normalized net income – Attributable to owners of the parent [c]	**285.4**	**5.0%**		**234.5**	**4.7%**
Impact of dilutive instruments	-			-	
Normalized net income restated of dilutive instruments - Attributable to owners of the parent [d]	**285.4**	**5.0%**		**234.5**	**4.7%**
Average number of shares [e]	103,052,796			100,253,782	
Impact of dilutive instruments	547,348			909,426	
Diluted average number of shares [f]	103,600,144			101,163,208	
(In €)					
Basic EPS from continuing operations [a] / [e]	**1.99**		**62.3%**	**1.23**	
Diluted EPS from continuing operations [b] / [f]	**1.98**		**62.9%**	**1.22**	
Normalized basic EPS [c] / [e]	**2.77**		**18.4%**	**2.34**	
Normalized diluted EPS [d] / [f]	**2.75**		**18.8%**	**2.32**	

Potential dilutive instruments comprised vested stock options (equivalent to 547,348 options) and did not generate a restatement of net income used for the diluted EPS calculation.

EPS calculation including discontinued operations

(in € million)	**6 months ended 30 June 2016**	**% Margin**	**% Growth**	**6 months ended 30 June 2015**	**% Margin**
Net income including discontinued operations – Attributable to owners of the parent [a]	**173.7**	**3.0%**		**123.0**	**2.5%**
Impact of dilutive instruments	-			-	
Net income including discontinued operations restated of dilutive instruments - Attributable to owners of the parent [b]	**173.7**	**3.0%**		**123.0**	**2.5%**
Average number of shares [e]	103,052,796			100,253,782	
Impact of dilutive instruments	547,348			909,426	
Diluted average number of shares [f]	103,600,144			101,163,208	
(In €)					
Basic EPS including discontinued operations [a] / [e]	**1.69**		**37.4%**	**1.23**	
Diluted EPS including discontinued operations [b] / [f]	**1.68**		**37.9%**	**1.22**	

C.3.2 Cash Flow and net cash

The Group reported a net cash position of € 412.5 million at the end of June 2016, thus representing an increase of € 60.5 million compared to June 2015. The net cash position at the end of June 2015 included the € -366.0 million cash-out for the Unify acquisition.

(in € million)	**6 months ended 30 June 2016**	**6 months ended 30 June 2015**
Operating Margin before Depreciation and Amortization (OMDA)	**586.3**	**458.5**
Capital expenditures	(201.5)	(214.9)
Change in working capital requirement	(22.4)	49.1
Cash From Operation (CFO)	**362.4**	**292.7**
Reorganization in other operating income	(60.2)	(95.7)
Rationalization & associated costs in other operating income	(25.2)	(27.9)
Integration and acquisition costs	(10.9)	(18.3)
Taxes paid	(74.0)	(57.8)
Net cost of financial debt paid	(7.9)	(3.2)
Other changes *	(3.2)	14.1
Free Cash Flow (FCF)	**181.0**	**103.9**
Net (acquisitions) / disposals	(321.8)	(813.0)
Proceed from the disposal of the Visa share	35.6	-
Capital increase / (decrease)	21.2	37.5
Dividends paid to owners of the parent	(47.3)	(30.7)
Change in net cash / (debt)	**(131.3)**	**(702.3)**
Opening net cash / (debt)	**593.1**	**989.1**
Change in net cash / (debt)	(131.3)	(702.3)
Impact of foreign exchange rate fluctuation on net Cash / (Debt)	(49.3)	67.2
Closing net cash / (debt)	**412.5**	**354.0**

(*) "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, and other financial items with cash impact, net long term financial investments excluding acquisitions and disposals, and profit sharing amounts payable transferred to debt.

Free cash flow represented by the change in net cash or net debt, excluding equity changes (notably cash received from employees upon exercise of stock options), dividends paid to shareholders, sale of the Visa Share, impact of foreign exchange rate fluctuation on opening net cash balance, and net acquisitions and disposals, reached € 181.0 million compared to € 103.9 million in the first semester 2015 (+ 74.2%).

Cash From Operations (CFO) amounted to € 362.4 million and increased by € 69.7 million compared to the prior year, due to the following items:

- OMDA (€ +127.8 million);
- Capital expenditures (€ -13.4 million);
- Change in working capital (€ -71.5 million).

OMDA of € 586.3 million, representing an increase of € +127.8 million compared to June 2015, reached 10.3% of revenues compared to 9.3% of revenues in June 2015. The bridge from operating margin to OMDA was as follows:

(in € million)	6 months ended 30 June 2016	6 months ended 30 June 2015 (*)
Operating margin	**444.4**	**361.1**
+ Depreciation of fixed assets	203.6	172.7
+ Net book value of assets sold / written off	7.2	19.1
+/- Net charge / (release) of pension provisions	(20.6)	(52.3)
+/- Net charge / (release) of provisions	(48.3)	(42.1)
OMDA	**586.3**	**458.5**

(*) June 30, 2015 adjusted to reflect change in presentation disclosed in Note B.4.6.2 "Significant accounting policies".

Capital expenditures totaled € 201.5 million, representing 3.5% of revenue, compared to € 214.9 million in the first semester of 2015 (4.3% of revenue) and after 3.9% of revenue in the second semester of 2015.

The negative contribution from **change in working capital** was € -22.4 million (compared to € +49.1 million in June 2015). The DSO ratio reached 32 days at the end of June 2016 compared to 38 days at the end of June 2015. DSO has been positively impacted by the implementation of financial arrangements on large customer contracts by 14 days compared to 12 days in June 2015. The DPO was 80 days as of June 2016 compared to 87 days at the end of June 2015.

Cash out related to **taxes paid** reached € 74.0 million and was higher than last year by € 16.2 million in line with the increase in Profit before Tax.

The € 7.9 million **cost of net debt** decreased by € 4.7 million compared to the first half of 2015 including the following elements:

- A net cash position of € 593.1 million at the beginning of the period (partially reduced by the cash out related to the Unify acquisition in January), compared to € 989.1 million at the beginning of 2015;
- An average expense rate of 1.50% on the average gross borrowings compared to 2.34% in 2015 and;
- An average income rate of 0.99% on the average gross cash compared to 1.13% in 2015.

Reorganization, rationalization and associated costs, and integration and acquisition costs reached € 96.3 million fully in line with the € 150 million FY 2016 objective. A larger portion of reorganization and rationalization costs was pulled forward into H1 in order to optimize the impact on the full year operating margin. **Other changes** amounted to € -3.2 million.

As a result, the **Group free cash flow (FCF**) generated during the first half of 2016 was € 181.0 million.

The net debt impact resulting from **net acquisitions/disposals** corresponded mainly to the acquisition of Unify at the end of January for a consideration of € 366.0 million.

Capital increase, mostly related to proceeds from equity based compensation, totaled € 21.2 million in the first half compared to € 37.5 million in the first semester of 2015 mainly reflecting the lower number of stock options exercised.

As part of the **sale of Visa Europe** share, the Group received € 35.6 million as the cash portion from Visa Inc. the remaining part compared to the total € 51.2 million proceeds relates to preferred shares and a long-term (3-year) receivable from Visa Inc.

In the first half of 2016, **dividends paid to owners of the parent** amounted to € 113.5 million (€ 1.10 per share) of which € 47.3 million cashed out and € 66.2 million through the issuance of new shares.

Foreign exchange rate fluctuation determined on debt or cash exposure by country represented a decrease in net cash of € -49.3 million mainly coming from the exchange rate of the British Pound (€ -37.1 million) and the US Dollar (€ -3.2 million) against Euro.

C.3.3 Parent company results

The profit before tax of the parent company amounted to € 37.2 million for the six-month period ended June 30, 2016 compared to € 46.2 million in the first semester of 2015.

C.4 Interim condensed consolidated financial statements

C.4.1 Interim condensed consolidated income statement

(in € million)	Notes	6 months ended 30 June 2016	6 months ended 30 June 2015 (*)
Revenue	**Note 2**	**5,697.0**	**4,941.2**
Personnel expenses	Note 3	(2,720.9)	(2,516.0)
Operating expenses	Note 4	(2,531.7)	(2,064.1)
Operating margin		**444.4**	**361.1**
% of revenue		**7.8%**	**7.3%**
Other operating income and expenses	Note 5	(120.5)	(163.8)
Operating income		**323.9**	**197.3**
% of revenue		**5.7%**	**4.0%**
Net cost of financial debt		(7.9)	(3.2)
Other financial expenses		(34.2)	(38.5)
Other financial income		10.3	31.0
Net financial income	Note 6	(31.8)	(10.7)
Net income before tax		**292.1**	**186.6**
Tax charge	Note 7	(57.9)	(47.1)
Share of net profit/(loss) of associates		-	(1.6)
Net income from continuing operations		**234.2**	**137.9**
Net income from discontinued operations		(31.5)	-
Net income		**202.7**	**137.9**
Of which:			
- attributable to owners of the parent		**173.7**	**123.0**
- non-controlling interests		29.0	14.9

(*) June 30, 2015 adjusted to reflect change in presentation disclosed in Note B.4.6.2 "Significant accounting policies".

(in € and number of shares)			
Net income from continuing operations	**Note 8**		
Weighted average number of shares		103,052,796	100,253,782
Basic earnings per share from continuing operations		**1.99**	**1.23**
Diluted weighted average number of shares		103,600,144	101,163,208
Diluted earnings per share from continuing operations		**1.98**	**1.22**

(in € and number of shares)			
Net income - Attributable to owners of the parent	**Note 8**		
Weighted average number of shares		103,052,796	100,253,782
Basic earnings per share		**1.69**	**1.23**
Diluted weighted average number of shares		103,600,144	101,163,208
Diluted earnings per share		**1.68**	**1.22**

C.4.2 Interim condensed consolidated statement of comprehensive income

(in € million)	6 months ended 30 June 2016	6 months ended 30 June 2015
Net income	**202.7**	**137.9**
Other comprehensive income		
- to be reclassified subsequently to profit or loss (recyclable):	**(168.2)**	**167.5**
Cash flow hedging	0.8	44.1
Change in fair value of available for sale financial assets	(44.8)	-
Exchange differences on translation of foreign operations	(126.0)	139.2
Deferred tax on items recyclable recognized directly on equity	1.8	(15.8)
- not reclassified to profit or loss (non-recyclable):	**(146.6)**	**52.0**
Actuarial gains and losses generated in the period on defined benefit plan	(194.2)	78.9
Deferred tax on items non-recyclable recognized directly on equity	47.6	(26.9)
Total other comprehensive income	**(314.8)**	**219.5**
Total comprehensive income for the period	**(112.1)**	**357.4**
Of which:		
- attributable to owners of the parent	**(121.6)**	**341.2**
- non-controlling interests	9.5	16.2

C.4.3 Interim condensed consolidated statement of financial position

(in € million)	Notes	30 June 2016	31 December 2015
ASSETS			
Goodwill	Note 9	3,285.1	3,118.1
Intangible assets		970.5	920.3
Tangible assets		743.8	818.8
Non-current financial assets	Note 10	433.6	259.2
Non-current financial instruments		-	1.4
Deferred tax assets		511.4	442.4
Total non-current assets		**5,944.4**	**5,560.2**
Trade accounts and notes receivables	Note 11	2,286.5	2,273.3
Current taxes		32.8	23.5
Other current assets	Note 12	1,014.7	868.9
Current financial instruments		4.9	8.1
Cash and cash equivalents	Note 13	1,741.1	1,946.8
Assets held for sale	Note 1	1,035.7	-
Total current assets		**6,115.7**	**5,120.6**
Total assets		**12,060.1**	**10,680.8**

(in € million)		30 June 2016	31 December 2015
LIABILITIES AND SHAREHOLDERS' EQUITY			
Common stock		104.7	103.5
Additional paid-in capital		2,708.3	2,626.1
Consolidated retained earnings		830.3	688.6
Translation adjustments		(105.9)	18.3
Net income attributable to the owners of the parent		173.7	406.2
Equity attributable to the owners of the parent		3,711.1	3,842.7
Non-controlling interests		267.7	254.4
Total shareholders' equity		**3,978.8**	**4,097.1**
Provisions for pensions and similar benefits	Note 14	1,353.8	1,121.6
Non-current provisions	Note 15	80.2	86.8
Borrowings		1,210.2	1,210.8
Deferred tax liabilities		117.4	70.0
Non-current financial instruments		2.5	4.7
Other non-current liabilities		6.7	12.2
Total non-current liabilities		**2,770.8**	**2,506.1**
Trade accounts and notes payables	Note 17	1,712.8	1,605.5
Current taxes		90.9	104.7
Current provisions	Note 15	167.3	199.8
Current financial instruments		9.9	8.7
Current portion of borrowings		294.3	143.1
Other current liabilities		2,087.1	2,015.8
Liabilities held for sale	Note 1	948.2	-
Total current liabilities		**5,310.5**	**4,077.6**
Total liabilities and shareholders' equity		**12,060.1**	**10,680.8**

C.4.4 Interim condensed consolidated cash flow statement

(in € million)	Notes	6 months ended 30 June 2016	6 months ended 30 June 2015
Profit before tax		**292.1**	**186.6**
Depreciation of assets	Note 4	203.6	172.7
Net charge / (release) to operating provisions		(68.9)	(94.4)
Net charge / (release) to financial provisions		14.8	14.5
Net charge / (release) to other operating provisions		(4.7)	(39.7)
Purchase Price Allocation amortization (PPA)		44.7	31.2
Losses / (gains) on disposals of fixed assets		(58.3)	0.6
Net charge for equity-based compensation		21.5	15.5
Losses / (gains) on financial instruments		4.0	(0.8)
Net cost of financial debt	Note 6	7.9	3.2
Cash from operating activities before change in working capital requirement, financial interest and taxes		**456.7**	**289.4**
Taxes paid		(74.0)	(57.8)
Change in working capital requirement		(22.4)	49.1
Net cash from/ (used in) operating activities		**360.3**	**280.7**
Payment for tangible and intangible assets		(201.5)	(214.9)
Proceeds from disposals of tangible and intangible assets		25.2	40.4
Net operating investments		**(176.3)**	**(174.5)**
Amounts paid / received for acquisitions and long-term investments		(346.1)	(817.1)
Cash and cash equivalents of companies purchased during the period		24.9	-
Proceeds from disposals of financial investments		38.1	5.9
Cash and cash equivalents of companies sold during the period		5.5	-
Net long-term investments		(277.6)	(811.2)
Net cash from/ (used in) investing activities		**(453.9)**	**(985.7)**
Common stock issues on the exercise of equity-based compensation		18.1	37.5
Capital increase subscribed by non-controlling interests		3.1	-
Dividends paid to owners of the parent		(47.3)	(30.7)
Dividends paid to non-controlling interest		(0.6)	(0.7)
New borrowings	Note 16	11.4	946.0
New finance lease	Note 16	3.3	
Repayment of long and medium-term borrowings	Note 16	(19.9)	(12.5)
Net cost of financial debt paid		(0.1)	(3.2)
Other flows related to financing activities		112.3	20.5
Net cash from/ (used in) financing activities		**80.3**	**956.9**
Increase/ (decrease) in net cash and cash equivalents		**(13.3)**	**251.9**
Opening net cash and cash equivalents		**1,873.7**	**1,542.5**
Increase/ (decrease) in net cash and cash equivalents	Note 16	(13.3)	251.9
Impact of exchange rate fluctuations on cash and cash equivalents		(62.9)	79.7
Closing net cash and cash equivalents	**Note 18**	**1,797.5**	**1,874.1**

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

(in € 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 January 1, 2015	**101,334**	**101.3**	**2,521.6**	**404.6**	**(94.4)**	**(5.0)**	**265.2**	**3,193.3**	**208.8**	**3,402.1**
* Common stock issued	1,786	1.8	85.4	(49.7)				37.5		37.5
* Appropriation of prior period net income				265.2			(265.2)	-		-
* Dividends paid to non-controlling interests				(30.7)				(30.7)	(1.1)	(31.8)
* Equity-based compensation				15.1				15.1	0.4	15.5
* Changes in auto-control shares and treasury stock				0.1				0.1		0.1
* Other				5.1				5.1	(4.7)	0.4
Transactions with owners	1,786	1.8	85.4	205.1	-	-	(265.2)	27.1	(5.4)	21.7
* Net income							123.0	123.0	14.9	137.9
* Other Comprehensive income				50.7	139.2	28.3		218.2	1.3	219.5
Total comprehensive income for the period				50.7	139.2	28.3	123.0	341.2	16.2	357.4
At June 30, 2015	**103,120**	**103.1**	**2,607.0**	**660.4**	**44.8**	**23.3**	**123.0**	**3,561.6**	**219.6**	**3,781.2**
* Common stock issued	400	0.4	19.1					19.5		19.5
* Dividends paid to non-controlling interests								-	(0.2)	(0.2)
* Equity-based compensation				9.2				9.2	5.7	14.9
* Other				1.4				1.4	(1.9)	(0.5)
Transactions with owners	400.0	0.4	19.1	10.6	-	-	-	30.1	3.6	33.7
* Net income								0.0	15.9	15.9
* Other Comprehensive income				(8.0)	(26.5)	2.3	283.2	251.0	15.3	266.3
Total comprehensive income for the period				(8.0)	(26.5)	2.3	283.2	251.0	31.2	282.2
At December 31, 2015	**103,520**	**103.5**	**2,626.1**	**663.0**	**18.3**	**25.6**	**406.2**	**3,842.7**	**254.4**	**4,097.1**
* Common stock issued	1,240	1.2	82.2	(63.4)				20.0	1.2	21.2
* Appropriation of prior period net income				406.2			(406.2)	-		-
* Dividends paid to non-controlling interests				(47.3)				(47.3)	(0.3)	(47.6)
* Equity-based compensation				17.2				17.2	3.4	20.6
* Changes in auto-control shares and treasury stock				0.1				0.1		0.1
* Other				-				-	(0.5)	(0.5)
Transactions with owners	1,240	1.2	82.2	312.8	-	-	(406.2)	(10.0)	3.8	(6.2)
* Net income							173.7	173.7	29.0	202.7
* Other Comprehensive income				(141.5)	(124.2)	(29.6)		(295.3)	(19.5)	(314.8)
Total comprehensive income for the period				(141.5)	(124.2)	(29.6)	173.7	(121.6)	9.5	(112.1)
At June 30, 2016	**104,760**	**104.7**	**2,708.3**	**834.3**	**(105.9)**	**(4.0)**	**173.7**	**3,711.1**	**267.7**	**3,978.8**

C.4.6 Appendices to the interim condensed consolidated financial statements

C.4.6.1 Basis of preparation

The 2016 interim condensed 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 January 1st, 2016.

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).

The interim condensed consolidated financial statements for the six months ended June 30, 2016 have been prepared in accordance with 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 31, 2015.

The accounting policies, presentation and methods of computation that have been followed in these interim condensed consolidated financial statements are in line with those that were applied in the preparation of the December 31, 2015 financial statements and disclosed in the Group's 2015 Reference Document.

The new standards, interpretations or amendments whose application was mandatory for the Group effective for the fiscal year beginning January 1st, 2016 did not have a material impact on the interim condensed consolidated financial statements.

The Group has not early adopted any standard or interpretation not required to be applied in fiscal year 2016. The Group does not apply IFRS standards and interpretations that have not been yet approved by the European Union at the closing date.

These interim condensed consolidated financial statements are presented in euro, which is the Group's functional currency. All figures are presented in € millions with one decimal.

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 amortization are tested for impairment whenever events or circumstances indicate that the carrying amount could not be recoverable. If necessary, an impairment loss is recognized 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.

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.

Change in free cash flow and operating margin new definition

The Group decided to change the "free cash flow" and "operating margin" definitions by excluding equity based compensation effects from the calculation of financial performance, in line with sector practice.

As such, Group free cash flow excludes proceeds from equity based compensation and the amortization cost of equity based compensation plans is excluded from the "operating margin" and presented in "other operating income and expenses".

This change in presentation has been applied retroactively to all periods presented and as a consequence of this reclassification, the first semester of 2015 and the full year 2015 "operating margin" have been increased respectively by € 15.5 million and € 33.3 million.

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

Note 1 Changes of scope of consolidation

UNIFY ACQUISITION

On January 20, 2016, Atos completed the acquisition of Unify, a leader in integrated communication solutions, which was announced in November 2015.

The initial cash consideration transferred to acquire 100% of Unify amounts to € 366 million and will be subject to price adjustments.

Software & Platforms discontinued operations

The Services activities of Unify have been integrated in the Atos Service Line "Managed Services" from February 1st, 2016 and the software and platforms activities have been accounted for as discontinued operations.

Atos Group decided, as early as the acquisition date, to put on sale the Software & Platforms business (S&P). The S&P business has been treated as discontinued operations as from February 1st, 2016 in accordance with IFRS 3 and IFRS 5 requirements.

The flows relating to the services rendered by the continuing operations to S&P have been eliminated at the S&P level. As a result, the External Revenue of the Group includes revenues related to such flows.

In the interim consolidated statement of financial position, the net assets allocated to the S&P business have been presented on the line "Assets held for sale" and net liabilities on the line "Liabilities held for sale".

The net loss of the S&P business from February 1st to June 30, 2016 has been presented under the "net income from discontinued operations" caption of the interim consolidated income statement.

Identifiable assets acquired and liabilities assumed at the date of acquisition for the continuing operations

(in € million)	**Initial assets acquired and liability assumed**
Intangible assets	86.4
Tangible assets	3.8
Non-current financial assets	14.3
Total non-current assets	**104.5**
Trade accounts and notes receivables	109.8
Current taxes	0.3
Other current assets	53.9
Cash and cash equivalents	17.9
Total current assets	**181.9**
Total assets (A)	**286.4**
Provisions for pensions and similar benefits	58.6
Non-current provisions	17.9
Borrowings	10.6
Total non-current liabilities	**87.1**
Trade accounts and notes payables	44.0
Other current liabilities	106.7
Total current liabilities	**150.7**
Total Liabilities (B)	**237.8**
Fair value of acquisition (A) - (B)	**48.6**

The valuation of assets acquired and liabilities assumed for the continuing operations resulted in the recognition of customer relationship and backlog for an amount of € 86.4 million determined by an independent expert. Those intangible assets will be amortized over a period from 2 to 10 years. The impact of the amortization of the customer relationship and backlog is € 4.4 million as of June 30, 2016.

Preliminary Goodwill allocated to the Unify continuing operations

Goodwill was recognized on continuing operations as follows:

(in € million)	June 2016
Preliminary allocation of the consideration paid to continuing operations	256.0
Fair value of identifiable net assets	48.6
Preliminary Goodwill	**207.4**

XEROX ITO

On June 30, 2015, Atos completed the acquisition of Xerox ITO which was announced in December 2014.

During the semester 2016, Atos has finalized the accounting for this business combination.

Identifiable assets acquired and liabilities assumed at the date of acquisition

(in € million)	Initial assets acquired and liability assumed	Additional adjustments identified in 2016	Assets acquired and liability assumed at the end of the measurement period
Intangible assets	229.4	0.1	229.5
Tangible assets	157.6	(6.0)	151.6
Non-current financial assets	1.4	-	1.4
Deferred tax assets	19.0	2.4	21.4
Other non current asset	2.7	-	2.7
Total non-current assets	**410.1**	**(3.5)**	**406.6**
Trade accounts and notes receivables	245.6	1.3	246.9
Other current assets	94.0	(8.0)	86.0
Cash and cash equivalents	10.9	(0.8)	10.1
Total current assets	**350.5**	**(7.5)**	**343.0**
Total assets (A)	**760.6**	**(11.0)**	**749.6**
Provisions for pensions and similar benefits	24.8	(1.2)	23.6
Non-current provisions	7.2	5.2	12.4
Borrowings	58.8	-	58.8
Deferred tax liabilities	1.5	-	1.5
Other non-current liabilities	0.3	-	0.3
Total non-current liabilities	**92.6**	**4.0**	**96.6**
Trade accounts and notes payables	81.1	0.8	81.9
Current taxes	2.5	-	2.5
Current portion of borrowings	13.9	-	13.9
Other current liabilities	169.5	7.6	177.1
Total current liabilities	**267.0**	**8.4**	**275.4**
Total Liabilities (B)	**359.6**	**12.4**	**372.0**
Fair value of acquisition (A) - (B)	**401.0**	**(23.4)**	**377.6**

The valuation of assets acquired and liabilities assumed at their fair value has resulted in the recognition of new intangible assets excluding software for a total amount of € 156.7 million of which € 154.2 million for Customer Relationships determined by an independent expert. Customer Relationships are being amortized over 6 to 12 years. An amortization expense of € 9.7 million was recorded for the six-month period ended June 30, 2016.

Goodwill

Goodwill was recognized as a result of the acquisition as follows:

(in € million)	June 2016	December 2015
Total consideration paid	812.1	812.1
USD vs EUR hedging of the consideration paid	(46.8)	(46.8)
Tax effect on USD vs EUR hedging of the consideration paid	16.1	16.1
Fair value of identifiable net assets	377.6	401.0
Total	**403.8**	**380.4**

The residual goodwill is attributable to synergies expected to be achieved from integrating Xerox ITO operations into the Group.

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.

Following the Unify acquisition, the Group segment organization in 2016 was the following:

Operating segments	Activities
United Kingdom & Ireland	Consulting & Systems Integration, Managed Services and Big Data and Security in Ireland and the United Kingdom.
France	Consulting & Systems Integration, Managed Services and Big Data and Security in France.
Germany	Consulting & Systems Integration and Managed Services in Germany.
North America	Consulting & Systems Integration, Managed Services and Big Data and Security in Canada, Mexico, the United States of America and also the Xerox ITO activities.
Benelux & The Nordics	Consulting & Systems Integration, Managed Services and Big Data and Security in Belgium, Denmark, Estonia, Finland & Baltics, Luxembourg, Sweden and The Netherlands.
Other Business Units	Consulting & Systems Integration, Managed Services and Big Data and Security in Algeria, Andorra, Argentina, Australia, Austria, Brazil, Bulgaria, Chile, China, Colombia, South Korea, Croatia, Czech Republic, Egypt, Gabon, Greece, Hungary, Hong-Kong, India, Italy, Ivory Coast, Japan, Lithuania, Lebanon, Malaysia, Madagascar, Mauritius, Morocco, Namibia, New-Zealand, Peru, Philippines, Poland, Portugal, Qatar, Romania, Russia, Saudi-Arabia, Senegal, Singapore, Serbia, Slovakia, Slovenia, South-Africa, Spain, Switzerland, Taiwan, Thailand, Tunisia, Turkey, UAE, Uruguay and also Major Events activities.
Worldline	Hi-Tech Transactional Services & Specialized Businesses in Argentina, Austria, Belgium, Chile, China, France, Germany, Hong-Kong, Iberia, India, Indonesia, Malaysia, Philippines, Singapore, Taiwan, Thailand, The Netherlands and the United Kingdom.

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% of the Group’s revenue.

The operating segment information for the periods is as follows:

(in € million)	United Kingdom and Ireland	France	Germany	North America	Benelux & The Nordics	Other Business Units	Worldline	Total Operating segments	Global Structures	Elimination	**Total Group**
6 months ended 30 June 2016											
External revenue by segment	**917.9**	**846.8**	**929.5**	**990.2**	**492.2**	**931.2**	**589.2**	**5,697.0**			**5,697.0**
%	16.1%	14.9%	16.3%	17.4%	8.6%	16.3%	10.3%	100.0%			100.0%
Inter-segment revenue	90.0	124.6	158.7	114.4	79.2	517.0	25.6	1,109.5	39.8	(1,149.3)	-
Total revenue	1,007.9	971.4	1,088.2	1,104.6	571.4	1,448.2	614.8	6,806.5	39.8	(1,149.3)	5,697.0
Segment operating margin	**89.0**	**47.5**	**80.9**	**100.4**	**38.3**	**53.4**	**91.6**	**501.1**	**(56.7)**		**444.4**
%	9.7%	5.6%	8.7%	10.1%	7.8%	5.7%	15.5%	8.8%			7.8%
Total segment assets	**1,194.0**	**1,279.8**	**1,197.7**	**1,322.1**	**609.5**	**1,557.1**	**1,020.1**	**8,180.3**	**558.8**		**8,739.1**
6 months ended 30 June 2015											
External revenue by segment	**994.9**	**824.8**	**758.8**	**340.4**	**515.3**	**936.0**	**571.0**	**4,941.2**			**4,941.2**
%	20.1%	16.7%	15.4%	6.9%	10.4%	18.9%	11.6%	100.0%			100.0%
Inter-segment revenue	(24.5)	49.4	90.1	17.2	45.9	217.1	(6.7)	388.5	41.7	(430.2)	-
Total revenue	970.4	874.2	848.9	357.6	561.2	1,153.1	564.3	5,329.7	41.7	(430.2)	4,941.2
Segment operating margin	**102.9**	**30.1**	**41.1**	**26.3**	**47.6**	**59.9**	**78.1**	**386.0**	**(40.4)**		**345.6**
%	10.3%	3.6%	5.4%	7.7%	9.2%	6.4%	13.7%	7.8%			7.0%
Total segment assets	**1,140.4**	**1,404.4**	**885.1**	**240.1**	**731.4**	**1,542.2**	**992.5**	**6,936.1**	**1,124.1**		**8,060.2**

The reportable assets are reconciled to total assets as follows:

(in € million)	30 June 2016	30 June 2015
Total segment assets	**8,739.1**	**8060.2**
Current & deferred tax Assets	544.2	463.5
Cash & Cash Equivalents	1,741.1	1,936.0
Asset held for sale	1,035.7	-
Total Assets	**12,060.1**	**10,459.7**

Note 3 Personnel expenses

(in € million)	6 months ended 30 June 2016	% Revenue	6 months ended 30 June 2015 (*)	% Revenue
Wages and salaries	(2,141.6)	37.6%	(2,011.0)	40.7%
Social security charges	(571.9)	10.0%	(545.8)	11.0%
Tax, training, profit-sharing	(27.8)	0.5%	(15.9)	0.3%
Net (charge) /release to provisions for staff expenses	(0.2)	0.0%	4.4	-0.1%
Net (charge)/release of pension provisions	20.6	-0.4%	52.3	-1.1%
Total	**(2,720.9)**	**47.8%**	**(2,516.0)**	**50.9%**

(*) June 30, 2015 adjusted to reflect change in presentation disclosed in Note C.4.6.2 "Significant accounting policies".

Note 4 Operating expenses

(in € million)	6 months ended 30 June 2016	% Revenue	6 months ended 30 June 2015	% Revenue
Subcontracting costs direct	(862.8)	15.1%	(846.1)	17.1%
Purchase hardware and software	(517.2)	9.1%	(312.4)	6.3%
Maintenance costs	(274.8)	4.8%	(217.0)	4.4%
Rent & Lease expenses	(264.4)	4.6%	(190.2)	3.8%
Telecom costs	(146.4)	2.6%	(123.6)	2.5%
Travelling expenses	(87.5)	1.5%	(93.8)	1.9%
Company cars	(34.7)	0.6%	(37.4)	0.8%
Professional fees	(106.0)	1.9%	(84.9)	1.7%
Taxes & Similar expenses	(14.1)	0.2%	(22.7)	0.5%
Others expenses	(91.0)	1.6%	(37.3)	0.8%
Subtotal expenses	**(2,398.9)**	**42.1%**	**(1,965.4)**	**39.8%**
Depreciation of assets	(203.6)	3.6%	(172.7)	3.5%
Net (charge) / release to provisions	48.5	-0.9%	37.7	-0.8%
Gains / (Losses) on disposal of assets	(3.1)	0.1%	0.3	0.0%
Trade Receivables write-off	(10.0)	0.2%	(8.4)	0.2%
Capitalized Production	35.4	-0.6%	44.4	-0.9%
Subtotal other expenses	**(132.8)**	**2.3%**	**(98.7)**	**2.0%**
Total	**(2,531.7)**	**44.4%**	**(2,064.1)**	**41.8%**

In 2015, further to the integration of Bull following its acquisition in August 2014, the Group reclassified several lines according to its business model. This was more particularly the case for the Cost of Sales (representing the cost of hardware equipment and software licenses) and subcontracting expenses. The migration of the Bull ERP to the Atos ERP system which applies to all the Atos Business Units was performed on July 1st, 2015.

Note 5 Other operating income and expenses

(in € million)	6 months ended 30 June 2016	6 months ended 30 June 2015 (*)
Staff reorganization	(57.3)	(68.4)
Rationalization and associated costs	(25.6)	(29.5)
Integration and acquisition costs	(14.4)	(18.3)
Amortization of intangible assets (PPA from acquisitions)	(44.7)	(31.2)
Equity based compensation	(21.5)	(15.5)
Other items	43.0	(0.9)
Total	**(120.5)**	**(163.8)**

(*) June 30, 2015 adjusted to reflect change in presentation disclosed in Note B.4.6.2 "Significant accounting policies".

The € 57.3 million **staff reorganization** expense was mainly the consequence of the adaptation of the Group workforce in several countries such as Central & Eastern Europe, France, Germany, Iberia, North America and United Kingdom.

The € 25.6 million **rationalization and associated costs** primarily resulted from the closure of office premises and data centers consolidation, mainly in Central & Eastern Europe, Germany and North America, linked to restructuring plans. This amount also encompasses external costs linked to the continuation of Worldline's TEAM program, including the reorganization of office premises in France and Belgium.

The € 14.4 million **integration and acquisition costs** represented mainly integration costs for Xerox ITO and Unify integration and acquisition costs. These costs also included the execution of the Equens and Paysquare transactions.

The € 43.1 million profit in **other items** corresponded mainly to the gain on the Visa share disposal for € 51.2 million and partially offset by a settlement concluded with a customer in Germany.

Note 6 Net financial income

Net financial expense amounted to € 31.8 million for the period (compared to € 10.7 million for the first semester of 2015) and was composed of a net cost of financial debt of € 7.9 million and non-operational financial costs of € 23.9 million.

Net cost of financial debt

(in € million)	6 months ended 30 June 2016	6 months ended 30 June 2015
Net interest expenses	**(7.1)**	**(1.0)**
Interest on obligations under finance leases	(0.9)	(0.3)
Gain/(loss) on disposal of cash equivalents	0.1	0.2
Gain/(loss) on interest rate hedges of financial debt	-	(2.1)
Net cost of financial debt	**(7.9)**	**(3.2)**

The € 7.9 million **cost of net debt** increased by € 4.7 million compared to the first half of 2015 including the following elements:

- A net cash position of € 593.1 million at the beginning of the period (partially reduced by the cash out related to the Unify acquisition in January), compared to € 989.1 million at the beginning 2015;
- An average expense rate of 1.50% on the average gross borrowings compared to 2.34% in 2015 and;
- An average income rate of 0.99% on the average gross cash compared to 1.13% in 2015.

Other financial income and expenses

(in € million)	**6 months ended 30 June 2016**	**6 months ended 30 June 2015**
Foreign exchange income / (expenses)	(2.2)	(0.4)
Fair value gain/(loss) on forward exchange contracts held for trading	(3.4)	8.3
Discounting financial income / (expenses)	-	-
Other income / (expenses)	(18.3)	(15.4)
Other financial income and expenses	**(23.9)**	**(7.5)**
Of which:		
- other financial expenses	(34.2)	(38.5)
- other financial income	10.3	31.0

Non-operational financial costs amounted to € 23.9 million compared to € 7.5 million in June 2015 and consisted of pension financial related costs (€ 14.9 million compared to € 14.8 million in 2015), net foreign exchange loss (€ 5.6 million compared to a net foreign exchange gain of € 7.9 million in 2015), and other expenses for € 3.4 million.

The pension financial related costs represent the difference between interest costs on defined benefit obligations and the interest income on plan assets for plans which are funded.

Note 7 Income tax expenses

The tax charge for the six-month period ended June 30, 2016 was € 57.9 million including the French CVAE tax, with a profit before tax of € 292.1 million. The annualized Effective Tax Rate (ETR) was 19.8% compared to 25.2% for the first half of 2015.

Note 8 Earnings per share

Potential dilutive instruments comprised vested stock options (equivalent to 547,348 options) and did not generate a restatement of net income used for the diluted EPS calculation.

The average number of stock options not exercised in June 2016 amounted to 1,100,130 shares.

(in € million and shares)	6 months ended 30 June 2016	6 months ended 30 June 2015
Net income from continuing operations – Attributable to owners of the parent [a]	**205.2**	**123.0**
Impact of dilutive instruments	-	-
Net income from continuing operations restated of dilutive instruments - Attributable to owners of the parent [b]	**205.2**	**123.0**
Average number of shares outstanding [c]	103,052,796	100,253,782
Impact of dilutive instruments [d]	547,348	909,426
Diluted average number of shares [e]=[c]+[d]	103,600,144	101,163,208
(In €)		
Basic EPS from continuing operations [a] / [e]	**1.99**	**1.23**
Diluted EPS from continuing operations [b] / [f]	**1.98**	**1.22**

(in € million and shares)	6 months ended 30 June 2016	6 months ended 30 June 2015
Net income – Attributable to owners of the parent [a]	**173.7**	**123.0**
Impact of dilutive instruments	-	-
Net income restated of dilutive instruments - Attributable to owners of the parent [b]	**173.7**	**123.0**
Average number of shares outstanding [c]	103,052,796	100,253,782
Impact of dilutive instruments [d]	547,348	909,426
Diluted average number of shares [e]=[c]+[d]	103,600,144	101,163,208
Earnings per share in € [a]/[c]	**1.69**	**1.23**
Diluted earnings per share in € [b]/[e]	**1.68**	**1.22**

Note 9 Goodwill

(in € million)	31 December 2015	Impact of business combi-nation	Change of scope	Exchange rate fluctuations	30 June 2016
Gross value	3,721.3	230.8	(8.2)	(80.0)	**3,863.9**
Impairment loss	(603.2)	-	-	24.4	**(578.8)**
Carrying amount	**3,118.1**	**230.8**	**(8.2)**	**(55.6)**	**3,285.1**

During the semester, the Group has not recorded any impairment for any CGUs as there was not any triggering event.

Note 10 Non-current financial assets

(in € million)	30 June 2016	31 December 2015
Pension prepayments	143.0	128.5
Fair value of non-consolidated investments net of impairment	24.0	55.7
Other (*)	266.6	75.0
Total	**433.6**	**259.2**

(*) "Other" include loans, deposits, guarantees, investments in associates accounted for under the equity method and non consolidated investments.

The variation of € 191.6 million in "Other" mainly corresponded to the loan of € 165.8 million in Bull international towards Unify discontinued operations.

Note 11 Trade accounts and notes receivable

(in € million)	30 June 2016	31 December 2015
Gross value	2,364.3	2,339.7
Transition costs	37.1	43.2
Provision for doubtful debts	(114.9)	(109.6)
Net asset value	**2,286.5**	**2,273.3**
Prepayments	(70.7)	(53.2)
Deferred income and upfront payments received	(606.2)	(610.0)
Net accounts receivable	**1,609.6**	**1,610.1**
Number of days' sales outstanding (DSO)	**32**	**32**

Atos securitization program of trade receivables has been renewed for 5 years on June 18, 2013 with a maximum amount of receivables sold of € 500.0 million and a maximum amount of financing of € 200.0 million.
The new program is structured with two compartments, called ON and OFF:

- Compartment "ON" is similar to the previous program (i.e. the receivables are maintained in the Group balance sheet) which remains by default the compartment in which the receivables are sold. This compartment was used at its lower level;
- Compartment "OFF" is designed so the credit risk (insolvency and overdue) of the debtors eligible to this compartment of the program is fully transferred to the purchasing entity of a third party financial institution.

As of June 30, 2016, the Group has sold:

- In the compartment "ON" € 303.0 million receivables for which € 110.0 million were received in cash. The sale is with recourse, thus re-consolidated in the balance sheet;
- In the compartment "OFF" € 43.0 million receivables which qualified for de-recognition as substantially all risks and rewards associated with the receivables were transferred.

Note 12 Other current assets

(in € million)	30 June 2016	31 December 2015
Inventories	59.4	59.9
State - VAT receivables	152.7	149.7
Prepaid expenses	382.7	310.5
Other receivables & current assets	400.6	342.5
Advance payment	19.3	6.3
Total	**1,014.7**	**868.9**

Note 13 Cash and cash equivalents

(in € million)	30 June 2016	31 December 2015
Cash in hand and short-term bank deposit	1,041.7	848.4
Money market funds	699.4	1,098.4
Total	**1,741.1**	**1,946.8**

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

Note 14 Pensions and similar benefits

The net total amount recognized in the balance sheet in respect of pension plans and other long term employee benefits is € 1,210.8 million compared to € 993.1 million at December 31, 2015.

Discount and long term inflation rates have significantly decreased since December 31, 2015, notably for the Eurozone and the United Kingdom. Therefore plan liabilities and plan assets for major plans have been remeasured at June 30, 2016.

The following discount rates have been used:

(in %)	30 June 2016	31 December 2015
Euro zone (long duration plans)	1.65%	2.65%
Euro zone (other plans)	1.15%	2.05%
United Kingdom	3.05%	3.90%

The following long term inflation rates have been used:

(in %)	30 June 2016	31 December 2015
Euro zone	1.45%	1.75%
United Kingdom (RPI)	2.85%	3.10%

During the first half of 2016, the acquisition of Unify increased net pension liabilities by € 58.6 million.

The amounts recognized in the balance sheet consist of:

(in € million)	30 June 2016	31 December 2015
Prepaid pension asset – post employment plans	143.0	128.5
Accrued liability - post employment plans and other long term benefit plans	(1,353.8)	(1,121.6)
Net amounts recognized – Total	**(1,210.8)**	**(993.1)**

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

(in € million)	6 months ended 30 June 2016	6 months ended 30 June 2015
Operating margin	(26.9)	4.2
Other operating income and expenses	3.6	(1.5)
Net financial income	(14.9)	(14.8)
Total (expense)/profit	**(38.2)**	**(12.1)**

Note 15 Provisions

(in € million)	31 December 2015	Charge	Release used	Release unused	Business Combi-nation	Other (*)	30 June 2016	Current	Non-current
Reorganization	41.9	23.6	(25.6)	(1.0)	2.5	(2.1)	39.3	35.6	3.7
Rationalization	23.7	4.8	(2.6)	(2.3)	1.6	(1.4)	23.9	9.5	14.4
Project commitments	109.2	13.3	(32.0)	(13.0)	14.8	(2.4)	89.9	68.1	21.8
Litigations and contingencies	111.8	11.3	(7.5)	(21.1)	3.4	(3.5)	94.4	54.1	40.3
Total provisions	**286.6**	**52.9**	**(67.6)**	**(37.4)**	**22.4**	**(9.4)**	**247.5**	**167.3**	**80.2**

(*) Other movements mainly consist of the currency translation adjustments.

Note 16 Borrowings

Change in net debt over the period

(in € million)	30 June 2016
Opening net cash / (debt)	**593.1**
New borrowings	(11.4)
Repayment of long and medium-term borrowings	19.9
Variance in net cash and cash equivalents	(13.3)
New finance leases	(3.3)
Long and medium-term debt of companies acquired during the period	(10.6)
Impact of exchange rate fluctuations on net long and medium-term debt	(49.4)
Profit-sharing amounts payable to French employees transferred to debt	(0.9)
Other flows related to financing activities	(111.6)
Closing net cash / (debt)	**412.5**

Other flows related to financing activities' correspond mostly to the re-consolidation of financial liabilities on the compartment 'ON' securitization program.

Note 17 Trade accounts and notes payable

(in € million)	30 June 2016	31 December 2015
Trade payables and notes payable	1,713.8	1,606.3
Amounts payable on tangible assets	(1.0)	(0.8)
Trade payables and notes payable	**1,712.8**	**1,605.5**
Net advance payments	(19.3)	(6.3)
Prepaid expenses	(382.7)	(310.5)
Net accounts payable	**1,310.8**	**1,288.7**
Number of days' payable outstanding (DPO)	**80**	**75**

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

Note 18 Cash flow statements

Net cash and cash equivalents

(in € million)	30 June 2016	31 December 2015
Cash and cash equivalents	1,916.8	1,946.8
Overdrafts	(119.3)	(73.1)
Total net cash and cash equivalents	**1,797.5**	**1,873.7**

Note 19 Approval of interim financial statements

The interim financial statements were approved by the Board of Directors on July 26, 2016.

Note 20 Subsequent event

There are no subsequent events to be mentioned.

C.5 Statutory Auditors' review report on the half-yearly financial information for the period from January 1st to June 30, 2016

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional 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 French Monetary and Financial Code ("*Code monétaire et financier*"), we hereby report to you on:

- the review of the accompanying interim condensed consolidated financial statements of Atos S.E., for the period from January 1 to June 30, 2016,
- the verification of the information presented in the interim management report.

These interim condensed 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 interim condensed 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 presented in the interim management report on the condensed consolidated financial statements subject to our review.

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

Neuilly-sur-Seine and Paris, July 26, 2016

The Statutory Auditors

French original signed by

Deloitte & Associés	Grant Thornton *French member of* *Grant Thornton International*
Jean-Pierre Agazzi	Victor Amselem

D CORPORATE GOVERNANCE

D.1 Office renewals and appointment of directors

The Company's Combined General Meeting held on May 26, 2016 approved all the proposed renewals of terms of office of directors which it was submitted. In particular, it renewed the terms of office as Directors of Ms. Aminata Niane (Senegalese citizen) and Lynn Paine (American citizen) and of Mr. Vernon Sankey (British citizen).

Following the renewal of the Directors' terms of office, the Board of Directors meeting held after the General Meeting decided to confirm the composition of the Board's Committees.

D.2 Composition of the Board of Directors

As of the date of this Update of the Registration Document, the Board of Directors, comprised 11 directors including 8 independent directors, as follows:

Name of the Director	Date of first appointment or latest renewal	Date of the expiry of the mandate
Mr Thierry BRETON	May 28 2015	AGM 2018
Mr Nicolas BAZIRE*	May 27 2014	AGM 2017
Ms Valérie BERNIS*	May 28 2015	AGM 2017
Mr Roland BUSCH	May 27 2014	AGM 2017
Ms Jean FLEMING	May 29 2013	AGM 2017
Mr Bertrand MEUNIER*	May 28 2015	AGM 2018
Ms Colette NEUVILLE*	May 27 2014	AGM 2017
Ms Aminata NIANE*	May 26 2016	AGM 2019
Ms Lynn PAINE*	May 26 2016	AGM 2019
Mr Pasquale PISTORIO*	May 28 2015	AGM 2018
Mr Vernon SANKEY*	May 26 2016	AGM 2019

* *Independent Director*

D.3 Combined General Meeting held on May 26, 2016

The Combined General Meeting held on May 26, 2016 approved all the resolutions submitted by the Board of Directors. The results of the votes at the Combined General Meeting together with the documentation on the adopted resolutions are available on the Company's website, www.atos.net, Investors section.

D.4 Executive compensation and stock ownership

D.4.1 Performance shares allocation plan decided on July 26, 2016

In connection with the authorization granted for thirty-eight months, by the Combined General Meeting of May 26, May 2016 (twentieth resolution), the Board of Directors decided, during its meeting held on July 26, 2016, and upon the recommendation of the Nomination and Remuneration Committee, to proceed with the allocation of 947,885 ordinary performance shares of the Company, to be issued in favor of the first managerial lines of Atos, including the Chairman and Chief Executive Officer.

Performance conditions to be achieved over the three years 2016, 2017 and 2018 of the new plan relate to internal financial criteria linked to profitability, free cash flow and revenue growth, identical to those of the previous plan of July 28, 2015. As for the July 28, 2015 plan, the plan also provides for an external condition linked to the social and environmental performance of the company.

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

A. **Presence condition:** subject to certain exceptions provided 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;

B. **Performance condition:** the allocation of performance shares is also subject to the achievement of the following internal and external performance conditions, appraised for each of the three years 2016, 2017, and 2018.

Internal performance conditions

For each of the three years 2016, 2017, and 2018:

- the **Group free cash flow** before dividend and acquisition/sales results is at least equal to one of the following amounts:
  - (i) **85%** of the amount of the Group free cash flow, before dividends and acquisition/sales results, as mentioned in the Company's budget of 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% increase**.
- the **Group operating margin** is at least equal to one of the following amounts:
  - (i) **85%** of the amount of the Group's operating margin as mentioned in the Company's budget of the year in question; or
  - (ii) the amount of the Group operating margin for the previous year **with a 10% increase**.
- **Revenue growth** of the year in question is at least equal to one of the two following amounts:
  - (i) Revenue growth rate as mentioned in the Company's budget minus a percentage decided by the Board of Directors; or
  - (ii) Yearly growth rate per reference to the Group growth targets.

It being specified that for each year, at least 2 of 3 internal performance criteria must be met. If one criterion is not met for the year in question, this criterion becomes compulsory for the following year.

External performance condition

For the years 2016, 2017, and 2018:

- at least achieve the rating of GRI G4 "Comprehensive";
- or become part of the Dow Jones Sustainability Index (Europe or World) (annual rating)

The condition is achieved as soon as this criterion is validated for the three years during the vesting period.

C. **Acquisition and conservation periods:** The allocation of performance shares decided by the Board of Directors of Atos SE dated July 26, 2016 provides for all Beneficiaries of performance shares who are employees of companies of the Atos Group to definitively acquire the performance shares allocated to them on July 26, 2019, subject to achieving the performance conditions and the aforementioned presence condition. The shares thus acquired will not be subject to a conservation obligation and will be then immediately available for sale by their beneficiaries.

D. Specific supplementary provisions applicable to the Chairman and Chief Executive Officer: The Board of Directors allocated a theoretical maximum number of 56,500 performance shares to the Chairman and Chief Executive Officer (theoretical maximum allocation - pls. see below). This amount takes into consideration 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 by the Board of Director's decision of May 30, 2012 as confirmed by the general meeting of December the 27, 2013 and the Board of Directors of May 28, 2015.

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

- the theoretical maximum allocation to the Chairman and Chief Executive Officer represents around 6.0% of the total number of allocated shares;
- the principle and the supplemental requirement to modulate the definitive allocation of performance shares for the Chairman and Chief Executive Officer according to the effective performance of the Group in 2016[1] and, with respect to the cap providing the portion of compensation in shares awarded to the Chief Executive Officer shall not exceed 45% of his total annual compensation (even in the most favorable circumstances);
- subject to the presence and performance conditions of the plan being achieved, the definitive allocation of performance shares for the Chairman and Chief Executive Officer may vary from 41,800 shares minimum up to 56,500 shares maximum in case of, respectively, low or over performance of Atos Group in 2016 corresponding to an achievement of 70% or 130% of his variable compensation in 2016;
- the conservation obligation, for the duration of his duties, of 15% of performance shares allocated to him will also apply to the Chairman and Chief Executive Officer;
- Will also apply the prohibition to conclude any financial hedging instruments over the shares being the subject of the award during the whole duration of the mandate of the Chief Executive Officer.

D.4.2 Performance shares that have become available since January 1st, 2016 for the Chairman and CEO – AMF Table 7

Since January 1st, 2016, the second half of the performance shares granted on December 22, 2011 (Tranche 2) became available for possible sale to the beneficiaries according to the France Plan Rules. The Atos Chairman and CEO is a beneficiary of this plan. Acquisition and availability terms are described in the 2015 Registration Document in part G.4.3.1. At the end of June 2016, the Atos Chairman and CEO did not sell any of those shares.

Besides, performance shares granted on July 28, 2014, became definitively acquired by their beneficiaries, according to the France Plan Rules. The Atos Chairman and CEO is a beneficiary of this plan. Acquisition terms are described in the 2015 Registration Document in part G.4.3.3. Furthermore, beneficiaries are required to remain owner of their acquired shares for an additional period of two years; the shares will become available for possible sale on July 28, 2018.

	Plan date	Number of shares vested since January 1st, 2016	Vesting Date	Number of shares made available since January 1st, 2016	Availability Date
Chairman and CEO	December 22, 2011 Tranche 2	32,500	March 17, 2014	32,500	March 17, 2016
	July 28, 2014	46,000	July 28, 2016	-	July 28, 2018

[1] *Modulation applicable to the members of the Atos Group General management.*

D.4.3 Subscription or purchase options exercised since January 1st, 2016 by the Chairman and CEO – AMF Table 5

Since January 1st, 2016, the Atos Chairman and CEO did not exercise any stock-options. The Atos Chairman and CEO proceeded on April 27, 2016 and April 28, 2016 to the disposal of 1,101 and 28,899 shares respectively.

Following these operations and those mentioned in paragraph D.4.2 hereinabove, the Chairman and CEO holds, as of July 28, 2016, 502,914 shares resulting from the exercise of options. In addition, he possesses 65,000 performance shares vested pursuant to the plan of December 22, 2011, 45,000 performance shares vested pursuant to the plan of July 24, 2013 (these will become available for possible sale on July 24, 2017) and 46,000 performance shares vested pursuant to the plan of July 28, 2014 (these will become available for possible sale on July 28, 2018).

E COMMON STOCK EVOLUTION

E.1 Basic data

Atos SE shares are traded on the Paris 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.

E.1.1 Information on stock

Number of shares	: 104,759,633
Sector classification	: Information Technology
Main index	: CAC AllShares
Other indices	: CAC IT, CAC IT20, CAC Next20, Euronext 100, SBF120
Market	: 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
Sustainability: DJSI World, FTSE4Good, Ethibel Excellence (both Euro and Europe zone), Vigeo			

E.1.2 Free Float

The free-float of the Group shares exclude stakes held by the reference shareholder, Siemens AG holding a stake of 11,9% of the share capital which it committed to keep until September 30, 2020.

Blackrock Inc. announced having successively crossed the thresholds of 5% of the share capital and voting rights:
- (i) downwards on March 21, 2016;
- (ii) upwards on March 23, 2016;
- (iii) downwards on March 31, 2016;
- (iv) upwards on April 1st, 2016;
- (v) downwards on April 4, 2016.

Bank of America Corporation announced having crossed, indirectly through companies of its group that it controls, upwards on April 29, 2016, and downwards on May 4, 2016, the thresholds of 5% of the share capital and voting rights.

No other shareholder has announced holding more than 5% in the Group's share capital. Stakes owned by the employees are also excluded from the free float.

As at June 30, 2016	**Shares**	**% of share capital**	**% of voting rights**
Treasury stock	477,159	0.5%	0.0%
Siemens	12,483,153	11.9%	12.0%
Board of Directors	622,316	0.6%	0.6%
Employees	1,495,922	1.4%	1.4%
Free float	89,681,083	85.6%	86.0%
Total	**104,759,633**	**100.0%**	**100,0%**

E.2 Dividend policy

On a proposal from the Board of directors, the Combined General Meeting held on May 26, 2016, approved the payment in 2016 of a dividend of 1.10euro per share on the 2015 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 €)
2015	€ 1.10
2014	€ 0.80
2013	€ 0.70

E.3 Financial calendar

October 20, 2016 Third quarter 2016 revenue

E.4 Contacts

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

Gilles Arditti, Executive Vice President, Investor Relations & Financial Communication
Tel +33 (0) 1 73 26 00 66
gilles.arditti@atos.net

Benoit d'Amécourt, Investor Relations & Financial Communication Director
+33 (0)1 73 26 02 27
benoit.damecourt@atos.net

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

E.5 Common stock

E.5.1 At June 30, 2016

As at June 30, 2016, on the basis of a decision of the Chairman and Chief Executive Officer dated as of June 30, 2016 the Company's issued common stock amounted to € 104,759,633 divided into 104,759,633 fully paid-up shares of € 1.00 par value each.

Since December 31, 2015, the share capital was increased by € 1,240,391 corresponding to the issuance of 1,240,391 new shares, split as follows:

- 347,561 new shares resulting from the exercise of stock options, issuance premiums amounting to € 16,775,322.38 in the aggregate;
- 892,830 new shares resulting from the payment of the 2015 dividend in shares, issuance premiums amounting to € 65,605,148.4 in the aggregate.

E.5.1 Shareholders' agreements

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 than the ones mentioned in the 2015 Registration Document, in part G.7.7.5.

E.5.2 Treasury stock

E.5.2.1 Legal Framework

The 11th resolution of the Combined General Meeting of May 26, 2016 renewed in favor of the Board of Directors, the authorization 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% 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 the 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% limit shall correspond to the number of shares purchased from which shall be deducted the number of shares resold during the duration of the authorization.

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 the context of 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 in this context shall not exceed 5% of the share capital,
- to ensure liquidity and an active market of the Company's shares through an investment service provider acting independently in the context of 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 or admitted 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) free awards of share in particular under the framework set by articles L. 225-197-1 et seq. of the Commercial Code and (iv) French or foreign law shareholding plans, in particular in the context of 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 the 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 relating to the issuance of such securities, under the terms and conditions set 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 12th resolution of the Combined General Meeting held on May 26, 2016, or

The maximum purchase price per share may not exceed € 105 (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 buyback program amounts to € 1,086,952,041 as calculated on the basis of the share capital as at December 31, 2015, this maximum amount may be adjusted to take into account the amount of the capital on the day of the General Meeting.

This authorization was granted for a period of eighteen (18) months as from May 26, 2016.

E.5.2.2 Treasury Stock

As at June 30, 2016, the Company owned 477,159 shares which amounted to 0.5% of the share capital with a portfolio value of € 35,562,660.27, based on June 30, 2016 market price, and with book value of € 31,306,118.51. 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.5.3 Potential common stock

E.5.3.1 Potential dilution

Based on 104,759,633 issued shares as at June 30, 2016, the common stock of the Group could be increased by 796,875 new shares, representing 0.8% of the common stock before dilution. This dilution could occur with the exercise of all stock subscription options granted to employees. Performance shares are not considered as potentially dilutive as the Group expects to purchase on the market the shares to be delivered to employees. As such, the potential dilution is calculated as follows:

In shares	**June 30, 2016**	**December 31, 2015**	**Change**	**% dilution**
Number of shares outstanding	**104,759,633**	**103,519,242**	**1,240,391**	
From stock subscription options	796,875	1,294,524	-497,649	0.8%
Potential dilution	**796,875**	**1,294,524**	**-497,649**	**0.8%**
Total potential common stock	**105,556,508**	**104,813,766**	**742,742**	

Stock options evolution

Number of stock subscription options at December 31, 2015	**1,294,524**
Stock subscription options granted during the first half of 2016	0
Stock subscription options exercised during the first half of 2016	-347,561
Stock subscription options expired or cancelled during the first half of 2016	-150,088
Number of stock subscription options at June 30, 2016	**796,875**

E.5.3.2 Current authorizations to issue shares and other securities

Pursuant to the resolutions adopted by the General Meeting of May 26, 2016, 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	Authorization amount (par value)	Use of the authorizations (par value)	Unused balance (par value)	Authorization expiration date
E.G.M. 26 May 2016, 11th resolution Authorization to buyback the Company shares	10% of the share capital adjusted at any moment	0	10%	11/26/2017 (18 months)
E.G.M. 26 May 2016, 12th resolution Share capital decrease	10% of the share capital adjusted as at the day of the decrease	0	10%	11/26/2017 (18 months)
E.G.M. 26 May 2016, 13th resolution Share capital increase with preferential subscription right	31,146,128	0	31,146,128	07/26/2018 (26 months)
E.G.M. 26 May 2016, 14th resolution Share capital increase without preferential subscription right by public offer(1)(2)	10,382,042	0	10,382,042	07/26/2018 (26 months)
E.G.M. 26 May 2016, 15th resolution Share capital increase without preferential subscription right by private placement (1)(2)	10,382,042	0	10,382,042	07/26/2018 (26 months)
E.G.M. 26 May 2016, 16th resolution Share capital increase without preferential subscription right to remunerate contribution in kind (1)(2)	10,382,042	0	10,382,042	07/26/2018 (26 months)
E.G.M. 26 May 2016, 17th resolution Increase in the number of securities in case of share capital increase with or without preferential subscription right (1)(2)(3)	Extension by 15% maximum of the initial issuance	0	Extension by 15% maximum of the initial issuance	07/26/2018 (26 months)
E.G.M. 26 May 2016, 18th resolution Share capital increase through incorporation of premiums, reserves, benefits or other	3 234 millions	0	3 234 millions	07/26/2018 (26 months)
E.G.M. 26 May 2016, 19th resolution Share capital increase reserved to the employees(1)	2,076,408	0	2,076,408	07/26/2018 (26 months)
E.G.M. 26 May 2016, 20th resolution Grant of performance shares to employees and executive officers	1,142,024	947,885	194,139	07/26/2019 (38 months)

(1) Any share capital increase pursuant to the 14th, 15th, 16th, 17th, and 19th resolutions of the Combined General Meeting of May 26, 2016 shall be deducted from the cap set by the 13th resolution of the Combined General Meeting of May 26, 2016.
(2) The share capital increases without preferential subscription right carried out pursuant to the 14th, 15th, 16th, and 17th resolutions of the Combined General Meeting of May 26, 2016 are subject to an aggregate sub-cap corresponding to 10% of the share capital of the Company on the day of the Combined General Meeting of May 26, 2016 (i.e. a nominal amount of 10,382,042 euros). Any share capital increase pursuant to these resolutions shall be deducted from this aggregate sub-cap.
(3) The additional issuance shall be deducted from (i) the cap of the resolution pursuant to which the initial issuance was decided, (ii) the aggregate cap set by the 13th resolution of the Combined General Meeting of May 26, 2016, and (iii) in case of share capital increase without preferential subscription rights, the amount of the sub-cap mentioned at (2) here above.

The number of new authorized shares that may be issued pursuant to the above-mentioned delegation of authority (the 17th and 18th resolutions of the General Meeting of May 26, 2016 being set aside) amounts to 32,288,153.42, representing 30.82% of the share capital updated on June 30, 2016.

E.5.4 First half of 2015 and subsequent key trading dates

January

On **January 20, 2016**, Atos announced it has completed the acquisition from Gores Group and Siemens of Unify, the world number three in integrated communication solutions generating € 1.2 billion annual revenue. The acquisition creates a unique integrated proposition for unified communications improving the social collaboration, digital transformation and business performance of its clients.

February

On **February 24, 2016**, Atos announced its 2015 annual results. All 2015 objectives were achieved. Revenue was € 10,686 million, up +18% year-on-year and +0.4% organically. Operating margin was € 883.7 million, representing 8.3% of revenue, compared to 7.1% in 2014 at constant scope and exchange rates. Order entry was € 11.2 billion leading to a book to bill ratio of 105%. Full backlog increased by €+2.9 billion to € 19.1 billion, representing 1.7 year of revenue. Net cash position was € 593 million at the end of 2015. Free cash flow was € 450 million in 2015 compared to € 367 million in 2014. Net income was € 437 million, up +55% year-on-year and net income Group share was € 406 million, up +53% compared to 2014. Significant further improvements are planned in 2016

April

On **April 21, 2016**, Atos announced its 2016 first quarter revenue and a strong start of the year reinforcing the achievement of all 2016 objectives. Revenue was € 2,757 million, up +1.6% organically and +15.0% at constant exchange rates. Order entry was € 2,794 million leading to a book to bill ratio of 101%.

May

Atos SE held on **May 26, 2016** its Annual General Meeting chaired by Mr. Thierry Breton, Chairman and Chief Executive Officer of the Company. All resolutions submitted by the Board of Directors were approved. In particular, the General Meeting approved the annual and consolidated accounts for the financial year ending December 31, 2015, the dividend payment of €1.10 per share, as well as the option for payment of the dividend in either shares or cash. The General Meeting also renewed the terms of office of Directors of Ms. Aminata Niane, Ms. Lynn Paine, and Mr. Vernon Sankey. Following the renewal of the Directors' terms of office, the Board of Directors held after the General Meeting decided to confirm the composition of the Board's Committees.

F RISKS ANALYSIS

The Company conducted a review of risks that could have a material adverse impact on its business, or results (or its ability to achieve its objectives) and considers that there are no significant risks other than those presented in the Atos' 2015 Registration Document filed with the AMF on April 7, 2016.

The Atos Group is a global business operating in some 72 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' 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. All potential and active claims and disputes are carefully monitored, reported and managed in an appropriate manner and are subject to legal reviews by the Group Legal Department.

During the first half of 2016 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 recorded in the consolidated financial statements closed as of June 30, 2016, to cover for the identified claims and litigations, added up to € 51 million (including tax and social contribution claims but excluding labor claims).

F.1.1 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 € 10 million.

The total provision for tax & social contribution claims, as recorded in the consolidated financial statements closed as at June 30, 2016, was € 23.6 million.

F.1.2 Commercial claims

There are a small number of commercial claims across the Group. Litigations are handled by the Group Legal Department. 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, of Bull Group and Xerox ITO. Some of these cases involve claims on behalf of the Group and in 2016 a number were successfully resolved.

The cases coming from Unify which has been recently acquired by the Group from Siemens are subject to post-closing discussions and the Group is confident that it will obtain a satisfactory coverage of the associated risks. As a result, the Unify cases have no impact on the total provision of € 27.38 million for commercial claim risks, as recorded in the consolidated financial statements closed as at June 30, 2016.

F.1.3 Labor claims

There are approximately 100,000 employees in the Group and relatively few labor claims. In almost every jurisdiction 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 Brazil, but in the Group's opinion most of these claims have little or no merit and are provisioned appropriately.

There are 24 claims against the Group which exceed € 300,000. The provision for these claims, as recorded in the consolidated financial statements closed as at June 30, 2016, was € 3.41 million.

F.1.4 Representation & Warranty claims

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

F.1.5 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 semester on the Company's and the Group's financial situation or profitability.

G LOCATIONS

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Americas

Argentina

Brazil

Canada

Chile

Colombia

Guatemala

Mexico

Peru

Uruguay

USA

Asia-Pacific

Australia

China

Hong Kong

Indonesia

Japan

Korea

Malaysia

New-Zealand

Philippines

Singapore

Taiwan

Thailand

Europe

Andorra

Austria

Belgium

Bulgaria

Croatia

Czech Republic

Denmark

Estonia

Finland

France

Germany

Greece

Hungary

Italy

Ireland

Lithuania

Luxembourg

Poland

Portugal

Romania

Russia

Serbia

Slovakia

Spain

Sweden

Switzerland

The Netherlands

United Kingdom

India, Middle-East & Africa

Algeria

Benin

Burkina Faso

Egypt

Gabon

India

Ivory-coast

Lebanon

Madagascar

Mali

Mauritius

Morocco

Qatar

Saudi Arabia

Senegal

South Africa

Turkey

United Arab Emirates

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