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# **registration** document 2012

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## GROUP OVERVIEW

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### A.1 Business profile

Atos SE (Societas Europaea) is an international information technology services company with annual pro forma revenue of EUR 8.8 billion and 76,400 employees in 47 countries. Serving a global client base, it delivers hi-tech transactional services, consulting and technology services, systems integration and managed services.

As the Worldwide IT Partner for the Olympic Games and top sponsor, Atos integrates, manages and secures the vast IT system that relays results, events and athlete information to spectators and media around the world. The Olympic Games are a complex mix of technology, processes and people. Not only is there the scale and complexity of the project, covering many clients, sites and systems, but it is also a multi-supplier project with many varied dependencies. Furthermore, the whole event is highly visible and the world is watching. And where victory is measured by the smallest margin, there are no second chances.

Sustainability is at the core of Atos' corporate strategy and its ambition remains to be recognized as a world leader in providing innovative IT solutions to help our clients become more sustainable. So by embedding sustainability in the Group as part of one company DNA, Atos automatically ensures that it is similarly embedded in all the propositions we make to our clients. In this way Atos will become "best-in-class", not only for its own operations, but also in the way it serves its clients. The company wants to be recognized as one of the best companies to work for, innovative, socially responsible and able to attract and retain the best talents across all our geographies.

Our expertise covers a wide range of specialties and we are always seeking new opportunities and innovations.

#### **Managed Services - Transforming IT infrastructure and business operations**

As the undisputed leader in Managed Services, we are one of the few companies that can provide all the "design, build and operate" elements of a complete outsourcing solution. We manage and transform all the IT operations of our clients, including the management of their entire information and data processing systems.

#### **Systems Integration - Delivering seamless business systems**

We have a strong portfolio of Systems Integration offerings to provide increased added value for clients, as well as a source of better growth and profitability. Our enhanced distributed delivery model has quality, scalability, predictability and flexibility at low price point, and we have a strong nearshore and offshore presence. We continue to adapt our existing portfolio to cater for the increasing demand for Software-as-a-Service.

#### **High-Tech Transactional Services - Advancing business strategy through innovative processing solutions**

Our real-time, interactive world is based on transactions and connections. This is exactly what Atos Transactional Services are all about: delivering end-to-end digital services for B-to-B-to-C activities across all industries. It brings together Atos's core business and expertise in payment, eServices & Financial markets, Smart Energy, BPO and Civil & National Security.

Through our **Atos Worldline** Specialized Business Unit (SBU), we are a European leader in innovative payment services with 40 years of recognised experience in that field. We are specialized in electronic payment services for merchants, financial & payment institutions; eServices for Customers, Citizens and Social Communities for many private or public sectors; and Services for Financial Markets.

With our **Atos Worldgrid** SBU we focus on delivering sophisticated integration projects and real time Smart Energy solutions to Energy & Utilities companies across the power, water, oil & gas value chains. This enables energy efficiencies, increases sustainability, while improving operational performance of our customers.

Finally our **BPO** entity delivers process outsourcing services for health and financial services.

### Consulting & Technology Services - Transforming business through innovation leveraging Information Technologies

Atos Consulting & Technology Services help clients deliver innovation to their customers and improve cost and effectiveness by leveraging Information Technologies. With over 7,000 experts we provide advisory services and expertise so that our clients keep control of their processes and projects, can customize as much as required by directly managing the resources provided, and keep ownership of their assets and systems.

### Atos industry expertise

Atos forges long-term partnerships with both large groups and multinational companies and SMEs. Its high technological expertise and industry knowledge allow him to work with clients in the following sectors:

### Manufacturing, Retail & Services

Success in manufacturing, retail and service today hinges on the ability to join everything up across the value chain. Atos knows how. We can help optimize operations at a single plant and drive actionable agility across the enterprise. Expertise in industry specific production and innovation processes combines with skill in MES and PLM to deliver sustainable business value to our manufacturing, retail and services industry clients.

### Public sector, Healthcare & Transport

Doing more with less remains the dominant theme in public services, underpinning the need for new models of IT service provisioning. Application modernization, secure Cloud computing and shared services become pivotal in a sector in which cultural differences and process rather than technological change are often the biggest challenge. With its deep understanding of cultural diversity, Atos is an active partner in process and technology to governments, healthcare and transport service providers.

### Financial Services

Even though banking and insurance companies face distinct and different pressures, both must excel in building reputation and loyalty with their clients. Maximum efficiency of back office processes must liberate resources focused on serving increasingly sophisticated customers. Atos supports the world's leading financial services companies through times of rapid change, enabling innovative client engagement and clinical operational efficiency.

### Telecommunications, Media & Technology

Telecommunications and media companies are the defining forces in the digital age: digital collaboration and communication are what makes today different. Companies are seeking new revenue streams as traditional business is eroded. Atos can help, bringing mastery of new media management and dynamic monetization to the table.

### Energy & Utilities

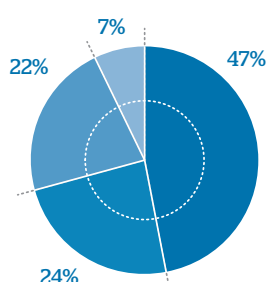
Energy and utility companies can only compete if they can establish and sustain operational excellence in everything they do. The ability to master real-time information from the rig and the smart meter to the executive dashboard are now critical. Atos has over 30 years' specialist experience in these sectors and around 3,000 energy and utility industry IT experts, of which 1,600 work in our dedicated Atos Worldgrid unit.

In 2012, 77 percent of the revenue base was generated by multi-year contracts, increasing by +2 points compared to full year 2011, deriving from outsourcing contracts (reported as Managed Services for 47 percent of total revenue), application management contracts (8 percent included in Systems Integration) and Hi-Tech Transactional Services & Specialized Businesses (22 percent of total revenue).

Europe remained the Group's main operational base, the integration of SIS consolidated the European customer base and resulted also in a larger size of North America.

The Group provides high value IT services through five global markets which are Manufacturing Retail & Services; Public Sector, Healthcare & Transport; Financial Services; Telecom, Media & Technology; and Energy & Utilities.

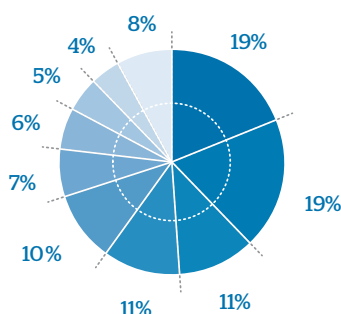
### A.2.1 By Service Line



In EUR million	2012	2011*
● Managed Services	4,135	4,040
● Systems Integration	2,136	2,186
● HTTS & Specialized Businesses	1,969	1,917
● Consulting & Technology Services	604	635
<b>Total Group</b>	<b>8,844</b>	<b>8,778</b>

\* constant scope and exchange rates

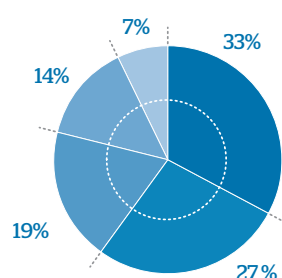
### A.2.2 By Business Unit



In EUR million	2012	2011*
● Germany	1,690	1,680
● United-Kingdom & Ireland	1,679	1,562
● France	980	999
● Benelux	978	1,024
● Atos Worldline	927	908
● North America	588	540
● Central & Eastern Europe	568	576
● North & South West Europe	407	414
● Iberia	317	345
● Other BUs	709	730
<b>Total Group</b>	<b>8,844</b>	<b>8,778</b>

\* constant scope and exchange rates

### A.2.1 By Market



In EUR million	2012	2011*
● Manufacturing, Retail & Services	2,930	2,900
● Public sector, Healthcare & Transport	2,348	2,259
● Financial Services	1,666	1,705
● Telecoms, Media & Technology	1,265	1,281
● Energy & Utilities	635	634
<b>Total Group</b>	<b>8,844</b>	<b>8,778</b>

\* constant scope and exchange rates

### A.3 CEO Message



#### **Dear shareholders,**

2012 was an important year for your Group which started to reap the benefits of its new position as market leader in Europe, while continuing to develop its know-how and its commitment to serving its clients. The Olympic and Paralympic Games in London epitomized this, showing the technological expertise of Atos and its people in the best possible light.

In 2012, we proved that we are a global company able of achieving organic growth, profitability (significant increase in operating margin from 4.8 percent pro forma in 2011 to 6.6 percent in 2012) and positive cash position (with free cash flow of EUR 259 million in 2012). For the fourth year running, we have reached our targets in terms of sales, operating margin and net free cash flow. It is an important achievement as 2013 is another year filled with challenges.

Your Group had a turnover of EUR 8,844 million in 2012 with 76,400 employees, mostly engineers, in nearly 50 countries. I am proud that, thanks to this new dimension, your Group managed to sign new major contracts in Europe (PostNord, UK Department for Work and Pensions, Postbank, Nokia Siemens Networks) and in the US (McGraw-Hill). Our other major achievement involved changing Atos from a public limited company (SA) to a European company (SE), which was a very significant step in the globalization of our Group and has allowed us to take full advantage of our market-leading position in information technology in Europe.

Moreover, in 2012 we continued developing by reinforcing our partnerships. The creation of Canopy, a joint-venture that cements the alliance between Atos, EMC (world leader in storage technology) and VMWare (world leader in virtualization technology), enabled us to roll out joint solutions in 2012, and to finalize major new contracts in the field of Cloud computing. Through Canopy, Atos intends to play a world-leading, central supporting role for its clients transitioning to the Cloud. We have also reinforced our relationship with SAP, Microsoft and YonYou through the Yunano joint venture in China, as well as strengthening our alliance with Siemens, our foremost industrial partner.



The acquisition of blueKiwi also demonstrates the capacity of your Group to continue to take the initiative, both commercially and technologically, enabling us to anticipate future developments in our business sectors. blueKiwi is now an essential part of our process to become a company committed – wherever we are present – to ensuring quality working environments for all, in particular through the internal Zero email™ initiative, which is intended to promote the emergence of new sources of cooperation, innovation and performance to benefit our clients.

Being an innovative and socially responsible company is in fact at the very heart of our strategy. Our global “Wellbeing@work” program has helped to improve the life/work balance of the men and women who work for Atos, in particular by developing homeworking, rolling out “Bring your own device” mobility tools and providing individual online coaching/training solutions. In 2012, Atos was recognized as the best IT company to work for in Poland, and it was in the first ranks in several other countries too (as ranked by the “Great Place to Work” Institute).

Our entry in the European Dow Jones Sustainability Index, as well as another A+ certificate awarded by the Global Reporting Initiative (GRI), demonstrates our ongoing commitment to becoming a role model in the field of corporate social responsibility. 2012 will also be remembered for a world first: the provision of a fleet of electric Atos “My Car” vehicles for use by Atos employees at our Bezons site. This fleet of intelligent, connected electric vehicles – which are recharged using photovoltaic energy – will be progressively rolled out to all of our main sites. In 2013, the third year of our three-year plan implemented on December 15<sup>th</sup>, 2010, when the acquisition of Siemens IT Solutions & Services was announced, our first priority will be to finish implementing this plan by again achieving all of our objectives:

- ▶ Improving our operating margin rate to around 75 percent of revenue,
- ▶ Increasing our free cash flow to above EUR 350 million,
- ▶ Continuing to slightly grow our revenue,
- ▶ Increasing adjusted earning per share by +50 percent compared to 2011.

Relying on our spirit of innovation and on the quality of service rendered to our clients made 2012 a record year for the order book (EUR 156 billion by the end of 2012, compared to EUR 141 billion for the previous year). Complemented by major investments made in 2012 in Cloud computing, enterprise social networks, electronic payments and smart mobility, which are major growth drivers, these two priorities are allowing us to look to the coming years with clarity and confidence, as 77 percent of Atos sales relate to multi-year contracts with our clients.

Thus, thanks to the successful integration of Siemens IT Solutions & Services and our permanent investment in innovation, your Group is now ideally placed to become a leading player in both conventional IT services—leveraging our unique information system management infrastructure—and “critical” IT activities, i.e. transaction and high-tech services, essentially payments. In this spirit, your Group initiated at the beginning of 2013 the information and consultation process with the employee representatives, both at European and local levels, according to the current regulations in order to carve-out Atos payment and merchant transactional activities. This will provide the new entity with a more strategic flexibility and attractive “currency” to move forward, leveraging on its leadership position in Europe. Your Group will use this clear positioning that generates synergies to take up new challenges in 2013 and beyond, and act as a leader in the fast growing and constantly evolving European payment market landscape.

To conclude, I am absolutely sure that by continuing to fulfill our commitments, by demonstrating our capacity to perfectly execute our plans for transformation (TOP), business growth (eXpand) and the creation of attractive working environments for all employees (Wellbeing@work), and by continuing to anticipate the evolution of new technologies in this new world, Atos will be in a position to become one of the world's leading IT companies in the coming years.

On behalf of you, dear shareholders, and the board of directors that I chair, I would like to thank our 76,400 employees and all those who are helping us to achieve our goals, to develop Atos and to prepare for the future, thereby creating value for your Group as a whole.

**Thierry Breton**  
CEO and Chairman, Atos

### A.4.1 For the Reference Document

#### Thierry Breton

CEO and Chairman, Atos

### A.4.2 For the accuracy of the document

I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in the Reference 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 financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and all the other companies included in the scope of consolidation, and that the Management Report (here attached) gives a fair description of the material events, results and financial position of the Company and all the other companies included in the scope of consolidation, as well as a description of the main risks and contingencies with which the Company may be confronted.

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

The Consolidated Financial Statements for the year ended December 31<sup>st</sup>, 2011 presented in the Reference Document filed with the AMF on April 5<sup>th</sup>, 2012 under number D12-0288, have been subject to a report from the Statutory Auditors shown in section C.4.1 of that document.

The Consolidated Financial Statements for the year ended December 31<sup>st</sup> 2010 presented in the Reference Document filed with the AMF on April 1<sup>st</sup>, 2011 under number D11-0210, have been subject to a report from the Statutory Auditors shown in section C.3.1 of that document, report with an observation on the changes in accounting policies relating to the recognition of actuarial gains and losses on pensions and to the first time application of the revised standards IFRS 3 "Business Combination" and IAS 27 "Individual and Consolidated Financial Statements".

#### Thierry Breton

CEO and Chairman, Atos

Bezons, April 2<sup>nd</sup>, 2013

### A.4.3 For the audit

#### Appointment and term of offices

Statutory Auditors	Substitute Auditors
<b>Grant Thornton</b> Vincent Frambourt <ul style="list-style-type: none"> <li>Appointed on: June 12<sup>th</sup>, 2008 for a term of six years</li> <li>Term of office expires: at the end of the AGM held to adopt the 2013 financial statements</li> </ul>	<b>Cabinet IGEC</b> <ul style="list-style-type: none"> <li>Appointed on: June 12<sup>th</sup>, 2008 for a term of six years</li> <li>Term of office expires: at the end of the AGM held to adopt the 2013 financial statements</li> </ul>
<b>Deloitte &amp; Associés</b> Christophe Patrier <ul style="list-style-type: none"> <li>Appointed on: May 30<sup>th</sup>, 2012 for a term of six years</li> <li>Term of office expires: at the end of the AGM held to adopt the 2017 financial statements</li> </ul>	<b>Cabinet B.E.A.S.</b> <ul style="list-style-type: none"> <li>Appointed on: May 30<sup>th</sup>, 2012 for a term of six years</li> <li>Term of office expires: at the end of the AGM held to adopt the 2017 financial statements</li> </ul>

## A.5.1 Income statement

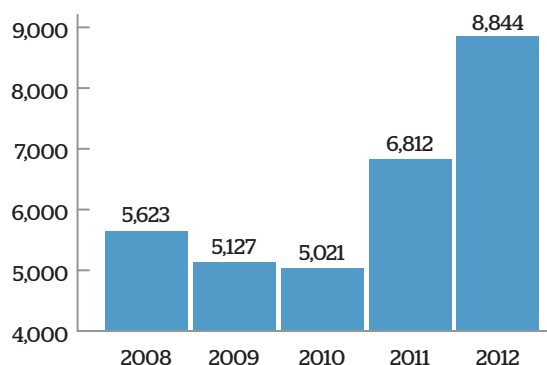
(In EUR million)	12 months ended 31 December 2012	12 months ended 31 December 2011
<b>Revenue</b>	<b>8,844.3</b>	<b>6,812.5</b>
Personnel expenses	(4,502.2)	(3,564.2)
Operating expenses	(3,762.1)	(2,825.9)
<b>Operating margin</b>	<b>580.0</b>	<b>422.4</b>
<b>&amp; of revenue</b>	<b>6.6%</b>	<b>6.2%</b>
Other operating income and expenses	(198.6)	(74.7)
<b>Operating income</b>	<b>381.4</b>	<b>347.7</b>
<b>&amp; of revenue</b>	<b>4.3%</b>	<b>5.1%</b>
Net cost of financial debt	(34.2)	(278)
Other financial expenses	(54.7)	(82.3)
Other financial income	37.1	74.7
Net financial income	(51.8)	(35.4)
<b>Net income before tax</b>	<b>329.6</b>	<b>312.3</b>
Tax charge	(102.9)	(129.3)
Share of net profit/ (loss) of associates	1.3	(0.2)
<b>Net income</b>	<b>228.0</b>	<b>182.8</b>
Of which:		
• <b>attributable to owners of the parent</b>	<b>223.8</b>	<b>181.6</b>
• non-controlling interests	4.2	1.2

(In EUR and number of shares)		
Weighted average number of shares	84,066,299	76,019,755
<b>Basic earnings per share</b>	<b>2.66</b>	<b>2.39</b>
Diluted weighted average number of shares	96,696,049	88,190,646
<b>Diluted earnings per share</b>	<b>2.48</b>	<b>2.20</b>

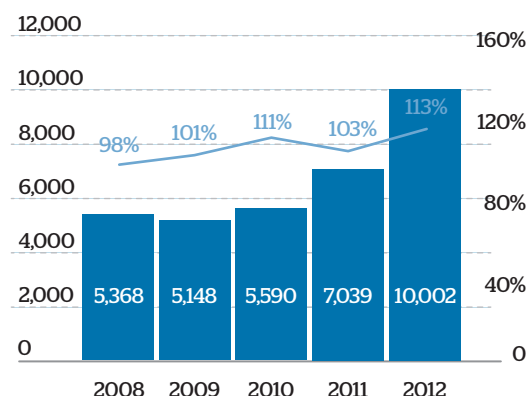
### A.5.2 Key graphs

5 years revenue performance in EUR million

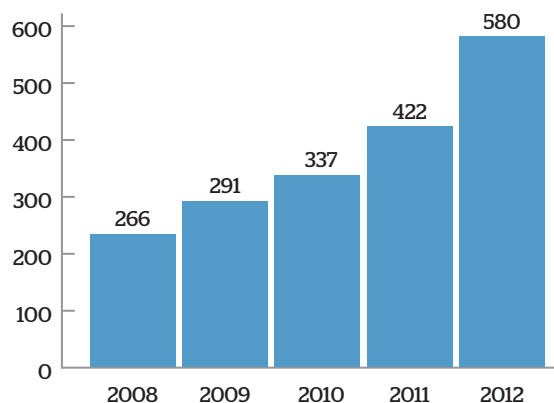


Order Entry (in EUR million)

Book to bill

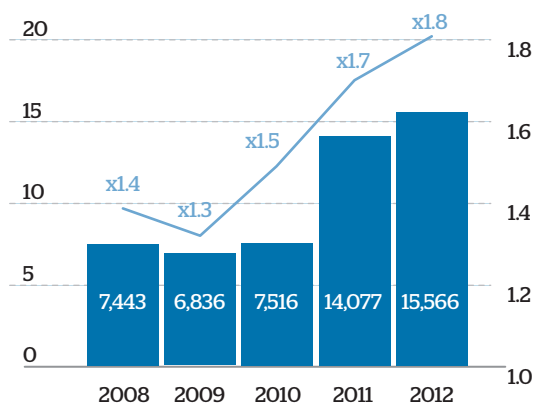


5 years operating margin in EUR million

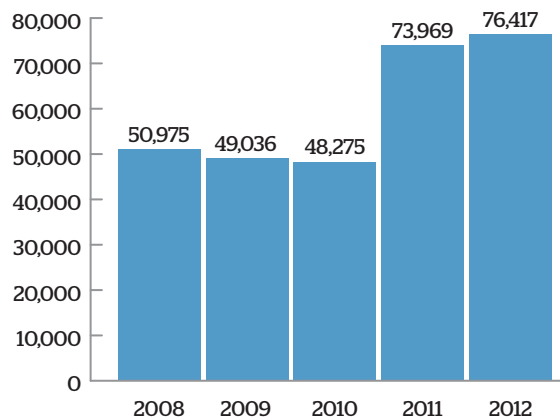


Full backlog (in EUR million)

In revenue year

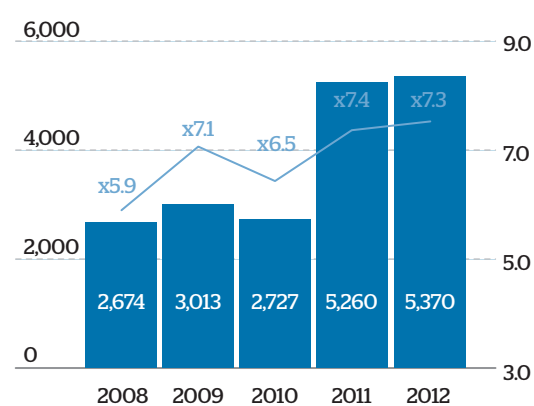


5 years employee evolution

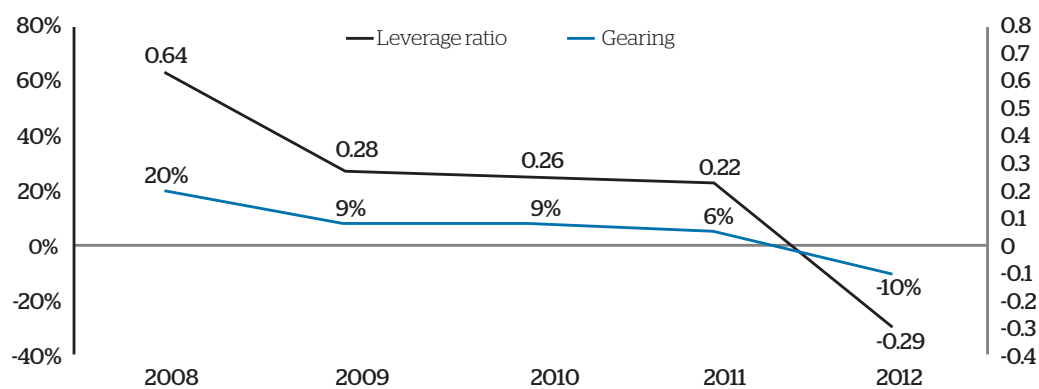
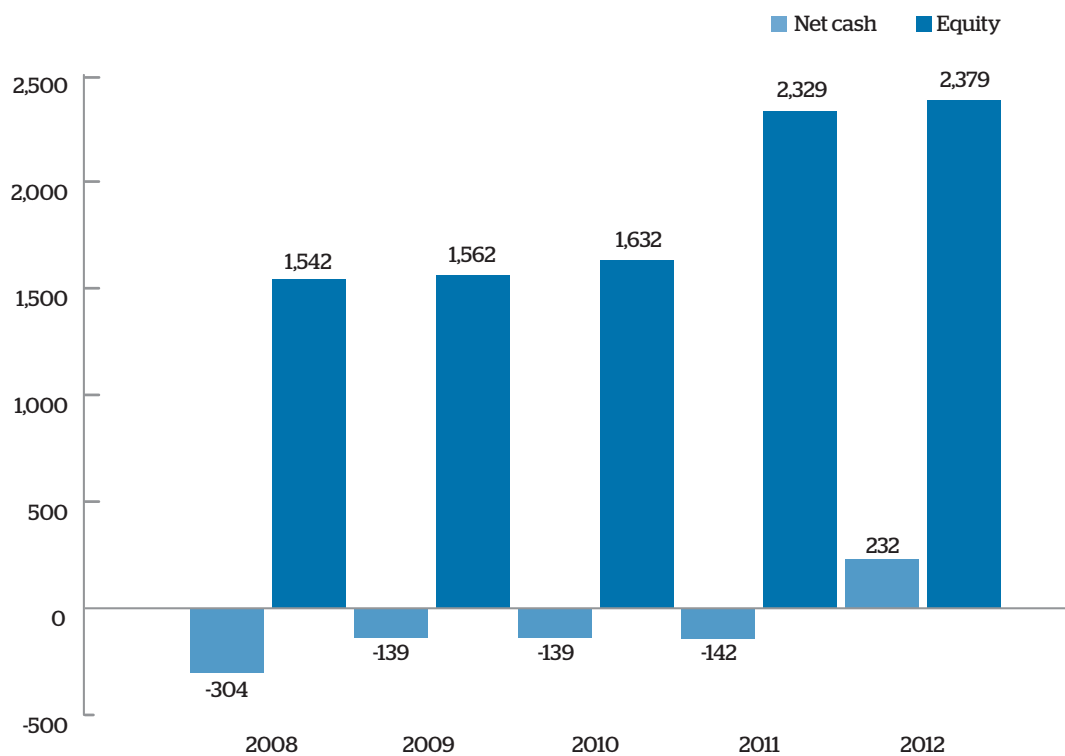


Full Pipeline (in EUR million)

In revenue month



2009 figures: including SoRIE impact; 2008 and 2010 to 2012 figures: statutory



2009 figures: including SoRIE impact; 2008 and 2010 to 2012 figures: statutory

### A.5.3 Key achievements

#### January 24<sup>th</sup>

Atos announced the launch of new Testing & Acceptance Management (TAM) services for SAP® solutions. This innovation is the fruit of extensive efforts conducted as part of an R&D program, in anticipation of market demand for a solution that is easy to integrate and aims to save up to 40 percent of the time required during the testing phase and reduce related engineering costs.

#### February 15<sup>th</sup>

Atos, EMC Corporation and VMware announced a strategic alliance for open Cloud computing. Additionally, Atos plans to create a new company, Canopy, providing a wide range of Cloud solutions and services designed to speed the delivery and help customers quickly take advantage of the benefits of Cloud computing. Based on best-of-breed technology from global Cloud computing industry leaders EMC and VMware, the new offerings will include an open Cloud platform that enables customers to easily and flexibly choose, access and deploy Cloud-based services for their enterprise IT needs.

#### March 21<sup>st</sup>

Atos announced that it has signed a ten year contract worth in excess of GBP 100 million with EDF Energy to provide data centre services for its UK business. The new Atos solution will consolidate EDF Energy's data centre infrastructure to cut costs by 20 percent over the life of the contract.

#### April 11<sup>th</sup>

Atos announced it was the recipient of a 2012 SAP® Pinnacle award as the Sustainability Partner of the Year. SAP Pinnacle awards are presented annually to the top SAP partners that have excelled in developing and growing their partnership with SAP (NYSE: SAP) and driving customer success. Winners were selected based on over 150 nominations in 22 categories received from partners and SAP employees.

#### May 30<sup>th</sup>

For the second year, Atos received the highest GRI rating A+ for its Corporate Responsibility report. In line with the guidelines from the Global Reporting Initiative (GRI), the international standard for sustainability reporting, this year's rating underlines Atos capability to quickly align new regions from the integration of Siemens IT Solutions and Services in its sustainability strategy and perform according to the highest market standard.

#### June 12<sup>th</sup>

Atos has signed an agreement with Systagenix, a health care manufacturer, to implement the SAP HANA® platform and the SAP® BusinessObjects™ BI OnDemand solution in the Cloud. Atos is one of the first global resellers to offer these innovative SAP solutions that combine Cloud, mobility and in-memory technology. SAP HANA offers improved visibility and flexibility of data across the organization, available anytime and anywhere in a faster, more consistent approach and at a lower cost of ownership. This is the first global deal for delivery of SAP HANA in the Cloud.

#### July 27<sup>th</sup>

Atos has signed with McGraw-Hill, leading global financial information and Education Company, a multi-year IT contract supporting the transition of McGraw-Hill from one, multi-sector company into two, independent companies, McGraw-Hill Financial and McGraw-Hill Education. Under the contract, Atos will provide strategic IT management consulting, deliver service transition, operation and ongoing operational improvements for McGraw-Hill's six service towers: data center, service desk, end user computing, network, product and solution engineering and cross functional services. It will also optimize McGraw-Hill's existing infrastructure, to improve service for more than 30,000 end users across 40 global locations.

#### August 13<sup>th</sup>

Atos, an international Information Technology (IT) services company and Worldwide IT Partner of the Olympic Games, today announced together with the London Organizing Committee of the Olympic and Paralympic Games (LOCOG) that it has successfully delivered the core systems that enabled more than 8 million ticket holders and four billion people around the world to witness the London 2012 Olympic Games.

London 2012 has been the most digitally enabled Olympic Games in history, with more people than ever tuning into watch the events on more devices than ever before. Key to the success of the IT systems for the Games have been Atos business technologists, who each achieved a personal best to transmit the results to the world's commentators before the roar of the crowd is heard - in 0.3 seconds.

**September 4<sup>th</sup>**

Atos has announced that it has been awarded a seven-year IT outsourcing contract by PostNord, which was created following the merger of the Danish and Swedish postal organizations. Under the contract, Atos will deliver outsourcing services and will use its offices in the Nordics, Poland and Germany to deliver its application infrastructure and workplace services. Atos will consolidate and modernize the existing infrastructure to further improve services for more than 15,000 end users located at offices and retail outlets across the Nordics. These improvements will deliver substantial savings over seven years. Close to 100 staff from PostNord will be transferred to Atos offices in Denmark.

**October 3<sup>rd</sup>**

Atos has opened its new offices in Qatar. In its growing commitment to the Middle East, Atos has now established its Doha affiliate in order to provide its services locally and take into account cultural and geographical differences. Having operations in the Gulf Cooperation Council (GCC) countries will enable Atos to capitalize on the predicted growth in IT investment in this region over the next few years. The Middle-East is a priority for Atos, as its businesses are key adopters of new technologies and innovative solutions. Atos plans to partner with and invest in local companies and talent to deliver the on-shore elements of solutions and services

**November 7<sup>th</sup>**

Atos announced blueKiwi ZEN, the most advanced SaaS Enterprise Social Software. blueKiwi, an Atos company since April 2012 released blueKiwi ZEN, the most advanced, feature-packed release of its SaaS enterprise social software. blueKiwi ZEN takes social networking to a new level of capabilities, offering organizations of all sizes the chance to communicate and collaborate better, as well as organize, process and share information smarter. All so they can shorten business and decision cycles and outperform their competition.

**December 6<sup>th</sup>**

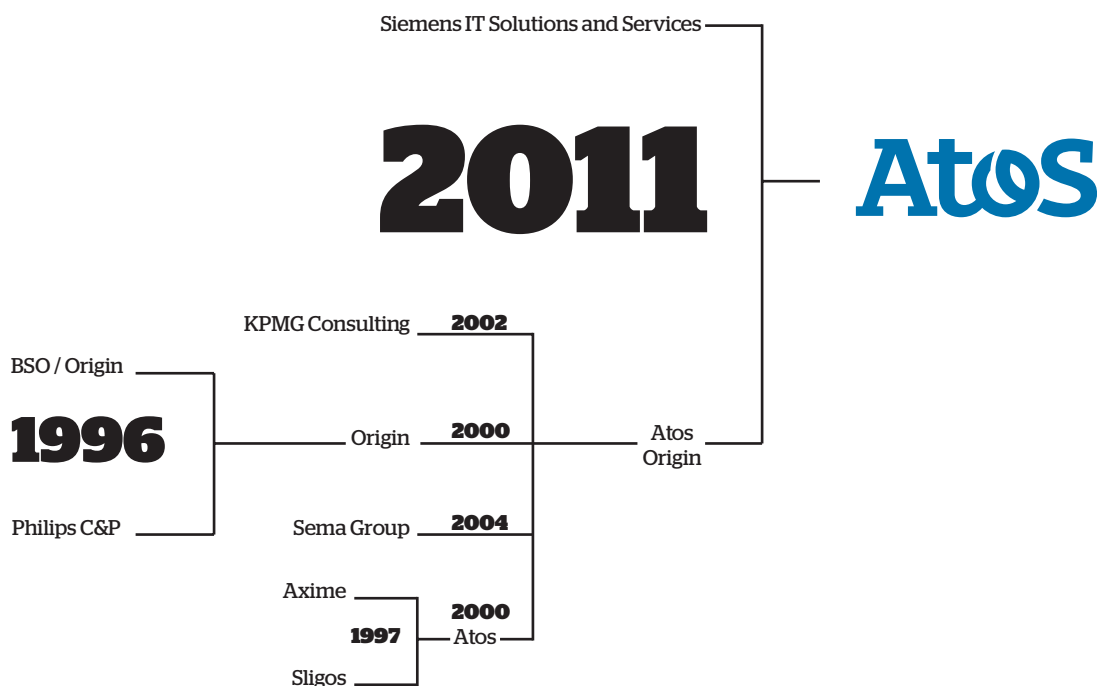
Atos and Bolloré Group launched first 100 percent electric corporate car fleet powered by solar panels. These electric Atos branded cars are fully dedicated to its employees. They are fed by photovoltaic panels that are installed at Atos headquarters in the Paris region. This unique concept will support Atos "Zero carbon" initiative, which objective is to reduce by 50 percent Atos carbon footprint by 2015, and will make business travel for Atos employees easier and more convenient. MyCar forms part of the Atos Wellbeing@work and Corporate responsibility program.

### A.6

### Group presentation

#### A.6.1 Formation of the Group

Atos is a leading international IT services company created through series of mergers and acquisitions, starting in 1997.



**Atos** was formed from the merger in 1997 of two French-based IT services companies - **Axime** and **Sligos** - each of which had been established out of earlier mergers. By 2000, Atos employed 11,000 staff and generated annual revenues of approximately EUR 1.1 billion.

**Origin** was a subsidiary of Royal Philips Electronics, which had been formed in 1996 from the merger of BSO/Origin and Philips Communications. At the time of the merger with Atos in October 2000, Origin employed more than 16,000 staff in 30 countries worldwide and generated annual revenues of approximately EUR 1.6 billion.

**KPMG Consulting's** businesses in the United Kingdom and The Netherlands were acquired in August 2002 to establish Atos Consulting. This transaction provided the Group with a major presence in the Consulting segment of the IT services market.

**Sema Group** was acquired from Schlumberger in January 2004, thereby creating one of the leading European IT services companies. At the time of the acquisition, Sema Group employed 20,000 staff and generated annual revenues of approximately EUR 2.4 billion. Atos Origin employed 26,500 staff, generating annual revenues of more than EUR 3 billion.

On July 1<sup>st</sup>, 2011, Atos has announced that it has completed the acquisition of **Siemens IT Solutions and Services** - to become a new IT champion. The deal creates a new company with pro forma 2011 annual revenues of EUR 8.5 billion and 74,000 employees across 48 countries. Ranked in the top ten global IT services providers; number five in managed services worldwide and the number one European player in Europe, the new company is a powerful combination of two highly complementary organizations. Together as Atos, they create a leader in foundation and business critical IT services that will accelerate growth.



## A.6.2 Management and organization

Atos is incorporated in France as a "Société Européenne" (European Company) with a Board of Directors

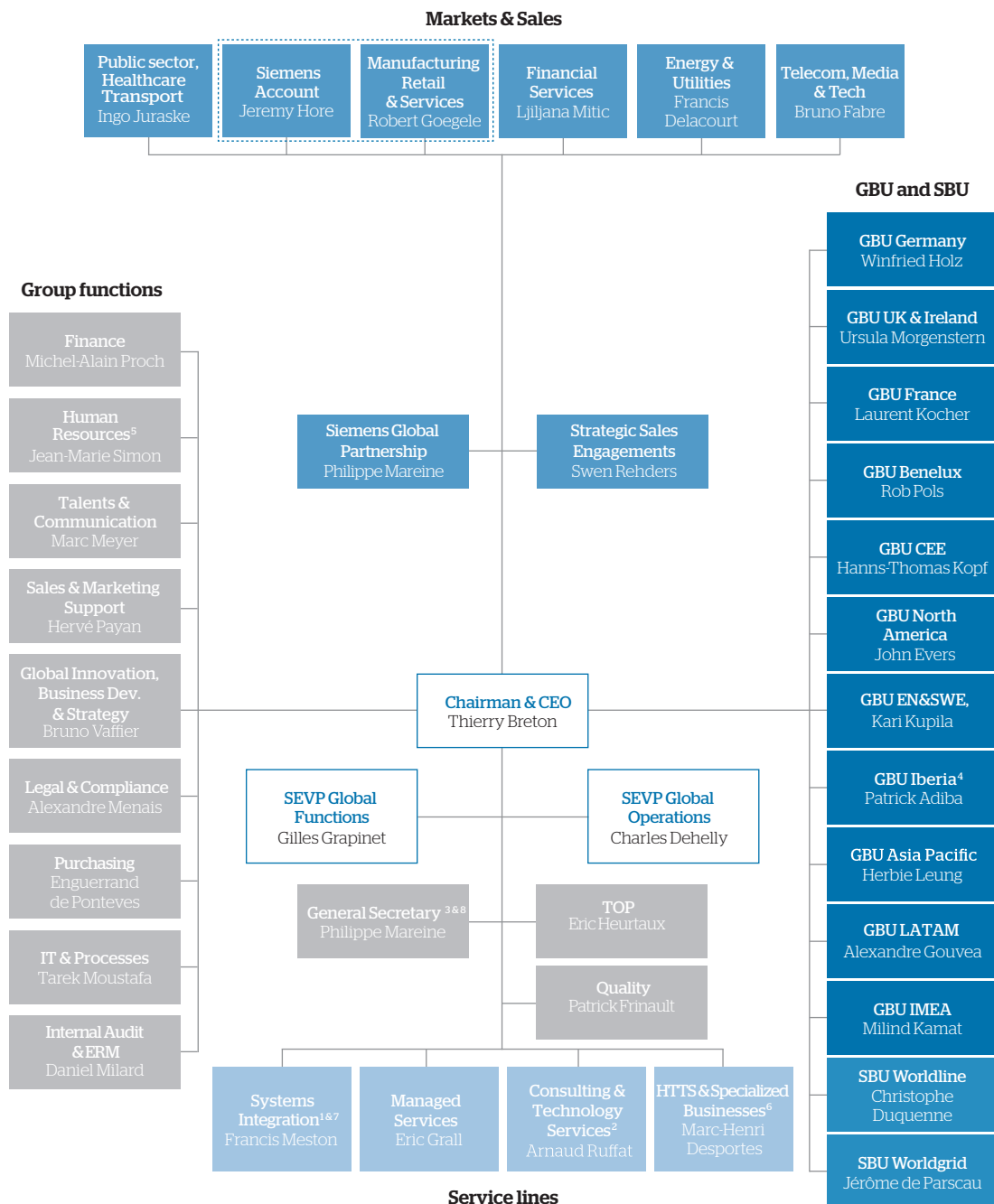
### A.6.2.1 Group general management

The general management is composed of a Chairman and Chief Executive Officer and two Senior Executive Vice-Presidents, chaired by Thierry Breton, Chairman and CEO.

Name	Title	Responsibility
<b>Thierry Breton</b>	Chairman and Chief Executive Officer	
<b>Charles Dehelly</b>	Senior Executive Vice President in charge of Global Operations	Global Operations, Responsible for Global Systems Integration, Global Managed Services, TOP Program, Global Purchasing and Geographic Business Unit
<b>Gilles Grapinet</b>	Senior Executive Vice President in charge of Global Functions	Support functions, Responsible for Global Support Functions, Global Sales and Markets, Siemens Strategic Partnership, Global Consulting and Technology Services, and Hi-Tech Transactional Services

(\*) Excluding Atos Worldline and Atos Worldgrid that are under the responsibility of Gilles Grapinet

### A.6.2.2 Organization chart



1 Which includes Application Management and SAP Global Practice

2 Which includes Professional Services

3 Responsible also for Legal & Compliance and Internal Audit

4 Which includes Major Events. Major Events runs on a separate P&L

5 Which Includes Logistics and Housing

6 Which Includes BPO

7 Which Includes Responsibility for Canopy and Yunano

8 Which Includes Responsibility for bluekiwi

### A.6.2.3 The Executive Committee

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The role of the executive committee is to develop and execute the Group strategy and to ensure value is delivered to clients, shareholders and employees; Its role is also to improve interaction and cooperation between the Specialized and Global Business Units, the Global Service Lines, the Global Markets and the Global Functions.

The Atos Executive Committee is composed of:

#### **Thierry Breton, Chairman & CEO**

Former French Minister of Economy, Finance and Industry, Thierry Breton was Chairman and CEO of France Telecom, the second European telecommunications operator, and CEO of Thomson.

He was previously Executive Managing Director and then Vice Chairman of the Bull Group. Thierry Breton taught leadership and corporate governance at Harvard Business School. He is a graduate of the Ecole Supérieure d'Electricité "Supelec" of Paris and of the Institut des Hautes Etudes de Défense Nationale. He has been honored with the prestigious awards of "Officier de la Légion d'Honneur" and "Grand Officier de l'Ordre National du Mérite". He is Chairman and Chief Executive Officer.

#### **Charles Dehelly, Senior Executive Vice President, Global Operations**

Charles Dehelly began his career at the Thomson Group where in 1981 he was CEO of Home Appliance divisions and later CEO of the Television division. Joining the

Bull Group in 1992 as Group Chief Operating Officer, he returned to Thomson in 1998 as Chief Operating Officer then as Chief Executive Officer. In 2005 he became CEO of the Equant Group, then CEO of the Arjowiggins Group. He is Senior Executive Vice President in charge of Global Operations, Responsible for Global Systems Integration, Global Managed Services, TOP Program, Global Purchasing and Geographic Business Unit.

#### **Gilles Grapinet, Senior Executive Vice President, Global Functions, Global Sales & Markets, HTTS & Specialized Businesses and Consulting & Technology Services**

A graduate of the Ecole Nationale d'Administration, Gilles Grapinet's previous roles include financial auditor, Head of Strategy & Information Systems of the French tax directorate, Director of the nation-wide Copernicus program for IT transformation of the tax administrations and Executive Committee member at Credit Agricole SA, in charge of Payment systems & Services. He served as advisor for Economic and Financial Affairs of the French Prime Minister & as Chief of Staff for two French Ministers of Economy and Finance. He is Senior Executive Vice President in charge of Global Functions, Responsible for Global Support Functions, Global Sales and Markets, Siemens Strategic Partnership, Global Consulting and Technology Services, and Hi-Tech Transactional Services.

### Group Functions

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#### **Michel-Alain Proch, Head of Finance**

Graduated from the Ecole Supérieure de Commerce de Toulouse in 1991 and from Etudes Supérieures Accounting and Finances, he started his career at Deloitte in 1992, where he spent six years in Paris in the Manufacturing Audit division and in London in Transactional Services. In 1998, he joined Hermès, first as Director of Internal Audit and then as Group Financial Controller and CFO for Americas, based in New York, supervising all functions of Finance, IT, logistics and "Store planning". He returned to Europe in 2006 to join Atos as Director of Internal Audit and Risk Management before being appointed Executive Vice President & Group Chief Financial Officer in 2007. He is Executive Vice President, Group Chief Financial Officer.

#### **Jean-Marie Simon, Head of Human Resources**

Jean-Marie Simon was appointed as Human Resources director in 2007. Previously, he was HR Director France, Germany & Central Europe from 2005 to 2007. He held various management positions within Schlumberger, as Managing Director in R&D and production centers. He worked in Indonesia, as technical director for Asia, and in Norway and was before CIO for the oil sector of Schlumberger during three years. He is Executive Vice President, Group Human Resources.

### **Philippe Mareine, General Secretary of the Group & Siemens Global Partnership**

General Secretary of the Board of Directors, in charge of legal functions, Compliance, Audit, Security, and Social Responsibility policy. He was Deputy Manager in the French Treasury Department's Inspection Générale des Finances unit and, previously, he was in charge of Human Resources in the public accounts department of the French Ministry for the Budget. From 2005 to 2007, he was technical adviser in charge of employee relations and reform in the office of the French Minister of the Economy, Finance and Industry. He held several managerial positions at the French Tax Administration. He is a graduate from the Ecole Polytechnique and Ecole Nationale d'Administration and joined Atos in 2009.

### **Marc Meyer, Head of Talents Management & Communications**

Marc Meyer comes from Dexia where he served as Head of Group Communications. Marc joined Bull Group in 1986, where he held several senior positions in corporate and

marketing communications. In 1997, he joined Thomson, a consumer electronic firm and in 2001 was promoted to the company Executive Committee. Then, he joined the France Telecom / Orange Group as Executive Vice President for Communications. He is a graduate from the Sorbonne University in Paris.

### **Hervé Payan, Head of Sales & Marketing Support**

Before joining Atos in 2009, Hervé Payan was Deputy CEO in charge of Sales development of Steria France. Hervé is a graduate from the Ecole Supérieure de Commerce de Paris. After ten years in Consulting, mostly at Arthur Andersen, Cap Gemini Consulting and AT Kearney, Hervé Payan has been Sales Director at EDS France from 2002 to mid-2005 then Director of the Consulting business at EDS Consulting EMEA.

## Markets

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### **Ingo Juraske, Head of Public Sector, Healthcare & Transport**

Ingo Juraske joined Atos through the merger with SIS from HP in 2011. At HP, he served as Vice President Public Sector, Healthcare and Life Sciences Europe, Middle East, Africa since 2004. During that time, he drove HP's 1<sup>st</sup> Cloud computing project to reference and customer award status and developed the EU, NATO, UN and Life Sciences accounts into HP's Top Global Accounts. Prior to that role, Ingo Juraske served in a variety of pre-sales consulting and alliance management roles at HP, originally joining from Compaq Computers in 1991. Previously, Ingo was in leading Quality Management and Systems Engineering roles at Nixdorf Computer for seven years. Ingo Juraske graduated in Electrical Engineering and Computer Science at Technical University in Berlin.

### **Jeremy Hore, Head of Siemens Account**

Jeremy Hore started his career with Schlumberger as a Field Engineer and subsequently worked across Asia and the Middle East managing technology projects and operations. From 2004 to 2008, as Chief Integrator for the Beijing 2008 Olympic Games, he led the Atos team that successfully delivered the Information Technology systems and services for this remarkable event. Prior to taking on the role of managing the Siemens Account, he was Chief Operations Officer for Asia. He graduated from University of South Australia with a Bachelor of Electrical Engineering (Hons) and later earned an MBA at Erasmus University, Netherlands.

### **Robert Goegele, Head of Manufacturing, Retail & Services**

Robert Goegele started his career at Siemens AG in Product Management and Technical Project Management. Then he was transferred to South Africa for 11 years where he completed his assignment as CEO for Siemens IT Solutions and Services Southern Africa. In the following role he became responsible for global sales and managed the SIS Corporate Sales and Marketing function for three years. He took then responsibility for the global financial services business unit before he moved on to a three year assignment as CEO for SIS Italy and South West Europe. In April 2010 Robert Goegele was appointed CEO of Siemens IT Solutions and Services Germany, the biggest and top-selling SIS country.

### **Dr. Ljiljana Mitic, Head of Financial Services**

After studying international business at the Fachhochschule Dortmund, she accomplished her PhD at the University of Plymouth. She began her career in 1992 as a consultant at MBP Software & Systems GmbH. In 1993 Dr Ljiljana Mitic moved to EDS Electronic Data Systems Deutschland GmbH, where she held different responsibilities from consulting to business management. Between 1999 and end 2004 she was responsible for the IT Infrastructure organization globally, at WestLB Systems GmbH. In 2005, she joined Hewlett-Packard GmbH as Sales Director Financial Services Germany. Since October 2010, Dr. Ljiljana Mitic was appointed as Global Head of Financial Services being responsible for key customers for Siemens IT Solutions and Services GmbH.

### **Francis Delacourt, Head of Energy & Utilities**

Graduated from ESSEC business school in Paris, Francis Delacourt, joined Atos Origin in 1991. He led the Managed Services service line in France, in the United Kingdom and in the Netherlands. Since 2004, he was head of Managed Services. Previously he was President of Dun & Bradstreet Software in France. Francis Delacourt was appointed as Global Head of Energy and Utilities being responsible Strategic International Accounts and deals.

### **Bruno Fabre, Head of Telecom, Media and Technologies**

Bruno Fabre joined Atos Origin in 2010 and he was previously Thomson Telecom CEO and Member of the Thomson Executive Committee. Prior to that role, Bruno was CEO at ATLINKS, an Alcatel Thomson joint venture; Vice-President Sales, Supply Chain and Customer Care at Alcatel Mobile Phones, Sales Director Europe & South America at Alcatel Radiotelephone. He has also held senior positions at Afrique Métaux and SAGEM. He is a graduate from IDRAC, CNAM and Stanford SEP.

### **Swen Rehders, Head of Strategic Sales & Engagements**

Before assuming within Atos, Swen Rehders was managing director of EDS Operations Services GmbH, the largest EDS Company in Germany. In 2001, he was appointed Regional Operations Director and Sales Manager, and he was able to make a significant contribution to the turnaround, the successful business growth and expansion of customer relationships. In his final role at EDS he was responsible for large-scale projects in continental Europe. Previously, he worked for Systematics AG. As a member of the Management Board, responsible for the entire infrastructure portfolio He also gained extensive experience in the sales and services areas during his 14 years at IBM. One of his roles there was Director of Project Sales for insurance customers in Germany, Austria and Switzerland.

## Countries

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### **Winfried Holz, Head of Germany**

Winfried Holz has more than 20 years of experience in the IT sector. He began his career in 1984 at Siemens AG Germany, where he held a variety of management positions, including Vice President of Siemens Nixdorf Information system and President of International Operations at Siemens Medical Solutions. Following his position of Managing Director of Fujitsu Services GmbH, he was appointed CEO of TDS in November 2007. Winfried Holz has a degree in industrial engineering.

### **Rob Pols, Head of Benelux**

Rob Pols has built a considerable track record in the IT services and consultancy market place. Since 2005 he held the position of general manager and COO at Fujitsu Services in the Netherlands. Between 2003 and 2005 he was general manager of Adresco BV, an organisation specialised in interim management services. Previously, he was a Member of the 'Raad van Bestuur' at Syntegra - part of BT - and director of Syntegra/KPMG Consulting in France.

### **Ursula Morgenstern, Head of UK & Ireland**

Ursula Morgenstern joined Atos in 2002 through the acquisition of KPMG Consulting. Before assuming the role of UK Chief Operating Officer earlier this year, from 2009 Ursula was Senior Vice President responsible for Private Sector Markets, and from 2007 she was Senior Vice President responsible for Systems Integration. Prior to that, she held a variety of roles in Systems Integration including management roles for sectors, custom practices, and package solutions business units.

### **Hanns-Thomas Kopf, Head of Central & Eastern Europe**

Born in Austria and studied in Vienna (AT), Erlangen (GER), Boston - Wellesley, (USA Massachusetts) and Innsbruck (AT). He started the professional career as SW-engineer and Operator in different IT companies. 1989 he joined Nixdorf Computer which has been renamed to Siemens Nixdorf one year later. After eight years in the marketing management he changed in the function as Sales Director for nine South-Eastern European countries. Previously, he held various management level positions within the company (President Service and Operations in CEE of Siemens AG, Chief Operating Officer for Siemens IT Solutions and Services CEE as Country Manager for Austria and the Southeast European countries).

### **Laurent Kocher, Head of France**

Laurent Kocher has more than 20 years of experience in Services Sector. He began his career in 1989 at IBM France as sales manager and held a variety of management. He took part in the creation of IBM Global Services in Western Europe. Most recently, he worked for France Telecom which he joined in 2005. Laurent Kocher was in charge of the group's activity for business customers in France. He is a graduate from the Ecole Polytechnique.

### **John Evers, Head of North America**

Prior to his appointment, John Evers served as the Chief Executive Officer of Siemens IT Solutions and Services, Inc. where he was responsible for leading the organization into the High Value Service market leveraging Siemens' capabilities in Data Center, Application Services and Consulting. Previous to Siemens, Mr. Evers was the Vice President of Worldwide Outsourcing Sales at Hewlett Packard and served a 19 year career with the IBM Corporation, in a series of progressively responsible sales, business development and executive roles. Mr. Evers holds a Bachelor of Science degree with an emphasis in Marketing from the Pamplin School of Business at Virginia Tech.

### **Kari Kupila, Head of North & South West Europe**

Kari Kupila began his career with Siemens Osakeyhtiö, Espoo in 1986 holding various management-level positions within the company, notably Head of Corporate Finance, Head of Regions and Sales Management. In 2010, he was appointed CEO Cluster for South West Europe and CEO SIS Verwaltungsgesellschaft GmbH, in 2011 he was appointed Country Head Switzerland. Kari Kupila is graduate of Master of Science, Economics, Helsingin kauppa- ja korkeakoulu, focus: law and finance.

### **Patrick Adiba, Head of Spain and Major Events**

Patrick Adiba is also in charge of the Olympic Games. Prior to this position, he served as Vice President Human Resources of SchlumbergerSema, and Vice President and General Manager of its Latin America Branch, for five years. Patrick holds a degree in Electronic and Telecommunications Engineering from INSA, Lyon and did an Executive MBA at Stanford University in 2001.

### **Herbert Leung, Head of Asia Pacific**

Herbert Leung (also known as Herbie) was previously COO in the same region. Prior to this, he was the Senior Vice President of Managed Operations for the UK, Americas and Asia Pacific since 2004. Before joining Atos, Herbie was the Vice President of Global Service Delivery with SchlumbergerSema. He started his career with Schlumberger and has worked as country manager for China and Canada, Worldwide Technical Director and Vice President for Europe, Africa and CIS. Graduated from the University of Dundee, Scotland, UK, Herbie completed his Bachelor of Science in Electronics with a first class honours.

### **Alexandre Gouvêa, Head of Latin America**

Alexandre Gouvêa, an Electrical Engineer with a Masters degree in Business Administration, has been the CEO of Atos Latin America for two years. Alexandre has over 30 years of experience, of which 15 were in international positions. Alexandre worked for five years for Orange Business Services, a company of the France Telecom Group, where he served as Senior Vice President of Operations. He had previously worked for 20 years as an Executive in Equant and Embratel, including responsibility for Global Network Operations in over 220 countries.

### **Milind Kamat, Head of India**

Milind Kamat comes from CMC a TCS group of company where he was leading Financial Services Business for National and International Clients. Milind is an Electrical Engineering Graduate from Mumbai University. He completed his MBA in Financial Management from Jamnalal Bajaj Institute of Management of Mumbai. After 16 years in Financial Services with CMC (TCS group company), he joined Orgin. He worked in different roles from Service Practice Management to Sales and Marketing of Global Sourcing in Atos Origin. Milind has 31 years of experience in IT services Industry in India. He took over as Chief Executive officer of Atos Origin in 2007.

### **Christophe Duquenne, Head of Atos Worldline**

Christophe Duquenne is in charge of Atos Worldline global operations since July 2011, after having led Atos Worldline France operations for six years. A graduate of the Ecole Centrale Paris, Christophe Duquenne joined Atos in 1987 where he held positions of management, supporting the deployment of Atos Worldline's expertise in its multiple dimensions.

## Service Lines

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### **Eric Grall, Head of Managed Services**

Eric Grall was President and General Manager at Hewlett-Packard with responsibility for outsourcing activities in Europe, Middle East and Africa. Eric Grall has spent his professional career at HP in a number of roles related to outsourcing. In 2008 he was appointed as Head of Outsourcing activities in EMEA for Hewlett-Packard. He is a graduate from ENSIEG Grenoble and from the University of Brest.

### **Francis Meston, Head of Systems Integration appointed in February 2009**

Francis Meston joined Atos from the E.D.S French subsidiary where he had been appointed CEO since January 2002. In 1996, he joined AT Kearney as Vice President in charge of EMEA business transformation and strategy practices as well as MIA Global practice. He was previously Vice President of Gemini Consulting where he led the French operations, the EMEA Telecommunication practice and the EMEA business reengineering practice. Francis Meston is a graduate of Ecole Centrale Marseille and holds a MBA in Finance from Purdue (Indiana). Francis Meston is also "maître de conférences" à HEC Business School

### **Marc-Henri Desportes, Head of Hi-Tech Transactional Services & Special businesses**

Marc-Henri Desportes was IT Director in BNL, Italian subsidiary of BNP Paribas. From 2005 to 2006, he was in charge of control coordination at BNP Paribas. Previously he was Deputy Program Director of Copernic at the French Ministry of Finance. He is a graduate from Ecole Polytechnique and Ecole des Mines de Paris. Before taking this new position within Atos, he was Head of Global Innovation Business Development & Strategy.

### **Arnaud Ruffat, Head of Consulting and Technology Services**

Arnaud Ruffat has more than 20 years' experience in IT services. He began his career with Bull in Argentina in 1985. In 1988, he joined Atos Origin, holding various management-level positions within the company, notably finance director and operations director. In 2003, he was appointed head of Atos Origin's outsourcing business in France. In 2006, he was chosen to head Atos Origin in Italy, where he helped to turn the Group's operations around. His previous position within Atos Origin was Head of France.

### **Secretary to the Executive Committee**

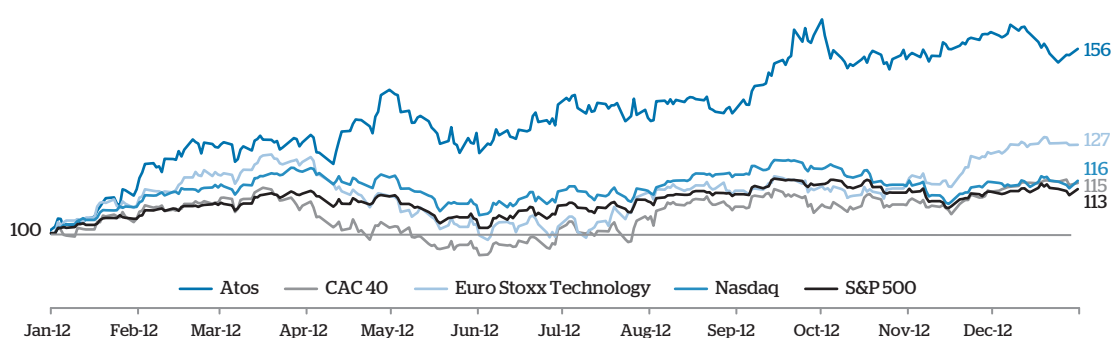
Olivier Cuny joined Atos in July 2012. He had been Chief of Staff to the Chairman of the French National Assembly since 2009. He previously worked in the French Treasury Department (Direction du Trésor) and in the French Debt Agency (Agence France Trésor). He was Alternate Executive Director for France at the International Monetary Fund in Washington DC from 2003 to 2006. He then became Economic Adviser to the Prime Minister before being appointed Chief of Staff to the Governor and Secretary of the Executive Committee of the Council of Europe Development Bank in 2007.

Olivier holds an engineer degree from the Ecole Polytechnique and is a graduate from the Ecole Nationale d'Administration and the Institut d'Etudes Politiques in Paris.

While the French reference index, the CAC 40 increased by +15 percent in 2012, Atos stock price recorded a +56 percent increase, more than doubling the technological sector (Euro Stoxx Technology +27 percent). In the US, indices reached the same range of performance, with for example the Nasdaq index which increased by +16 percent in 2012 after an annual loss in 2011. The S&P 500 gained +13

percent, marking the benchmark U.S. index's largest annual return since 2009. Atos outperformed the market, the gap having constantly increased throughout the year, showing the trust of investors in the management's ability to meet its upcoming challenges.

Atos' share performance in comparison with indices (base index 100)







# ATOS POSITIONING IN THE IT MARKET

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## B.1 Overview

### B.1.1 Market trends

The Evolution of the IT Services has continued and even accelerated in 2012, and Atos has classified the drivers of this rapid transformation in two categories: the availability of mature technology enablers and new consumption models paving the way for new domains of applications:

- ▶ Technology enabling trends shape, improve and influence the way how classical IT is provided and consumed. Among them are Cloud Computing, Globalization and Industrialization of IT, Big Data, as well as omnipresence of IT and Business Process Outsourcing (BPO).
- ▶ The other category of trends opens up completely new application fields, which extend the existing range

of usage of IT. The most important trends in this area are Social Network Revolution, Mobile Computing & Internet of Things, Green IT, and IT/OT Convergence.

With the further proliferation of IT, partly into completely new areas, the importance of data privacy and location, and security issues is massively increasing. Solving those security topics is a prerequisite for the adoption of most of the trends described here.

In the following sections, the four most significant trends, Cloud, Big Data, Social, Mobility will be described in more detail, followed by a short summary of the other trends.

#### B.1.1.1 Cloud Computing

##### Offer IT in a pay per use delivery model, yet secure and reliable

For Atos, Cloud Services refer to any service delivered to clients over the Internet on a pay-per-use basis. Cloud Services are a continuum of existing services, classified in four functional layers:

- ▶ **Business Process as a Service (BPaaS):** e.g. helpdesk, CRM, and card management
- ▶ **Software as a Service (SaaS):** e.g. ERP applications, Salesforce.com and Microsoft Office 365
- ▶ **Platform as a Service (PaaS):** middleware including database and transaction processing platforms, on-demand development environments, like e.g. Microsoft Azure, force.com (Salesforce) or Oracle Fusion Middleware
- ▶ **Infrastructure as a Service (IaaS):** processing, storage and networking on-demand

Depending on the domain where the services are offered, one can distinguish different types of Cloud Services:

- ▶ **Public Cloud:** Services are offered to an extremely large set of customers on a shared infrastructure, highly standardized, e.g. Amazon elastic compute services.

- ▶ **Private Cloud:** Services are offered only to a single client or to a controlled set of clients (Community Cloud) based on a Cloud environment, security, service levels and customization can be better addressed. Private Cloud can be implemented within a company or organization managed and run by an external provider (Managed private Cloud); or provided by an external provider who is in charge of provide and operate a dedicated Cloud architecture (hosted private Cloud).
- ▶ **Hybrid Cloud:** Usually, even a single client will have a mixture of multiple public Cloud, private Cloud and legacy systems, requiring orchestration.

Cloud Computing offers a number of benefits to the customer: lower costs for infrastructure and application services, dramatically reduced CAPEX, higher flexibility (pay per use), standardization and improved agility of services. On the other hand, a couple of challenges need to be addressed to build trust and confidence in Cloud Computing: data privacy and security, handling of regulatory compliance, guaranteed service levels, migration and integration of existing applications and data.

Although still maturing, Cloud Services are being delivered today with an estimated by analysts business volume exceeding EUR 60 billion in 2012. A tremendous growth of around 30 percent annually is predicted by Industry analysts, with a considerably higher growth of Private Cloud services and IaaS.

Cloud Computing is also likely to become a game changer in terms of competitive landscape, as it melts together parts of different IT markets, like hardware, software and services. Players in the Cloud include first systems integrators and IT service companies, among which Atos is the European leader, second recent players, leveraging their massive customer base, targeting mid markets by Cloud based offerings and SaaS. Arriving from the mass market to the enterprise, they offer massive savings through Cloud Services for any organization that can live with a one-size-fits-all approach. Besides SaaS newcomers, traditional Software vendors are also offering their

products in the Cloud model. Telco operators, who have large customer bases, are trying to move up the value chain by selling Cloud services on top of connectivity. Several analysts such as IDC expect that traditional IT Service Providers will have to create specific business units to successfully exploit this opportunity.

Cloud Computing, in its different and complex forms, will be another way to deliver IT services that will need integration with legacy systems and management of the resulting quality of services, security or interoperability, thus creating new business opportunities for IT services companies. The recent joint ventures build by Atos, such Canopy, formed with EMC and VMWare, or Yunano, formed with Chinese Enterprise software leader Yonyou (formerly Ufida), is an illustration of new innovative partnerships that Atos expects to see in the market in the coming years. Section B.2.3 describes Atos Initiatives in the Cloud.

### B.1.2 Big Data

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#### **Dramatically extend the range of data that is considered when making business decisions**

Today's practice in Business Intelligence systems is to analyze structured data coming from the information systems of an enterprise to better understand performance and underpin business decisions. While even the data within an enterprise grows tremendously, the amount of global data is even more exploding. According to IDC estimations, global data amounts to 1.8 ZetaBytes (i.e. 1.8 trillion gigabytes) in 2012, and it is more than doubling every two years. IT storage and processing technology also grows, but by far slower, so that new ways and methods are required to deal with the growing data.

The overall goal is to exploit the value that lies within the data and to become a "data-driven company", i.e. make use of the information extracted from the data to take meaningful business decisions. This may be in the area of operational and strategic planning or to set directions when targeting new products and services to customers. Some companies of the new economy like Google are demonstrating this successfully, at the same time already defining and introducing big Data methods. This disruptive way of working is quickly adopted by software and IT services providers, launching offerings for their customers. The term Big Data, or otherwise called "total data" or "extreme information processing", is referring to the extension of the data that is used within the enterprise today in different dimensions. Besides the data captured

in the different IT systems of a company, the vast amount of external data outside, e.g. from the World Wide Web or social media, can contain helpful information, too. Further, different media formats, like text, audio, images or even video, can be used. Data may be linked, i.e. their interpretation is only possible when knowing the context with other data. Big Data is mostly unstructured data, information that does not have a pre-defined data model and does not fit into relational tables. A large part of the added value comes from the ability to filter, process and analyze this unstructured data.

There are a couple of underlying technologies that are required to process and analyze Big Data, like data mining, analytics, predictive analytics, text analytics. In order to cope with the huge amount of data in a short time, in-memory computing techniques and optimized hardware / software bundles (so-called appliances) are used. This also allows for real-time reactions on frequent and recent data, e.g. for process automation. Mastering these solutions will be a prerequisite to address the full value of Big Data.

According to leading analyst firms, Big Data will drive EUR 25 billion of worldwide IT spending in 2012 and is expected to grow at 15 percent rate, with most of the current spending being used in adapting traditional solutions to the Big Data demands – machine data, social data, widely varied data, unpredictable velocity, and so on.

### B.1.1.3 Social Network Revolution

#### Embrace social networking tools to improve business processes in the enterprise

Social Networking continued its proliferation started in 2011. During this year Atos has observed the high valuations obtained by social-based companies like Facebook; Pandora or LinkedIn when launched their IPOs; and an increasing number of startup incubators, that tripled from 2009 to 2011. Beyond the concerns of a social media bubble, it shows the expectations that investment communities have put in for the commercial success of these companies.

The high level of M&A activity in social media sector was also evident. During this year Oracle acquired Vitruve and Microsoft acquired Yammer. Social networking technology is expected to remain a prominent force in technology sector M&A activity throughout 2013.

Social media revolution continued in 2012, as it has become the #1 activity in the web. Younger generations heavily use Facebook, Twitter, MySpace and the like in their private lives. For example, the number of users utilizing their Facebook account at least once per month has reached 1 billion, and has seen a 41 percent growth in active users from Russia, South Korea, Japan, India and Brazil during 2012. Twitter has over 100 million global active users, half of those logging in every day, producing almost 175 million tweets per day. But also social tools for professional use, like LinkedIn, are gaining more and more users, reaching 161 million members in 200 countries in 2012. With more and younger generations entering the companies as employees, even in management positions, the need to bring the usage patterns and benefits of social media to the enterprise is growing.

Many of the ideas and features of social media tools in the public space are now invading enterprises to enhance and maybe even replace professional communication like telephone, email and the like, especially for collaboration purposes when the latter are used to serve e.g. for document transfers, archiving, workflow management, etc.

Concepts to store contacts in the form of relationships (friends in Facebook), which are basically links to another one's profile, is for example in some aspects superior to a contact database in email systems. Data updates are managed by the users themselves, which is one aspect of "user generated content" and which leads to more decentralized systems, which can be very flexible and dynamic. When user generated content extends to creating and managing information and knowledge, e.g. using the notion of Wikis (like in public Wikipedia), this can enhance traditional Content Management Systems.

With its Zero email™ internal initiative (see section C.3.2.1), Atos wants to adopt modern way of working increasing collaboration and productivity through the use of social media platforms and the creation of an Enterprise Social Network (ESN) based on communities. It will help at overcoming the data overload and inefficiency of current email practices, while preserving the data privacy and security.

A growth opportunity is to make not only use of social media technologies and concepts within the Enterprise scope, but also to use them to enhance complete business processes that span across customers, partners and suppliers. E.g. Customer Relationship Management (CRM) can benefit from new ways of interacting with the customer like community or viral CRM. Another example how to enhance business processes is to make use of information and interactions from social media within the Product Lifecycle Management process, to improve gathering of requirements and feedback of the market and user communities.

Achieving a complete integration of the ESN with the application landscape supporting the enterprise business processes is a complex task that will generate growth for the IT Industry and very well fitting Atos core competencies i.e. mastering System Integration and later their operation. Section B.2.4 describes Atos initiatives in this space.

### B.1.1.4 Mobile Computing & Internet of Things

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#### **More interactions from anywhere, at anytime**

The pervasiveness of mobile devices and mobile applications is increasing with high speed. It is expected that by 2013, the majority of internet access will be conducted using mobile devices. By 2015, it is expected that 80 percent of handsets in mature markets will be smart phones, and business with mobile apps is worth 15 billion €. At the same time, user experience and functionality of mobile devices is improving. Even today, modern smart phones come with a multitude of sensors like three axis gyroscopic, GPS, digital compass, camera and microphones and provide computing platforms with processing power, memory facilities, connectivity and display quality that few people would have expected some years ago. Further features like Near Field Communication (NFC) will be added, opening new fields for mobile applications. Besides the proliferation of smart phones, tablet PCs have continued their market success in 2012. Initiated by Apple's iPad, in 2012 more than 118 million tablet PCs were sold worldwide, figures that almost double 2011 sales, according to Gartner. It is expected that by 2015, the number of sold tablets will be more than 58 percent of sold PCs, reaching over 300 million units. For the smart mobile devices, the battle of platforms continues, now with the most promising ones being iOS, Android and Windows Mobile. But also, many expectations to have operating system independent apps are put on HTML5. This will impact the structure of the overall internet.

One of the most promising mobile applications is in the area of mobile payments. An NFC-enabled phone is provisioned with a version of the payment application (i.e., credit, debit card or prepaid card) issued by the consumer's financial institution. The phone uses the built-in NFC technology to communicate with the merchant's contactless payment-capable Point of Sales (POS) system. Advantages of this method are speed, convenience, and the fact that NFC payments use the existing financial payments processing infrastructure.

Another important aspect of mobile applications is context awareness. Given the fact that applications are executed in varying situations, it becomes important that specific context of time, location, vicinity of objects or people, user and usage history, etc. is exploited to adapt the application to the specific needs in that situation.

While the number of handsets is limited by the population, there is no boundary for the number of machines and sensors connected to the network, often called the Internet of Things. Already today, more than 50 percent of all internet connections are made by things, not by humans. By 2020, key vendors like Cisco expect over 30 billion intelligent things will be connected to the Internet. This hyper connectivity will lead to completely new application areas like augmented reality and situational decision support and even to new business models.

Atos believes the market will benefit here of what the economists have named "two sided market", where companies will enjoy significant opportunities through the usage of a platform to create information that holds value; and while end user access to services and consume via an almost free access to the platform of services sponsored the first one. Such an approach requires a capability to crunch, analyze, store and extract large amounts of data, sometimes in real time. The Scientific Community of Atos has developed several programs on these themes.

Section B.2.5 describes Atos initiatives in the contextual mobility and opportunities now materializing in real significant contracts for the company.

### B.1.15 Overview on the remaining trends

#### **Globalization and Industrialization of IT: need for lower cost and higher quality drives standardized and optimized global delivery networks**

The main motivation of the customers for IT outsourcing is cost reduction while improving the overall service quality. In order to achieve both targets, leading IT service providers are industrializing their service delivery by standardization and automation of processes. Improvement methodologies, like Lean and Six Sigma, are being used to further optimize service delivery and reduce overhead as well as cost of poor quality. Globalization of standardized processes across multiple delivery sites, countries and regions allows for larger economy of scale, use of low cost resources/ offshoring, as well as flexible assignment. At the same time, it supports the customers' growth and globalization ambitions.

#### **Pervasiveness of IT and Business Process Outsourcing: clients focus on core competences**

Both, cost savings and the intent to focus on their own core competences, drive the trend of customers to outsource IT and non-critical business processes. For IT outsourcing, a trend to smaller deals, multi-sourcing and alternative contract models like pay per use or outcome-based pricing can be observed. While Business Process Outsourcing (BPO) started with people intensive, horizontal processes, more and more high value and even industry-specific processes are now handed over to service providers, e.g. in healthcare, insurance, financial services. So called Business Process Utilities (BPU), i.e. highly automated facilities to serve multiple customers, mostly based on a pay per use model, will accelerate this trend in the coming years, mainly in the retail, healthcare, transportation and utilities sectors.

#### **IT for Better Life: leverage IT to implement sustainability beyond Green IT**

Green IT, i.e. improving the energy efficiency of IT infrastructure and related services, is on the agenda of almost all clients today. As IT makes up only about 3 percent of the overall energy consumption, a by far bigger lever is to make use of IT to improve sustainability in other areas. Driven by cost savings, regulations and stakeholder as well as public pressure, customers are looking for IT solutions for sustainability reporting, building energy efficiency, waste reduction, smart grids, traffic and fleet management, etc. One specific area where IT will help optimizing existing structures and processes of day to day life but also enable a complete new quality of living is in the area of smart cities. This includes public transportation, parking solutions, traffic management, citizen services, and many more. Further details are included in section C.4 reporting on Corporate Environmental Responsibility.

#### **IT/OT Convergence: integrate production environments with IT to improve time to market and flexibility**

Operational Technology (OT) reflects the combination of software and physical (realtime) systems that form the production environments that companies use to create their commercial products. Up to now, those systems are rather separate from the company's IT systems, in terms of owners, technology, connectivity, etc. - pretty much comparable to the separation of IT and telecommunication systems some years ago. More and more assets of the production environment contain standard IT components or even migrate to standard IT systems. On the other hand, customers are forced to shorten time to market and to be able to flexibly transfer production between different sites. This can be accomplished by integrating the IT and OT systems (e.g. PLM-MES integration), which is the trend that industry analysts are calling IT/ OT Convergence.

### B.1.2 Market sizing and competitive landscape

#### B.1.2.1 Overall market size

According to Gartner's forecast published in early January 2013, End-user spending on IT Product and Services in 2012 is estimated to be worth EUR 2.9 trillion, out of which Telecom is 46 percent, Devices is 17 percent, Software 8 percent, Data Center Systems 4 percent, and overall IT Services Market 23 percent.

In exchange rate-constant US dollars, IT Spending grew at +4.1 percent in 2012, with the highest growth rated observed in Software (5.8 percent) and devices (5.7 percent). Datacenter systems grew at 4.4 percent, followed

by IT Services at 4.1 percent. Telecom services reported the lowest market growth, at 3.2 percent.

Spending in IT Services reached in 2012 approximately EUR 686 billion, of which Direct hardware and software support activities are EUR 114 billion. Therefore the size of IT services market where Atos is active is sized at EUR 572 billion (often reported as "professional services"), of which close to 30 percent is in Europe (West/East), i.e. EUR 167 billion, the Group's principal market today.

Market by region - 2012	Total (in EUR billion)
North America	244.5
Latin America	20.8
Western Europe	159.9
Eastern Europe	6.7
Middle East and Africa	8.5
Asia/Pacific	51.4
Japan	80.1
<b>Total</b>	<b>571.9</b>

Source: Atos estimates and Gartner for Professional Services (consulting, development and integration, IT management, process management). Currency rate of 0.78 EUR per USD.

#### B.1.2.2 Competitive landscape and new expected position of Atos

Atos is now in the Top 10, ranked #8 in the world and second largest IT services company in Europe in 2012 with

a market share of around 5 percent. Atos is the #1 European IT service provider in Europe behind IBM.

Worldwide IT Services market			European IT Services market		
	Company	2012 Market share		Company	2012 Market share
1	IBM	7%	1	IBM	8%
2	HP	4%	2	<b>Atos</b>	<b>5%</b>
3	Accenture	4%	3	Cap Gemini	5%
4	Fujitsu	3%	4	Accenture	5%
5	CSC	3%	5	HP	3%
6	NTT Data	2%	6	T-Systems	3%
7	Cap Gemini	2%	7	BT	3%
8	<b>Atos</b>	<b>2%</b>	8	Logica	3%

Source: Gartner and Atos estimates.

### B.1.2.3 Main competitors in Europe

With its new scale, Atos is one of the few companies able to cover the full European geographies. In the largest European countries, the main competitors of Atos are IBM,

HP, and Accenture, Capgemini, CGI/Logica and some local champions with strong local footprint like Capita (UK), Fujitsu (UK), T-Systems (Germany) and Indra (Spain).

Geographies	Main Competitors
United Kingdom	Capita, HP, British Telecom, IBM, Fujitsu, Cap Gemini, Accenture, CSC
Central Europe	T-Systems, IBM, HP, Accenture
France	Capgemini, IBM, CGI/Logica, Accenture, France Télécom, Sopra, Steria
Benelux	Capgemini, IBM, Getronics, CGI/Logica, Ordina, Accenture
Spain	IBM, Telefonica, Accenture, Fujitsu, Indra

### B.1.2.4 Market size and Atos market share in Europe

According to Gartner, based on 2012 estimated figures for external IT spending for Professional Services, market shares in each main country and service line are

presented below, reflecting the positioning of Atos as a true European champion.

(in EUR billion)	Market size		2012 Atos	
	2012	Weight	2012	Market Share (%)
United Kingdom & Ireland	51.6	31%	1.7	3%
Germany*	26.4	16%	1.8	7%
France*	20.6	13%	1.5	7%
Benelux*	14.6	9%	1.3	9%
Iberia	11.9	7%	0.3	3%
Central Eastern Europe	12.9	8%	0.5	4%
Rest of Europe	26.3	16%	0.5	2%
<b>Europe</b>	<b>166.6</b>	<b>100%</b>	<b>7.6</b>	<b>5%</b>
Consulting and Technology Services	23.7	14%	0.6	3%
Systems Integration (including Smart Energy)	53.2	32%	2.2	4%
Managed Services	65.7	39%	3.3	5%
Process Management - HTTS & BPO	24.2	15%	1.5	6%

(\*) Revenue by geography (GBU and SBU)

Source: Gartner 2012 for Professional Services (consulting, development and integration, IT management, process management). 2012

Currency rate of 0.78 EUR per USD.



### B.1.2.5 2012 market and 2013 perspectives by Service Line

Atos has organized its activities in the market into four Global Services lines, of which three compose the traditional professional services, Managed Services, System Integration and Consulting & Technology Services, where most of its classic competitors are operating; the other part is Atos activities in transaction-based and specialized businesses (HTTS & SB), with different competitors: this is mostly reported under the line of Process Management.

The Worldwide IT Services business market grew significantly at around 4 percent growth rate in 2012, by USS 31 billion, reaching USD 734 billion, net of the effects of foreign currencies versus the dollar. The first contributor to this growth was IT outsourcing. In current dollar-valued IT spending, the growth reported by Gartner is lower at 2.1 percent.

The European business IT Services market grew less, by USD 3.8 billion, at a 1.7 percent growth rate in 2012, reaching USD 214 billion, (EUR 166 billion), net of European currencies fluctuations versus the dollar (mainly GBP, EUR). When expressed in Current US Dollars, Gartner reports that the European business IT Services market shrinks, with an achieved growth of -3.8 percent. Overall strengthening of the USD over the year against the European currencies account for this 5.5 percent difference.

#### 2013 Outlook

For Gartner, in 2013, IT services market is expected to grow slightly better than in 2012, by close to 90bp, posting a net growth of 5.1 percent and in Europe of 2.6 percent. In the Gartner models, currency fluctuations are expected to modestly affect the performance when reported in \$, being at 5.5 percent (+40bp) and 3.5 percent (+90bp) respectively.

### B.1.2.6 Mid-term perspectives

As explained earlier, the global economic outlook deteriorated in 2012. The still unresolved European debt crisis and the fear of another economic recession, together with a weakening economic growth in the US and emerging economies, is leading to conservative forecasts for the IT market by most of the analysts. Nevertheless, and despite the risks of a worsening situation, the IT professional services market where Atos is active should point to a path of new growth.

Most enterprises carried out big efforts over the past years to cut discretionary IT spending and may have little room to reduce it further. The emergence of new solutions and services built under the key pillars of Cloud, mobility, social technology and Big Data analytics will require incremental investments that sustain growth and IT-driven innovation.

So far, Industry analysts still expect the market to keep growing in Europe over the next five years at a 3 to 4

percent rate, and North America growing slightly above 5 percent. In Asia (Japan excluded) and Latin America, the growth rates are in the range 8-10 percent and analysts expect this trend to continue.

IT services rates, excluding South Europe still under high pressure, should remain relatively stable, as cost of labor is slightly increasing, driven mostly by raising salaries in fast growing economies facing inflation. This means that service providers will still need to increase productivity by further automating and optimizing tasks, leveraging reusable assets and off-shoring.

A portion of the market growth will consist of higher value services, especially in industries that are facing structural changes and massive transformation with a large contribution of IT, such as smart grids in the utilities, Public Sector enabling a more automated provision of services. Regarding 2013, forecasts are indicated below:

Worldwide IT Spending Forecast 2012, 2013, in USD million

Technology Segment	2012 Market size in 2012 USD	2013 Market size in 2013 USD	Real market growth rate*
Consulting	85,815	91,999	6.8%
Implementation	234,889	243,354	3.1%
IT Outsourcing	273,726	291,226	5.9%
Business Process Outsourcing	139,553	148,139	5.8%
<b>Business IT Services</b>	<b>733,983</b>	<b>774,718</b>	<b>5.1%</b>

Source Gartner 2012 Q4

Exchange rate: USD 1 = EUR 0.78; USD 1 = GBP 0.63



## Europe IT Spending Forecast 2012, 2013, in USD million

Technology Segment	2012 Market size in 2012 USD	2013 Market size in 2013 USD	Real market growth rate*
Consulting	30,162	31,770	4.5%
Implementation	68,223	69,821	1.5%
IT Outsourcing	84,304	87,675	3.1%
Business Process Outsourcing	31,018	31,926	1.8%
<b>Business IT Services</b>	<b>213,707</b>	<b>221,192</b>	<b>2.6%</b>

## B.1.3 Foundation IT evolution: 2012 and perspectives

## B.1.3.1 Managed Services

Europe continued in 2012 for IT Outsourcing to be a slow growing market, estimated at around 1 percent by industry analysts. The evolving IT Outsourcing business and delivery models, especially Cloud, are predominantly favorable factors in creating additional client demand for external services. The situation is the same in rest of the world, with North America being ahead versus Asia, less mature in term of inclination to outsource.

2013 and beyond are expected to be good years for IT Outsourcing in Europe, although decision cycles are likely to be on-hold for some, and many buyers will be looking for faster ROI and increased flexibility leveraging the promises of the Cloud. Private Cloud services and IaaS are expected to grow at over 30 percent per annum. Re-negotiation of existing contracts may provide opportunities for consolidating scope, including Cloud functionalities and increasing the length of contracts.

Notable trends during 2012 included:

- ▶ A growing demand for Cloud Infrastructure as a service, on premises or interfaced with Public Clouds, reaching around 5 percent of the market;
- ▶ A significant growth of migration to virtual environments, as a way to offer flexibility & reduce costs without the risks associated to work in shared environments; having a ratio of virtualization over 75 percent is becoming usual.
- ▶ A strong focus on standardization and productization of all infrastructure services, from desktop to mainframe;
- ▶ An increase in offshore IT outsourcing, driven by remote infrastructure management for service delivery;
- ▶ Environmental exigency development, mainly with energy effectiveness;

- ▶ The continued device and data proliferation, combined with the impact of consumerization and mobile enablement of enterprise IT, drive up demand for IT Outsourcing sophisticated solutions that less and less providers can successfully address at the scale of Atos.

Economies of scale drive the ability to provide infrastructure services at a reasonable cost. Therefore, scale is becoming a key differentiator. Virtualization, automation & industrialization will then have a massive impact to deliver competitive IT Outsourcing and help customers to benefit of an optimized IT infrastructure.

According to analysts, part of the market is shifting from IT Outsourcing megadeals to selective multi-sourcing alternatives as customers are looking not only at cost reduction benefits, but also to mitigate risk and improve flexibility. As a result, a multi-provider landscape is gaining momentum. At the same time, within the scope of those smaller deals, customers are looking for "one stop shop" services to transform and operate the related part of their IT system.

The Group expects these trends to continue in 2013. Overall, cost reduction, financial flexibility and skill shortages remain major drivers for infrastructure outsourcing. As clients ask for innovation, industry domain expertise will be paramount into selecting the right outsourcing partner.

### B1.3.2 Systems Integration

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2012 has seen a continuous low increase of the demand for application services in Europe (around 0.6 percent, according to industry analysts – waiting for Gartner Q4 prediction), that should continue over 2013.

This is not that due to a slight improvement on overall economic and business confidence, but mostly to investment led by regulation, innovation or to the need of satisfying business lines after years of frozen spent. Despite customers continue to see IT Services providers as a means to reduce costs, they are also playing a major role as enablers of the customers' business transformations.

Several industries are facing massive transformation involving the use of IT (e.g. Mobility and Context Aware Computing in retail and services, digitization in healthcare, smart grids and meters in the Energy & Utilities, and further integration with the plant processes in manufacturing). These structural changes create demand for system integrators to help them to address challenging IT-related issues that will support this transformation. Although public sector has contracted its demand, improving the performance of local, regional and national administration will have a positive impact on the demand; better managing cities (transportation, health, education...) is an established trend across the globe.

Technological advancements – especially in mobility and analytics – are driving increased spending on such solutions. Demand for better information and more data analysis derived from the data deluge is also increasing across all businesses, which creates opportunities for service providers. Cloud computing is also driving the demand of system integrators on migrating the customers' existing IT landscape to the Cloud, which involves interfacing with still existing legacy systems, and development and integration of Cloud-based applications.

Thus, the Systems Integration market is driven by two forces:

- ▶ On one hand, more and more industrialization with tooling, processes, to cope with the demand of lower prices and productivity gains. Service innovation is under a permanent pressure to ensure price competitiveness and high productivity.

- ▶ On the other hand, more and more industry expertise, to provide customers with leading edge solutions helping them at resuming growth and show differentiation.

Atos remains convinced that the Systems Integration market will continue to see mid and long term growth. Growth will be driven both by an increase in new technology usage in the addressable market, and demand for facilitating implementation of Cloud Services. The lower IT costs due to Cloud Services will even boost further the addressable market as it will open more of the SMBs (Small and Medium Business) market to systems integrators.

In parallel, the way of working of Systems Integration providers will progressively evolve to leverage the new opportunities brought by the Cloud itself, e.g.

- ▶ application development can be executed in the Cloud (PaaS) while the application being still deployed in a standard environment
- ▶ strong use of BPM (business process modeling) techniques to capture and implement customers' requirements, reducing the development cycle
- ▶ stronger alignment with Managed Services to offer SaaS and IaaS with proper SLAs and competitive pricing

Addressable market size will be boosted by many factors such as the increasing demand of solution development and system integration outsourcing in continental Europe, as well as an increasing demand in BRIC countries (Brazil, Russia, India, and China).

Furthermore, solutions tailored for specific vertical industry sectors and those delivered on multiple mobile devices are increasing in demand. Providers are developing tailored industry solutions based on standard offerings to better serve customers. A deep understanding of a customer's industry sector specifics is increasingly becoming a necessity in vendor selection processes in Europe.

### B.1.3.3 Consulting & Technology Services

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The consulting sector has suffered during the last years as the recession forced companies to almost eliminate their discretionary budgets and postpone all non-essential projects. But although in 2010 and 2011, this sector has benefited from gradual recovery, in 2012, it has been impacted again by a slowdown: customers are carrying very carefully on with both IT and business transformation projects to improve their market competitiveness in the post-recession environment.

Among Western European countries, UK and Germany showed best results in terms of relative performance. France has almost stabilized but recovery is still uncertain, and the Dutch and Spanish markets are still under intense pressure. In most European countries, prices have slightly increased during 2012 but are still below apart UK to what they were prior 2010.

In terms of industry-sectors, Financial Services, followed by Manufacturing are the hottest markets in all countries. Public Sector spending dropped in both volumes and prices, impacting particularly the consulting business. However, consulting could benefit from big transformation plans across the public sector, initiated at the UK, and the implementation of some of the most ambitious structural changes to public services to reduce its size and gain in efficiency. Many of them will demand consulting services to support business processes and the implementation

of new technology enablers. Consulting related to Cloud, in term of helping at both assessing technologies and understanding the financial models are emerging and Atos expects as well demand for social ad mobility to strengthen in 2013. Overall, analysts expect consulting market to grow by 4.5 percent in Europe in 2013 (source Gartner Forecasts Q4 2012 in constant currency).

Commercial models are increasingly shifting from effort-based towards performance-based payment models. Customers continue to invest in consulting projects that deliver cost reductions or effectiveness improvements with a quick pay-back.

Further, consulting engagements become more and more an integral part of larger IT service engagements. Customers are increasing the demand of end-to-end services from their IT providers, as part of their big transformation projects. Consulting services are also playing an important role at strategic outsourcing deals: customers aim to leverage IT not only as a way to reduce costs of their existing IT infrastructure, but also to implement major changes in their business strategy.

### B1.4 Transaction and Specialized business Market evolution

In this section are described the major trends perceived by the Group in the areas where it operates, i.e. transactional services like payment and e-connectivity and specialized

businesses like smart utilities and civil and national security.

#### B1.4.1 Payment

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2012 has seen continued growth in non-cash payments numbers and amounts, driven jointly by economic growth and by migration away from cash-based transactions. There is however some price pressure on the commodity-like pure processing of electronic payments and this could erode the overall growth of margin for the core activities.

Atos has devised and implemented a strategy to address this and other emerging trends and achieve profitable growth in the following activity domains.

##### E-Commerce

E-commerce shows significantly above-average growth rates compared to other forms of payments. Harnessing the opportunities of new customers and markets requires investment both in extended commercial reach to new countries, mass market and multinationals but also in an enhanced portfolio of fraud services, financial PSP (Payment Service Provider) capability, merchant-centric tools and convergence with in-store payments.

##### Commercial Acquiring

Commercial acquiring is the historical and archetypical example of transactional services with profitable margins. Growth can be found in new markets and unserved markets. Commercial acquiring requires local market expertise, intimacy and presence: Atos is actively exploring this either with service partners or with financial institutions in Slovakia and for mass-market shops.

##### Value-added services

Value-added services are more and more becoming the differentiating element versus competition, as prices differences on the commodity processing will become less important over time.

Key offerings in VAS either repurpose existing in-shop equipment to enable POS advertising, instant surveys or lotteries, loyalty applications or offer new functionalities like Dynamic Currency Conversion, information n and reporting tools.

##### Mobile payments

Mobile payments are a significant opportunity and are associated with positive market expectations.

As expected from a maturing domain, there are still many competing technologies and business paradigms. Atos is involved in all variants, including NFC, wallets, Cloud wallets and mobile acceptance devices, as each is perceived to be a new channel for triggering usual payment transactions.

##### Micro-payments

Micro-payments need appropriate pricing and processing mechanisms if they are to succeed in the market. Options include netting, pre- or post-processing before linking to international payment schemes and associated costs.

Atos has invested in this capacity with the purchase of Quality Equipment and its wide range and experience of operating closed-user group payment systems, typically with academic campuses or on corporate premises.

##### SEPA payments

A clearly announced migration dead-line has now confirmed the effective window of opportunity for our range of SEPA payment solutions. As Atos has a complete product offer, 2013-2014 execution will be the key focus.

##### Licensing

For specific reasons, some large institutions will elect to keep (part of) their payment systems in-house. Atos continues to invest in payment software and systems development and the latest versions are available for licensing and systems integration activities.

There are still many possible growth areas in payments if care is taken to step out of the commodity processing activity and add business enhancing propositions for merchants and consumers.

### B.1.4.2 e-Services

The Atos's specific Hi-Tech Transactional Services business model (end-to-end IT value chain, commitment on results, billing per business units) is well known and used in some areas like Payments but is also growing for other services. After the major IT evolutions, (ASP, SaaS, PaaS, Cloud,...) the HTTS model will be more and more deployed for services delivery, as it happened for mailbox management (billed per user) or call centers software and IT services (billed per seat or per call). Coming with the business model, our customers are released from the burden of managing capacity increase and decrease. This acceptance will allow broadening the potential to sell HTTS services, therefore supporting the 2-digits growth of these services.

e-Government, e-Health and citizens related services will benefit from this trend, as HTTS model especially fits with the current government priorities and stakes: lower Capital expenditures, lower Operating expenditures and, at the same time, increasing the quality of services thanks to electronic platforms replacing standard processes (road law enforcement through automated offences processing, tax collection processes, free flow tolling systems...).

From users standpoint, the combination of existing and new connected devices and always-on mobiles will allow to propose new experiences to users: connected vehicles, location based or location aware services, omni-commerce, social networks, smart meters, remote monitoring of diseased or dependent people, medical drugs and prescriptions follow-up and control, etc."

### B.1.4.3 Smart utilities

Energy demand has been affected by the economic slowdown. However, the long term view is that it will still grow in the coming years. Oil prices have set a record in 2011. And there will be less oil, more gas (for some decades) and definitively more electricity and more renewable.

#### Oil & Gas

Oil and gas enhanced recovery will have to become more and more effective in the upstream sector. Software needs for handling Gas Transport and LNG are increasing.

For many sectors in the oil and gas industry, especially Exploration and production (E&P), accurately capturing and managing operational data continues to be a challenge. Disparate data sources oftentimes lead to questionable data quality which increases uncertainty and risk. Data quality and data governance are essential for aiding confidence and trust in data to make better decisions. To ensure and maintain data quality, E&P organizations need well defined data governance capabilities that are flexible and scalable - to grow as they grow and support sound decisions.

Additionally, E&P activities continue to push the extremes - deeper water, harsher environments, political and regulatory uncertainty, and skilled labor shortages. The Montara oil spill in the Timor Sea and the Macondo oil spill in the Gulf of Mexico both contain lessons that can reduce operational risk. Regulators are moving in the direction of requiring real time data from the platform to shore to proactively manage these risks.

A key component of an upstream company's continued success is its ability to replace diminishing reserves

with cost-effective new reserves and resources in hopes of sustaining both production and cash flow growth. It becomes imperative to look at the company's efficiency in operations when compared to the metrics of peers.

#### Nuclear Power generation

Post Fukushima, Nuclear has now a heavy pressure to review security options. Some countries have decided to step out, and notably Germany, but most of the countries keep their nuclear installation up and running, including Japan. Several countries announced that there was no question to cancel the new-build program including major ones such as in China.

Safety checks have been conducted on existing reactors by the end of the year 2011, leading to significant investment mainly in concrete and diesel generation. Countries who can extend lifetime of existing nuclear fleet will invest to do so as it will provide low cost power available at any time.

Atos anticipate therefore a growing market for refurbishment of existing units including IT control systems, but these investments are delayed due to the cash captured by Post Fukushima Safety Checks outcome. Investments will be made as well in IT systems (EAM, EOM) to increase production efficiency.

New nuclear builds may be delayed and will be certainly more expensive, but nuclear power remains strategic in the power production mix as it brings energy independence, low CO<sub>2</sub> emissions and is an almost always available source of electricity. Investments in Product Lifecycle Management (PLM) will be made to reduce

building time and control lifetime costs. The various IT systems at stake (control system, EOM, EAM, PLM...) will have to share more information while facing the threat of cyber-attacks (eg. Stuxnet) leading to a growing demand in IT security services and infrastructure. Atos long term involvement and track records in the nuclear industry makes it a cornerstone of this business evolution notably in Europe and China.

### Smart Grids

Smart Grids are universally recognized as mandatory to allow peak load reduction (and therefore CO<sub>2</sub> emissions), handle renewables (mostly intermittent) and new electricity uses such as electrical vehicles and demand/response systems. Smart Metering systems are generally the first step of smart grid development.

After a successful pilot project with Atos Worldgrid, France is in the process of deciding the roll-out of 35 million electricity smart meters (under the ongoing "energy transition" debate), the UK are now in a tendering process for the data collection system covering 53 million electricity and gas meters, and Ireland has decided to start. For some geographies, investment in sophisticated IT systems may be too heavy for a single operator and their estimated business plan may be negative; therefore Atos anticipate that Smart Metering may be delivered in a BPO mode, like in Central Europe at the moment.

Transmission systems are already smart. Distribution systems are partly smart at medium voltage level. The Smart Grid revolution will happen at low voltage level, to be able to manage dual way flows of energy and to deal with local peak hours and on the longer term local weak

hours. In the same trend, Smart City concept is on the way, to improve multi-fluid management efficiency at small geography levels.

Atos Worldgrid is perfectly positioned to be a major player in this development in Europe, with strategic positions in key markets (France, Germany, Italy, Spain), involvement in smart grid and smart cities R&D projects, advanced own technology in automated metering management and grid control (SCADA-DMS), and a global footprint of system integrator for Energy and Utilities consolidated over the last 30 years, in particular with a unique expertise in SAP ISU / MDUS integration. Some high level "technical consultancy" services are also requested by many utilities, to ensure success of their IT transformation programs with smart grid development. Atos Worldgrid is providing such services to many major utilities in Europe.

Energy efficiency is now at the top of the list of EU priorities, with a target of finalizing legislation by end 2012. Furthermore, the Energy Infrastructure Regulation proposals recognize the importance of "an effective and intelligent transmission network" to successfully integrate the increasing amounts of renewable energy. Atos does believe that such a supergrid should be also connected to the Maghreb and Machrek countries. This is why Atos Worldgrid is a founding (and the only IT company) member of the Medgrid consortium, targeting post 2020 transmission of electricity between Euro-Mediterranean countries.

Globally the market is ready for a global system integrator like Atos Worldgrid to provide enhanced, automated and optimized processes, enabling E&U companies to reduce their TCO.

#### B.1.4.4 Civil & National Security

With the end of the Cold War and Bipolar Threat a new trend highly demanding in IT has become reality: Terrorism, Attacks on Critical Infrastructures and Threats from Cyber Space.

Defense Procurement has shifted from large quantities to satisfy mass deployments to focused out-of area contingents carrying a sophisticated hi-tech payload. Replenishment of diminishing supplies has created new ways of global logistical military supply chains designed with the help of SAP and PLM frameworks. Robust collaboration platforms ensure the smooth interaction and information exchange between participating Nations and Agencies.

With the potential threat to Critical Infrastructures the civilian component has become a major consideration in order to protect and to safeguard objects such as Nuclear Power Plants, Airports, Water Supplies etc. - new methods of seamless interactions between all parties had to be developed - such as fully encrypted Professional Mobile Radio Systems, Emergency Management Systems and Broadband Communication Systems. Also in the civil area,

collaboration between different security organizations is increasing the demand for secure data exchange.

Cyber threats have a major impact on our Society and cause not only economic losses due to criminal activities such as credit card fraud etc. but also pose a high security risk which has become a major driver at big defense organizations like NATO.

Stealing personal, electronic identities will become one the most dangerous threats and will have a major impact to our answers to cope with the Megatrends such as Urbanization and Demographic Changes. Smart Identity and Access Management Systems will prevent interruptions to our normal way of life.

Finally, exploding operating costs in all areas of Governments but also as Armies around the world have caused a significant loss of productivity and reduced investments to buy needed equipment. Modern IT-Infrastructures - along with Outsourcing of non-core functions will ease this situation and allow the stakeholders to invest into our future.

#### B.1.4.5 BPO

Atos believes that BPO is part of the IT market that will enjoy a promising future.

When looking at where Atos is currently acting, opportunities to leverage existing BPO operations should continue in the future as businesses look to outsource non-core activities in order to reduce their own operating costs.

The outlook for BPO is therefore positive and it should benefit from contracts that are in the main longer term annuity deals with the option in many cases to increase footprint both up and downstream of the original outsourced service.

Looking to the future in the UK specifically, the UK government has announced its intent to force the banking industry to split its retail banking operations from its investment banking. This is likely to open up opportunities for further outsource as the banks seek to mitigate the cost impact of the regulatory changes. In the medical BPO business there are going to be further opportunities to increase the size and scale of the business as the UK seeks to extend the process to a wider population.

Outside the UK, Atos should seek to leverage the proven capability in other countries and contracts as they too seek to improve efficiencies and reduce costs in response to the difficult global trading



### B.2.1 Vision and strategy

#### B.2.1.1 Business Context

Atos is operating in the IT services market in a very competitive landscape subject to a strong price pressure. On one hand players are facing large global companies, such as US based groups IBM, HP, Accenture, that are operating over the globe, and on the other hand competing against companies coming from low cost countries, currently mainly India (Cognizant, Wipro, TCS, HCL, Infosys) but soon China or Latin America, who are willing to expand their operations, after having first served English speaking countries, USA or Great Britain. Atos is facing as well national champions with strong relationships established with public national authorities.

On the other hand, Atos operates in a market meeting significant changes where innovation will extend the role of IT, which was traditionally used to support operations of large organizations. A first extension of the market entering in 2000 was the use of IT as a growth enabler by introducing technology in the business processes to drive growth, followed by a fast maturation of more recent trends around Cloud, mobility, internet of things and Big Data, which are opening new opportunities for the Group. Starting 2010, social networks have taken a new dimension moving from consumer to enterprises generating further development areas to the IT services market.

Overall, the vision of the Group is that the market demand it needs to address is threefold, aligned with these phases

of development, based on different drivers in terms of expectations and solutions:

- ▶ Foundation IT, where the client is now asking after the first phase of past years to get better services at a lower price for the part of IT that is used to support operations
- ▶ Business enabling IT, where IT contributes to find new positioning, new offerings, to open new markets, and overall, acting differently.
- ▶ A more recent segment, Atos designed at Communities enabling IT, driven by the explosion of social collaboration.

At the end of 2012 the European economy is still facing severe challenges, such debt and employment, while fast growing countries are enjoying strong development. As a new European champion, covering truly the full set of European countries with around 50 000 staff, i.e. two thirds of the 76,400 total workforce, Atos has recognized that Europe is a geography where growth will be limited, but where clients are ready to pay a premium for services if value and innovation are associated to them, or if they answer to regulatory compliances, trust and security issues. Reciprocally, in fast growing countries, local competition is strong and the Group will have to develop its position either by accompanying its European clients or by addressing the local markets with highly differentiated offerings and strong support of established local partners.

#### B.2.1.2 Atos' core strategy

Atos core strategy is to leverage and reinforce its strengths to capture profitable growth in the various segments of the industry. It is articulated around five components:

**Customers:** Serving its large client base leveraging the strong powerhouse in infrastructure services: the Group has now a significant international scale and reach, being one of the Top five infrastructure market players, that is very attractive for global and large clients Atos is targeting;

**Portfolio:** Developing its Global portfolio complementing a leading position in transaction/payments services and specialized activities: Atos is building strong replicable offerings addressing either horizontal (multi-sector) demands or industry specific requirements;

**Geographies:** Capitalizing on its deep European coverage and client base enabling international growth in other regions;

**Partners:** Broadening its important partner ecosystem by increasing the overall value proposition to its clients, creating when needed specific vehicles - joint ventures to strengthen development, R&D, joint go to market;

**Innovation and thought leadership:** Benefiting of strong innovation capabilities to address Cloud and complex systems integration opportunities.



This strategy is supported by three programs ensuring that the execution will enable strong financial results, overall growth, and employee satisfaction. These three main streams are named TOP<sup>2</sup>, eXpand, and Wellbeing@work:

- ▶ **TOP, Tier One Program, is the 3<sup>rd</sup> wave of TOP: it is securing the Group's operational and financial performance, margin, cash generation.** TOP covers as well numerous initiatives aiming at improving the overall cost of operations (offices, purchasing, travel) and G&A's cost structure improvement. In this economic environment enjoying a sound financial situation is key for long-term success. In 2013, TOP will benefit from a new momentum, with Tier One Program, aimed at achieving performance equal to the best in the industry.
- ▶ **eXpand addresses growing overall**, with a specific attention given in higher profitable business areas by strengthening differentiation, value creation, Intellectual Property. During 2012, the Group continued the execution of eXpand, a program to create a sustainable growing revenue flow and ensure that our sales organization, commercial performance, and brand awareness are in line with this objective.
- ▶ **Wellbeing@work is contributing to the wellbeing of our people**, and powering progress to transform the Firm of the Future. The Wellbeing@work initiative underpins our ongoing transformation to become a more integrated and global company and to be recognized as one of the best companies to work for. IT Services is an activity relying on people therefore this third dimension is vital to sustain a high quality and motivated workforce.

Overall, thanks to the strategy defined two years ago, the Group expects for 2013:

- ▶ **Revenue:** The Group expects to continue to slightly grow compared to 2012.
- ▶ **Operating margin:** The Group has the objective to improve its operating margin rate to around 75 percent of revenue compared to 66 percent in 2012.
- ▶ **Free cash flow:** The Group has the ambition to achieve a free cash flow above EUR 350 million.
- ▶ **Earnings per share (EPS):** The Group confirms its ambitions for an EPS (adjusted, non-diluted) representing an increase of +50 percent compared to 2011 statutory (up +25 percent compared to 2012).

### Customer and go to market strategy

Atos' customer strategy is to focus on large enterprises and public organizations, which are addressed with its own sales force, the most important of them being under the responsibility of account executives empowered on a worldwide scale. Mid-size markets are addressed jointly with partners and indirect channels, Cloud being an accelerator and enabler to better serve them in a cost efficient manner.

Atos market facing organization is built around five global set of Industries (markets) where it operates: Public sector, Healthcare & Transport (PHT), Energy & Utilities (E&U), Financial Services (FS), Telecom, Media & Technology (TMT), and Manufacturing, Retail & Services (MRS) to address the increasing need of providing customers with industry specific solutions.

A Strategic Sales Engagement team, with the empowerment to win large deals on a worldwide basis, gathers the full set of expertise needed to cope with complex sales, from solution experts, deal makers, legal, etc.. As described later, this Group has been instrumental to win large deals across the Globe in 2012.

### Regional expansion

Atos geographic strategy is based on two axes, continuing reinforcing the position in Europe and developing in the other regions.

In Europe, the main elements are:

- ▶ to strengthen its position as European IT champion growing profitably in its core geographies (Benelux, France, Germany and UK),
- ▶ to consolidate and expand its position in Central & Eastern Europe markets,
- ▶ to strongly develop in Nordics, that is a very attractive region.

This European position should accelerate Atos growth in fast growing economies, following our European customers in their expansion plans. Overall Atos has decided to increase its presence in several regions where the IT services market is expected to grow quicker than Europe:

- ▶ North America, Asia (China), Latin America, Middle East.
- ▶ Growth will be a combination of large global engagements that Atos now can win with its new scale and local contracts based on specific portfolio elements and strong client intimacy.

# Atos positioning in the IT market

## B.2 Strategy, organization and objectives for 2013

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### Portfolio strategy

Atos is giving a strong attention to the portfolio management as it is a pillar of sustainable growth. It is managed as part of the eXpand Program. The Portfolio strategy is to reinforce the horizontal multi-industry portfolio elements while developing strong industry specific proposition to address specific client demands with where needed geographic localization. Key elements of the portfolio strategy are described below:

- ▶ A first priority is to reinforce Atos' leadership in payments and e-services in Europe under the HTTS initiative: High-Tech Transactional Services brings the activities of Atos Worldline to all geographies where the new Atos is operating, covering the domains of Electronic Payments, e-Community Services, and Financial markets. And beyond these assets, the specifically successful business model which is the foundation of the profitable growth story of Atos Worldline.
- ▶ As a further step, Atos is strengthening the development of its differentiation based on its strengths and strong assets in specialized businesses built around HTTS & SB Service Line, such as smart energy (Atos Worldgrid), BPO (Medical BPO or insurance BPO), Civil and National Security, and solutions in health, transport, smart mobility, and manufacturing to name a few.
- ▶ The company is benefiting from the new scale of Managed Services, now the largest Service Line of the Group, to deliver multi-year contracts with resilience and competitive offerings. The detailed development plan is described in section B.3.3.1.
- ▶ Systems Integration Service Line continues developing according three major areas where the Company has strong assets: business solutions, SAP based solutions, Application Management. Leveraging a global delivery model, Systems Integration will serve both Foundation IT demand and Business enabling IT. The detailed development plan is described in section B.3.3.2.
- ▶ In the Service Line, C&TS, Consulting & Technology Services, Atos is bringing together business consultants and professional services, recognizing that the key drivers of these proximity businesses, are operational excellence, high utilization of capacity, industrialization and scale, build a specific business and require a dedicated management attention. This Service Line is addressing the two segments of IT services targeted by the Group described above. The detailed development plan is described in section B.3.3.3.

- ▶ Over 2012, a strategic attention has been given at developing a clear Cloud strategy, as the Group intends to be a leader in this domain. Atos strives to become a major player in the Private Cloud area for large public and private organizations, with specific focus on IaaS and SaaS services via our Canopy Enterprise apps store. The detailed Cloud development plan is described in section B.2.3.

### Alliances strategy

Alliances and Joint Ventures are an important step in our strategy to further grow our market share in specific services and markets where we can all benefit from combining and leveraging specific skills, resources or local knowledge. Such joint ventures complement Atos' vision of working together as business technologists through innovations around Cloud, mobility, Internet of things, social networks, and Big Data:

- ▶ With EMC and VMware Atos has formed a strong alliance in which Canopy will be the vehicle to develop jointly Cloud services. The launch of Canopy in 2012 will accelerate Private and Public enterprises' journey to the Cloud thanks to a leading one-stop-enterprise shop for Cloud consulting and Systems Integration, and Cloud services, and an industry-vertical portfolio Canopy will gradually launch during 2013 sector-specific offerings, focus initially in our four core industries (Public, Healthcare, Finance, Manufacturing). Europe remains Canopy's core focus with countries such as Germany, France and the UK. leading in terms of size and opportunities, alongside with North America, in which we will cover the design and build phase – including data center and Cloud solutions and the build out of its integrated private Cloud platform.
- ▶ In 2012, Atos and Yonyou extended their strategic partnership. Yunano: initially focused at bringing Yonyou's CRM and ERP solutions in SaaS mode in Europe, it will now expand to provide private enterprise applications and services and integrated manufacturing solutions for the Chinese market. This partnership will help Atos grow its brand recognition in China, generate Asia Pacific revenue streams for Canopy and expand its SaaS market reach in China;
- ▶ With Microsoft, Atos has developed several initiatives among which providing innovative Cloud based solutions for workplace embedding collaboration and communications services (A3C);

- ▶ With SAP, the company has continued to develop new solutions including in memory computing (SAP Hana), mobility and sustainability;
- ▶ With Oracle, Big Data has been an interesting opportunity to introduce new services around Exadata set of products;
- ▶ Last but not least, the partnership with Siemens, the largest industrial shareholder of the company, is unique in the IT services market in its threefold approach: Siemens is not only Atos' largest client, there is also a joint go to market strategy via Siemens One to address new opportunities, and a joint investment program of EUR 100 million that started last year.
- ▶ Atos is also pursuing the open innovation approach together with customers and partners. Customer innovation workshops and joint proofs of concept are the main instruments to progress on important innovation topics with customers. Within the Siemens partnership, a joint investment of EUR 100 million over the next three years will be used to work on innovations, e.g. in the area of mobility, energy, and manufacturing. Another example is university cooperation, where e.g. an IT challenge with the aim to develop mobile applications was successful launched in 2012 with leading universities, and will continue in 2013 around the subject of connected cars.

### Looking forward: Innovation Strategy

Innovation is one of the core pillars of Atos Strategy to serve different demands of the IT market strengthen its differentiation:

- ▶ Looking forward, Atos sees a high growth potential in Cloud Computing, Sustainability, Smart Mobility, Big Data / Analytics and Enterprise Content Management (ECM) combined with Collaboration solutions. The Group has developed in the past a position of pioneer and strong know-how, such in Testing, Smart Data or Security, that the company wishes to develop further in 2013. In conclusion, its Global Key Offerings policy will be continued and enlarged to include new solutions such as Social Computing, Big Data, and Business Intelligence.
- ▶ The Scientific Community (SC) is currently a network representing a mix of all skills and backgrounds, and coming from all geographies where Atos operates. After having published Journey 2014, the SC has launched the further development of its five years vision, to build Journey 2016, published at the end of 2012. Proofs of concept have been designed and developed around the key areas transforming the IT industry with key customers, to identify new business opportunities. The external blog <http://blog.atos.net>, the Ascent Lookout publications and the Scientific Community can all be made directly available to clients as value add material. See section B.2.2.2.

As a conclusion, the Group positioning defined as "Your Business Technologist, Powering Progress" expresses in a few words Atos' profile and the ability to bring together people, technology, and business expertise for succeeding and supporting its clients.

### B.2.2 Innovation and portfolio

#### B.2.2.1 Developing a global offer portfolio

In 2012 the eXpand Sales program (Track EP 1) gave a boost to the portfolio positioning and product-market strategy, especially as the portfolio was broadening due to the earlier Atos -SIS integration (Day 1 portfolio).

The program focused on the best in class product development & G2M packaging and was divided on three sub-objectives:

- ▶ Develop **best in class offers** and focusing on the readiness of each offer:
  - 16 offerings (among Global Key Offerings, Vertical offerings and horizontal offerings) were selected to be pushed via the eXpand Program.
  - Based on a newly developed blueprint & offering methodology, focused on product/offering Life cycle management, the readiness of each offer was tracked along the four axes; Sales, Pre-sales, Marketing and Delivery capability. This in combination with a strong assessment, KPI settings, HR resource balancing, re-defining the strategic offering positioning & direction (Go to Market - G2M) and focus on the "last mile" at country/GBU level, enabled the group to steer focus enabling more organic growth via this offering dimension.
  - For each eXpand Offer dedicated e-learning modules were developed with a newly - mandatory - certification program targeted at the sales force to increase the sales readiness. For the pre-sales there is a dedicated e-learning program available with the same certification program.
  - A good example is the Zero email™ offering which was newly launched in 2011 as a concept but took off in 2012 in terms of quality of readiness in the different GBU's.
  - But also the cross synergy between former SIS portfolio offerings and Atos increased significantly by this push on offerings to GBU's via the eXpand program.
- ▶ Define the **governance rules** of offerings & products:
  - As part of the blueprint the governance was set for the 16 offerings with the right reporting structure and the appointments of Global Offering Managers as well as Local Offering Managers in our key geographies. They undertook dedicated training and coaching sessions to secure an end-to-end push from delivery to customer, while keeping the focus on the leveraging and growth of the offering.
  - A yearly selection process was developed and roll-

out to define for each year the focus offerings among the entire Group and validated by the Excom.

- As part of this process, four strategic offerings were selected and which are in line with the IT trends: Social Collaboration, Cloud, Big Data and Mobility.

#### ▶ New Offerings:

- Through the acquisition of the software company blueKiwi and the launch of two joint ventures Canopy and Yunano, Atos is putting in place a dedicated methodology to launch the SW based business (in a Cloud environment) and create synergies by interconnecting some of them. To illustrate ZEN CRM is the combination of best in class ZEN technology from blueKiwi with the brand new CRM software from Yunano. At the end CRM is taking advantage of ESN best practice to boost the sales efficiency.

On the **Sustainability (GKO)** offer we launched the "anywhere manufacturing" offer through Greenfield technology as well as a partnership with SAP for delivering sustainability solutions including environment, health, and safety management; risk management and compliance.

Furthermore the group decided for 2013 to launch **four new Offerings (GKO)**:

- ▶ **Big Data** will address the new usages, leveraged by the emerging of new technologies: in memory management, analytics on structured (Ex ERP) & unstructured data (Ex Web Based), reports & analytics designed by the end user and the capacity to handle huge volumes of data (over the Petabyte). Atos will initially verticalise this offer for some markets such as Public sector and Finance.
- ▶ **Datacenter Services** is an example of collaboration with Siemens. Atos will provide Consulting, Transformation and optimization of the customer datacenter. Part of the transformation may concern Energy & cooling which will be driven in collaboration with Siemens products. Atos will therefore provide to the customers his expertise and knowhow based on more the 70 Atos datacenters (this offer is part of the journey to Cloud).
- ▶ **IATS (Integrated Air Transport Solutions)** is focusing on the operational efficiency and the creation of new business services for the airport. Atos is already providing services (such as baggage management) based on its own IP and will combine them with other Siemens products.

- **Journey management** is providing Urban services for transport companies. Such services are ticket management, payment, loyalty management and also the planning management of bus and tram fleets.

Details on Atos' Global Key Offerings are available on the atos.net website.

### Investing in innovation in the long run

Following the launch in 2010 of a new program dealing with the Intellectual Property Rights (IPR), Atos has improved its policy in this domain after the SIS acquisition. Atos has worked in the second semester to refine its IP strategy. This aims to better identify in a systematic way the IP created, to value their potential of reuse and define the appropriate protection vehicle. This initiative has the ambition to facilitate, encourage and manage the development and use of our IP through the whole organization. Therefore this policy contributes to improve Atos perceived value by our customers and Atos sales performance by bringing our innovation to our proposals. These also sustain the reduction of our operating costs by reusing existing assets rather than rebuild them or buy technologies from a third party. In that respect, Atos

is pursuing the consolidation of its R&D effort in order to generate long term recurrent revenues. End of 2012, Atos has delivered substantial sales success embedding security IPs.

Customers stay even more in the heart of Group activity and as such Atos has runned numerous Innovation workshops and collaborative innovation events with its customers and partners. These workshops and events, in addition to the Proof of Concepts (POC) are key factors of success for services and products innovation, integration, open innovation and finally launch of new keys ideas into business.

Atos and Siemens, in the scope of their joint partnership following the SIS acquisition by Atos, have decided to both allocate EUR 50 million on R&D, with the ambition to speed-up the innovation and develop new joint distinctive offerings. Over the ten potential joint development projects identified before the SIS acquisition (i.e.: communication platform to remotely capture data, railways maintenance, embedded solution for electric cars...) numerous projects have been submitted to the joint investment committee by end of 2011.

### B.2.2.2 The Scientific Community

The Scientific Community mission is still to help Atos anticipate and craft Atos' vision regarding upcoming technology disruptions and the new challenges faced by the industry. Sharing this vision with its clients and investing on the related findings, Atos intends to help its clients to make critical choices regarding the future of their business solutions. The Scientific Community is a network representing a mix of talents of expertise from all the countries where Atos operates. **25 percent** of the 2011 community has been renewed, to allow new members to contribute to new prospective thematic

At the end of 2012 the Scientific Community has published Ascent Journey 2016, its new five year vision. This document is built upon the solid foundations of Ascent Journey 2014 published in 2010 and enriched by new business challenges as Big Data, Economy of Internet Application, Electromobility and IT/OT convergence; this set of challenges has been put in perspective with the Business Environment as anticipated for 2016 in terms of Globalization, Demography, Economics & Sustainability and finally trust.

In 2012, the Scientific Community has concentrated on:

- Implementing with customers the concepts developed in Ascent Journey 2016 by building "proof of concepts" on topics like Real Time Traffic Forecasting, Social

Second Screen, Combined Loyalty and Payment, Data Analytics as A Service, Cloud Messaging and Smart Mobility.

- Building "the Future Centre" to present our Vision to customers, partners and staff during Innovation Workshops with major customers to forge Strategic Partnerships. Future Centers will be operational in Bezons, Utrecht, Madrid, London, Pune and Vienna.
- Launching IT challenge 2012 on Smart Mobility open to more than 30 universities in six countries gathering in excess of 70 projects of which 15 have been selected for technical implementations; the Dutch winning team was invited to London Olympics.
- Publishing Ascent "Sport & Technology" for the London Olympics in August 2012 where technical innovations which will affect sport have been described.
- Selecting, Testing and Improving the Atos Enterprise Social Network blueKiwi as part of Atos Zero email™ strategy.
- Launching the first Atos Chair jointly with Renault at Université Pierre et Marie Curie on the challenging topic of Smart Mobility.

# Atos positioning in the IT market

## B.2 Strategy, organization and objectives for 2013

- ▶ Publishing new White Papers which in total represents 25 topics covered in addition to Ascent Journey 2014 and 2016.
- ▶ Supporting Siemens/Atos Alliance by joining the newly formed Innovation Committee to propose game changing concepts and ideas to feed the pipeline of investment proposals to the joint Investment Committee.
- ▶ Designing the new Executive Training for Technical Experts built in complement of the "Gold Program" dedicated to managers.

In 2012 we have seen the vision of Atos Journey 2014 gaining tractions in numerous domains as Connected Cars

for Smart Mobility, Canopy for Cloud, Zero email™, and blueKiwi for Social Enterprise Networking.

The Scientific Community operates internally using the cooperation principles called "organization 2.0" with tasks chosen and not assigned, peer rating, collaboration tools. It is now using extensively blueKiwi as its Enterprise Social Network.

In 2013 the Scientific Community plans to host about 100 innovation workshops to reinforce Atos position as a thought leader helping its customers to find new growth opportunities.

### B.2.3 Cloud

The year 2012 has seen an increasing demand from customers for Cloud services, securing the investments actively engaged since 2009 by Atos for its Cloud services portfolio.

Indeed, customers more than ever seek more value for their money and Cloud based services provides an opportunity to realize that value: cost reduction due to standardization and automation, move from upfront investments to operational costs aligned with business variability, contract flexibility to up/downscaling. In addition, Cloud services are also quite welcome for business because they provide immediate access to innovative vertical solutions.

Atos Cloud Services have been designed from the very beginning to cover most of the concerns that corporate customers may have in using Cloud:

- ▶ Security, data protection, compliance to country regulations - Atos Cloud provides auditable security and guarantees that data stay physically in customers' regions or countries,
- ▶ Integration with their existing non Cloud information system - Atos relies on its considerable expertise in System Integration,
- ▶ Business continuity, storage and backup services - Atos Cloud relies on its Data Centers and the accumulated expertise of its Managed Services branch.

Services are mostly delivered in a mode which is commonly called "Private Cloud", in contrast to "Public Cloud" mode where services are fully standardized and customers have less control and guarantees. However, some non-critical services may be delivered from Public Cloud to benefit from lower costs, and this is why Atos has started in 2012 to deliver "Hybrid Cloud" services which mix up securely the two modes Private and Public.

Atos Cloud portfolio covers the three types of Cloud services: IaaS for infrastructure, PaaS for development & test platforms, and SaaS for applications and software. Services are generally provided together with Consulting in order to help the customers having a global view on its Cloud journey. Based on SaaS, Atos can also perform a full business process; the service is then called a BPaaS, Business Process as a Service. Here are some key facts about Atos Cloud Services:

- ▶ IaaS are delivered from nine specific Atos Data Centers covering the key geographies. In 2012, Atos IaaS has been growing steadily to meet the continuous demand from the market, covering customers' needs like variability for infrastructure, impacts on IT due to merger or acquisition, end users Cloud for mobility or "bring your own device" policies. Atos has also offerings to build, deploy and manage on customers premises Cloud infrastructure.
- ▶ PaaS are delivered either as private versions based on market leading PaaS platforms, or as specific customers environments tailored for the needs of their development teams
- ▶ SaaS sees a quickly rising demand from customers, particularly from their business units. Atos is already covering specific fields as messaging and communication, enterprise social network, electronic content management, industry product lifecycle management, and others

Atos Cloud development has continued to rely on its partner ecosystem, including the key technology providers like EMC, VMware and Microsoft, and the large software vendors like SAP and Oracle.



In 2012, three major initiatives have considerably boosted the Atos Cloud landscape:

- ▶ The launch of Yunano, a common company between the number one Chinese software vendor Yonyou and Atos. The objective of Yunano is to propose in SaaS mode the Yonyou products CRM and ERP in EMEA, from Atos Data Centers.
- ▶ The creation of Canopy, a common company between EMC, VMware
- ▶ blueKiwi, the Enterprise Social Software acquired by Atos, is now offered in SaaS mode from Canopy with high level of performance and availability.

In the new business model of services that is anticipated, terms such as gathering, composing, orchestrating services will be highlighted: Atos own one of the most comprehensive Cloud Services Offer among the biggest IT Services companies and may consider providing 50 percent of its services in the Cloud by 2020.

### Canopy

Creating Canopy is a major step in Atos' strategy in the Cloud. This strategy is based on the alliance concluded with EMC and VMware, respectively global leaders in storage and virtualization solutions. The three champions have decided to invest together in the Canopy company, in majority owned by Atos, to tackle this fast-growing market where the need for standardized and proved solution is the requirement to meet.

Canopy was announced earlier this year and is now back in the operational phase. It is composed by engineers from Atos and its partners, warrants of the strong competence skillset proposed to its customers.

Canopy is an entirely dedicated company for Cloud and will provide an IaaS, PaaS and SaaS full offer, which will position it as a global leader in this field. One of the unique Canopy features is its enterprise dedicated applications boutique (Enterprise Application Store), which allows customers to select their information system. Canopy also offers consulting to assist its clients in their strategic approach and its implementation.

Canopy has a global infrastructure with operating centers in the three world major geographical areas, USA, Europe, Asia, and relies on the excellence of Atos operational management.

In the new service model that is foreseen, terms such as assemble, compose and orchestrate services come to the fore: Atos has one of the most comprehensive Cloud services offerings among large service companies and can anticipate reaching a 50 percent share of Cloud delivery in its services before 2020.

## B.2.4 Social Collaboration and blueKiwi

### B.2.4.1 Social Collaboration

The use of social media in business is, as predicted by leading industry analysts, increasing as more organizations realize the benefits of its use to support objectives and align corporates to a new and more dynamic way of working.

Atos is also recognising a change in procurement style, with more focus on quick software pilots provisioned from a Cloud hosted environment rather than the traditional and longer RFP cycle. Social software is being driven more by the business leaders rather than the traditional information technology teams which creates the need to propose IT solution that underpin even further the business strategy.

Although there are many software vendors providing similar SaaS based social business solutions, organizations are typically looking for integration into their legacy

systems such as CRM, ERP, ECM and many others. With this in mind, Atos is well placed as a leading system integrator to offer this level of integration to protect organizations existing investments and enable social and across a wider IT landscape of our clients.

Social media has become easily accessible through the SaaS environment, which has led to many companies adopting what Gartner terms a "provide and pray" approach, providing access licenses and disregarding the need for a cultural and change management program. Many of these deployments fail or do not meet the adoption levels anticipated by the organisation. The Atos' Social Collaboration and Zero email™ offering has a deployment methodology that can be applied to deploy or nurture any social business solution, therefore Atos can apply it to re-energize these failed implementations and attract a new service derived customer base.

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Atos recognizes, through its own deployment of an Enterprise Social Network to support its Zero email™ ambition, that there are significant benefits in becoming a social business. In fact Atos support through Social Collaboration the company own business objectives.

- ▶ Productivity: Increased revenue reduced cost, higher margin.
- ▶ Collaboration: Become a company driven by Social IT
- ▶ Employee Satisfaction: Become a great place to work
- ▶ Innovation: Enhanced ideas management

Following the announcement that Atos was to become the first Zero email™ company, Atos found many of its customers were also experiencing some of the pitfalls of email overload and data deluge and therefore sought a solution to help them.

To this end Atos developed the Social Collaboration and Zero email™ offering which focuses on removing the email blocker that prevents organizations from transforming to a new and current way of working, embracing new technologies to deliver against business objectives. Atos recognize that a user-centric approach to define product requirements is the step change needed to boost success of a social business solution. Giving the workforce a product meeting their requirements, backed by the CEO and top management to deploy it is a winning combination to become a social enabled business.

The Social Collaboration offering is delivered through a four step program:

- ▶ Step 1: Program scoping and definition ; defining the social strategy, building user-centric requirement, choosing the right product for the client

- ▶ Step 2: Deployment and Integration ; linking Social into existing IT and process landscape
- ▶ Step 3: Cultural and Behavioral Change Management ; Community led approach
- ▶ Step 4: Host, Manage and Maintain ; Cloud based platform, Social KPI monitoring

Of course not all organizations are ready to deploy social IT within their organization. The offering caters for this through Social Consulting to gain understanding of the Social Maturity and business focus of the client. This aims at helping the client set their social strategy and timescales, deploy email etiquette for quick win productivity gains, and prepare high level business plans for when the client decides to move to the next step of Social deployment.

Atos recognized that the best way to meet 100 percent of our internal requirements would be to acquire a social business solution vendor, and the company invested in blueKiwi in March 2012 and have developed the product leading to the new release of blueKiwi ZEN in October 2012.

This has enabled Atos to become a one-stop shop for our clients for Social Collaboration. Atos have the expertise in consulting and integration, in cultural and behavioral change management, have a world class ESN product, and also a 99.9 percent available Cloud platform called Canopy.



### B.2.4.2 blueKiwi

In April, Atos announces that it acquired blueKiwi, an innovative technology leader, Europe's largest SaaS provider of Enterprise Social Software. blueKiwi help enterprises worldwide increase their business performance through social collaboration. blueKiwi has been consistently recognized by industry analyst.

Since becoming an Atos company, blueKiwi has leveraged Atos' global presence and Cloud technology expertise to further evolve our powerful SaaS solution. blueKiwi's focus on enterprise social networks, combined with Atos's broader product and service portfolio, creates a powerful combination that enables to offer further value to customers through a unique blend of consultancy, innovation, and implementation.

In Q4, blueKiwi releases blueKiwi ZEN, the most advanced, feature-packed release of its SaaS enterprise social software. blueKiwi ZEN takes social networking to a new level of capabilities, offering organizations of all sizes the chance to communicate and collaborate better, as well as organize process and share information smarter. All so they can shorten business and decision cycles and outperform their competition.

The launch of blueKiwi ZEN marks an important milestone in the Atos Cloud and SaaS strategy. The Group is entering the newly emerging Social IT market, which will see social tools and solutions increasingly adopted in a SaaS mode by industry leaders to increase business performance and improve the working environment. blueKiwi benefits as well from the underpinning Cloud expertise of Atos to deliver unmatched service reliability, security and availability requested by clients who expect first-class enterprise-grade IT services.

blueKiwi ZEN aims to provide superior communication, collaboration and information processing capabilities by delivering a higher level of simplicity, functionality, and performance in getting things done. ZEN also affords employees a level of situational awareness that enables them to collaborate more effectively, focus on what's important, mobilize the right individuals and stay on top of their projects and workload. It helps users filter and prioritize information and take decisive action. Its powerful recommendation engine leverages both social and interest graph to suggest new connections between people, communities and documents, unlocking new collaboration opportunities and increasing the collective knowledge of the organization.

This major release draws on blueKiwi's outstanding social networking know-how as well as Atos world-class position in workplace management and award-winning Cloud and Zero email™ initiatives to offer the most complete, high performance, and secure enterprise social software solution while complying with local data protection regulations. With this release social capabilities can be seamlessly integrated into the existing IT infrastructure, application landscape, enterprise portals and business applications.

With ZEN blueKiwi is aiming to bring enterprise social software to the mainstream and turn it into a business-critical application. It has specifically designed it to become the social hub of the workplace where email is out and collaborative activities get done.

Atos will internally roll-out blueKiwi ZEN as a key technology component to support its internal Zero email™ initiative. This global program aims to transform Atos into a social organization, with a better work-life balance for employees, increased business synergies and efficiency, anticipating the work environment of the future.

#### blueKiwi features and operational model

Highlights of this latest release include a new, state-of-the-art, drag-and-drop user interface, smart previewing capabilities with one click, a separate notification stream, stronger publication versioning, advanced collaborative notes, @mention and hashtags, superfast auto-suggestions and search, likes, a full-fledged recommendation engine, Microsoft Office and Outlook add-ins, new native mobile applications for iOS, Android and BlackBerry, and a new set of APIs. It works on any mobile device, tablet or PC.

Atos will operate the Cloud infrastructure supporting blueKiwi ZEN, on its Cloud platform Canopy, the Cloud JV build by Atos with its partners EMC2 and VMware, providing the highest standards in term of quality of service.

blueKiwi comes in three editions; Professional, Premium, and Enterprise, each designed to meet the needs and requirements of organizations of all sizes.

Being a global powerhouse Atos can deploy across multiple countries in parallel saving considerable time whilst preserving the quality and local adoption within a global framework.

### B.2.5 Mobility

At the end of 2012, the world is counting over 6 Billion of active mobile subscriptions and 1Billion of smartphones sold (source IDC), reaching 1 in 7 people worldwide (emerging countries account for more than 30 percent of this growth). These are just some of the compelling reasons why no-one can afford today to ignore mobile as a platform now.

This leads today to four main natural ambitions for Atos clients:

- ▶ Interacting with customer in their moments of decision,
- ▶ Collaborating better with partners in the context of their daily workflow,
- ▶ Enabling employees to work and make key decisions anywhere on any devices,
- ▶ Getting all their products wired in order to report dynamically the way they are used.

These ambitions are commonly shared by any companies, however, very few of them succeed to transform these ambitions into reality. One of the main reasons is that handling mobility requires most of the time a breakthrough in the way to address business, either in terms of strategy, organization, processes or IT system. As a matter of fact, mobile is not simply another chapter in the smaller, faster, cheaper device story and it is absolutely not tiny websites or screen-scraped PC applications. Instead, mobile is the flash point for a much broader shift to systems of engagement that marry physical context and cross channel digital intelligence to deliver proactively the right service at the right time at the right place and at the right person.

Since more than four years now, Atos is positioning itself as an end-to-end mobile service provider to help our clients to master all the required dimensions and capture the full business potential of this shift. Through its Contextual Mobility offering, Atos empowered customers, partners and employees with new innovative applications and products to take the next most likely action in their immediate context and moments of need.

On an organizational & processes perspective, Atos is helping clients to avoid mobile's unintended consequences and to balance to the immediate needs of business owners to build mobile apps against the long-range technology requirements of systems of engagement by:

- ▶ Proposing the creation of a specific department to create a bridge between business & IT and coordinate all the internal stakeholders along a unique mobile plan strategy.

- ▶ Defining the right internal equation between the end-user experience enhancement and the monetization of these services through existing and brand new business partners based on the owned contextual data.
- ▶ Participating to the definition of a mobile contextual services roadmap including the go to market, the business eco-system and the associated marketing mix.

On a technical perspective, successful context-driven mobile services require to draw on mobile, social, Cloud, and Big Data innovation to deliver apps and smart products directly in a customer's context. Most of the client IT systems are not ready today. Atos is providing, in a white label, platforms and building blocks to handle all the IT challenges, including the multichannel paradigm, the network, technical and infrastructure agility required, but also all the middleware, applications and security models constructed for contextual mobile services. Atos has also internal mobile studios to avoid ideological conflicts among design and development teams.

With this end-to-end approach, Atos is working today in five main mature sectors with hundreds of references worldwide.

#### Automotive

Atos is the European leader in connected vehicles services with half a dozen major car and truck manufacturers and several electronic providers using its platform.

Atos is combining there its contextual mobility approach with its in-vehicle development capabilities (head unit, TCU) and its connected vehicles expertise to:

- ▶ Provide contextual in-vehicles services which deliver real value and consider time-to-market and time-to-volume as key success factors. These services can be activated directly through an Atos App Store in the vehicle combined with Atos micro-payment capabilities.
- ▶ Manage effectively sales channels, stakeholders and partners,
- ▶ Establish a true strategic win-win partnership.

### Healthcare

Health stakeholders need more and more to provide services outside the classical health channels to improve the connection with patients and provide more outcomes. Mobility can help them, for instance, to control the self-medication, improve the patient journey outside the hospital or better understand how patients use medicine.

Atos through its contextual mobility approach and platform provides today advanced mHealth services and connects all the health stakeholders to the benefit of the patient.

- ▶ Atos is coordinating the Reaction Project for the European Commission to develop a platform that supports real time management of diabetes with Wearable Sensors.
- ▶ Atos is working with several pharmaceutical manufacturers in the areas of compliance, diabetes, clinical tests but also in the detection of abnormal situations.

### Retail

Based on its strong experience in payment, loyalty, e-Commerce and with new innovative technical enablers (NFC technology and the Smart Price Tags), Atos is working with several majors retailers, mainly in Europe today, to reinvent the physical store by bringing the e-commerce services in the shops while strengthening the advantages of in-store shopping. In Atos provides there a single and seamless new contextual shopping experience to the consumers before the point of sales, at the point of sales and after-sales.

### Cities

The Atos MyCity vision focuses capability, expertise and resources in an integrated, targeted and joined-up way to drive citizens' benefits thanks to mobility. Atos is developing today most of the mobile services of the Barcelona City council, managing the m-parking in six cities in Europe including the city of Vienna (3 million tickets per month), managing the mobile bike sharing services in four cities, or the mobile ticketing system for more than 1 million customers.

### Finance

Most European banks & insurance companies have invested in mobile over the past few years. Consumer adoption is increasing, driven by the growth in mobile devices, particularly in the 'informational use' domain (check balances, review transactions, receive alerts).

The Atos m-Banking & Insurance solution is the next generation of these services, based on Tier one Financial Services references e.g. Société Générale and BNPP. It provides peer-to-peer payment systems, stock exchange flow, claim management, pay-how-you-drive scenarios...

Atos Contextual Mobility leads to profitable growth but is also a truly transforming trend for client business & consumers, for client employees and internal divisions. It heavily impacts business departments as the new mobility services broker, and will reinvent the IT landscape.

Atos has been taking this business very seriously for four years with a four layers strategy:

- ▶ Atos is solution ready with up-and-running innovative platforms on the Cloud.
- ▶ Atos has all the elements to fully interconnect its clients with a large ecosystem to capture the full value of context-driven mobile services.
- ▶ Atos has the best positioning to leverage mobile business while letting its clients keeping the customer intimacy and the contextual data ownership.
- ▶ Atos solutions are designed natively with a pay-per-use model.

#### B.3.1 Marketing approach

##### B.3.1.1 Context

A Global Marketing function has been created in 2009 with two primary missions:

- ▶ Sales enablement: providing the Sales force with the Sales materials (offering presentation, customer cases) and the Sales speech to ease customer interactions and increase their effectiveness,
- ▶ Demand generation through the creation and the management of Global Sales campaigns focused on selected customer value propositions.

A Sales service portal has been created, which provides Atos sales force access to thousands of relevant Sales materials, training and knowledge content.

Over the last couple of years the scope of Marketing has been extended to include:

- ▶ Account-based Marketing to help reinforce our relationship with our largest customers,

- ▶ Bid-support to bring to bid teams the Marketing expertise in defining customer messages and crafting distinctive value proposition,
- ▶ Customer innovation forums to help Sales team propose innovation that creates value for customers,
- ▶ Market and customer intelligence to help Sales teams target the right customers and collect relevant intelligence about these targeted customers,

Marketing organization is fully aligned to the Group organization with Marketing teams in the field supporting the three dimensions of the organization: Global Markets, GBUs & SBUs, and Service Lines.

Atos Marketing function is fully measured against Sales targets like number of generated leads, pipeline created and Order Entry achieved.

##### B.3.1.2 What's new ?

In 2012, Atos Marketing function delivered over 6.000 trainings to sales on various Sales campaigns and initiatives and help generate more than 20 percent of Atos pipeline.

A major achievement of Marketing in 2012 has been the creation of the first Business Technology and Innovation Center (BTIC) in Atos headquarters in Bezons, and that has been inaugurated in September 26<sup>th</sup> 2012 by Thierry Breton, Chairman and CEO at Atos. The BTIC is a 600m<sup>2</sup> technology-intensive space that helps our Sales force

to prove Atos ability to deliver business innovation through the real-life demonstration of Atos various highly innovative solutions. 41 demonstrations were up and running at end 2012. In 2012 fourth quarter over 60 customer visits took place in the BTIC which generated many sizeable business opportunities.

In 2012, Atos was awarded with the prestigious trophy "Runners Up" of B2B Marketing Awards in the category "Best use of client information".

##### B.3.1.3 Atos Ambitions

In 2013, marketing objectives will be to:

- ▶ Increase Sales impact by testing a 'factory' for inbound and outbound telemarketing which will directly contact customers to generate leads to be further qualified and closed by Atos sales force. A pilot is currently being rolled-out targeting 10,000 decision makers within 1,700 targeted customers in the UK, Germany, France, Netherlands.

- ▶ Improve customer interaction by better leveraging Marketing automation tools and social media,
- ▶ Open other Business Technology and Innovation Centers in other core geographies of the group leveraging the BTIC in Bezons to get maximum impact at marginal costs.

## B.3.2 Markets

A description of context, achievement and ambition for the five Group's Market.

### B.3.2.1 Manufacturing, Retail & Services

#### Context

In 2012 the manufacturing sector in some geographies led the way out of recession, with the retail and service industries following an increasingly positive trend. Many of the large multinational customers in the sector posted record numbers and showed strong intentions to further enhance their position through targeted investments and programs. Towards the end of the year, renewed concerns over the economy, particularly in some countries in Europe, left all three markets in a state of renewed unpredictability.

In all three sectors, fluctuating demand created challenges with regard to both capital and cash flow. At the same time, even though most consumers are spending less, their expectations continue to rise as they look for both better value and increased choice.

Commitment to sustainability and ethical behavior remained strong, thanks in part to the recognition in all sectors that these are intrinsic to continued business success, not only in terms of cost and operational efficiency, but also in terms of brand and reputation.

Globalization will continue to be a driving force, and the ability to serve diverse markets and to optimize extended supply chains with real agility was regarded as a high priority throughout the year. There is a clear trend evolving which shows that the companies who established their global presence early enough are benefiting from the globally balanced setup. These are the companies which now have the resources to invest in further growth and optimization which is in many cases supported by IT projects.

#### What's New?

For Atos clients, business priorities remained largely stable in 2012. The key focus on improving business processes and on reducing enterprise costs, for example, continued to be strong recurrent themes.

There was a marked increase, however, in the emphasis which our clients placed on the importance of business process support applications, innovation and workforce productivity - and both of these reflect the demand for actionable, real-time information and intelligence across all three sectors.

Atos is well set to respond to these demands in the respective specialist sub-sectors with a dedicated and focused portfolio:

- ▶ Aerospace and Transport Equipment
- ▶ Automotive
- ▶ Chemicals, Metal & Mining
- ▶ Consumer Packaged Goods (Food and Beverage)
- ▶ High-Tech and Engineering
- ▶ Machinery and Plant
- ▶ Pharmaceutical
- ▶ Pulp, Paper and Wood

#### Atos Ambitions

With over 10,000 specialists in Manufacturing, Retail and Services, and 30 years' experience, Atos crystallized its focus on four specific solution areas of expertise in 2012 and each of the following items would contribute directly to our clients' business value:

- ▶ Product and service innovation - continuous innovation underpins success and differentiation in manufacturing, retail and service. Atos' depth of expertise in Product Lifecycle Management (PLM) is particularly relevant here.
- ▶ Manufacturing operations excellence - the traditional focus on operational excellence at individual plants needs to be radically extended across all operations. This becomes pivotal both in the drive to reduce the cost of production and in the ability to compress time-to-market for new products and services. In 2012, Atos further refined its Manufacturing Execution System (MES) proposition, boosting its ability to support clients in this critical area.
- ▶ ERP Consolidation and Harmonization - whereby Atos is helping many of the top international organizations to streamline global business processes and harmonize the supporting ERP systems around the world. Projects in the area typically result in significantly increased transparency and data quality, large cost savings and enhanced capability of Atos' customers to carve in acquired companies and carve out selected business units.
- ▶ Customer loyalty and brand equity - loyalty and brand have been massively affected by online presence and the ability to build and sustain client relationships at any time and from any location is high on our clients' agenda. Atos' depth of experience in CRM and hi-tech transactional processing combine with more recent developments in smart mobility to offer distinctive and differentiated propositions.

In manufacturing, Retail & Service, Atos continued to combine the value of foundation IT with industry-specific capabilities during 2012. This approach was rewarded with both a high proportion of contract renewals and a significant volume of new business.

### Industry-specific expertise

In each of the business segments, Atos has clear and differentiated industry-specific offers. Manufacturing and engineering are very much part of the Atos DNA, and this has been further strengthened with the launch of the new Atos. Highlights of 2012 include:

- ▶ **Product Lifecycle Management** - The new Atos has a very strong proposition with leading software solutions from partners such as Siemens, PTC and Dassault. Atos is particularly keen aiding both major enterprises in their desire to rationalize and extend PLM, and smaller manufacturing companies, in adopt what is fast becoming a "must have" PLM capability. This is one of

the reasons why Dynamic PLM became one of the first enterprise solutions which became available on the Canopy Cloud offering.

- ▶ **PLM on demand** - with Cloud delivery a clear path to business agility, Atos has refined its PLM proposition in partnership with Siemens to offer this critical capability as an on-demand service out of the Canopy Cloud environment.
- ▶ **MES** - during 2012 we extended our core MES capabilities with an extended range of consultancy services referred to as M4MES. This approach and the supporting tools help clients scope and value the MES opportunity and build a qualified business case for MES adoption across the extended enterprise.
- ▶ **Smart Mobility** - launched in 2010, our smart mobility capability was extended in 2012 with a strong emphasis on the automotive sector where a number of new contracts have been signed.

## B.3.2.2 Public sector, Healthcare & Transport

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### Context

Public sector, Healthcare and Transport (PHT) is the broadest of the market categories in which Atos does business. This is extended further when one considers that Education and Defense and Security, each specialist markets for the Company in their own right, are also included. Moreover, business related to major events and sports, as the Olympics IT Atos services since 1992, are classified nowadays under the PHT market umbrella.

With such a broad scope, it is important to retain focus on each sub-sector. It is, however, also possible to observe these sectors together, noting trends, concerns and challenges which they hold in common.

In 2012, their obvious shared characteristic was still budget constraint. The public purse was under extreme pressure, particularly in Europe where the challenge of reconciling the expectations of public sector employees and the citizens they serve in the face of tight public spending was front page news for much of the year.

It would be a mistake, however, to focus solely on finance. Across these sectors, we saw people and organizations seeking to exploit new collaboration and communication technologies in order not just to "do more with less", but also to craft entirely new modes of service delivery to the citizen and employee.

### What's New?

Across all PHT sectors, Atos can point to engagements in 2012, in which the intelligent and innovative application of information technology made a difference.

Also this year Atos had a strong and positive impact. With the strategic Go to market Atos MyCity, the Group has built a stronger profile which has brought immediate opportunities to share new ideas and best practices in both central and local government engagements.

MyCities program focuses on delivering integrated services to citizens across fixed and mobile devices, for the sake of a safe, well-governed, connected, mobile, educated and sustainable working city. Atos provides with MyCities a step-change in thinking about managing cities and their services: the key to a better long-term future. Having this new strategy at hand, Atos has enlarged in 2012 its footprint in the Nordics and North America by winning important new logos

With an integrated approach for transport, Atos made also progress for its clients. Atos Connected Travel Management delivers integrated solutions, focused on the needs of passengers and operators, alike: ensuring convenience, efficiency and speed for every traveler, with efficiency and profitability for operators.

The Atos solution portfolio covers every stage of the travel experience, from journey management, with multi-channel options for reviewing options, making informed decisions, buying in advance and accessing real-time



information on the move, to ticketing and settlement, giving operators integrated solutions for automated payment, revenue collection, and distribution between multiple companies accurately and efficiently...

Atos is also strong in Rail Operations, covering the short/long term planning as well as dynamic control/operational decision support for companies and regulators, Postal services, being IT outsourcing or postal vertical solutions, and in airport and aviation services.

### Atos Ambitions

Atos' ambitions for the Public sector, Healthcare & Transport will continue to focus on areas in which our expertise creates value and differentiation.

Foundation IT services will remain an essential element in our engagements in these sectors: managing the infrastructure and applications on which our clients rely, and providing the support that their workforces need to work productively, safely and securely.

Increasingly, however, we will shape our capabilities to drive the strategic direction of information technology use for our public sector, healthcare and transport clients. Cloud, for instance, becomes a central element here. Public service organizations are now changing IT model to Cloud, for which customers need a partner they can rely in. Atos offers the public customer the maximum flexibility to adapt to his particular needs, providing all kind of infrastructure Cloud services, hosted or on premises, delivering ad-hoc Cloud applications or providing software as a service when needed; leading the Helix Nebula project to establish reputable Public Cloud standards or showing best capabilities in consulting services to move to Cloud. Atos counts on the support of his branch Canopy, participated also by EMC and VMware, for the best results.

Throughout the Public sector, Healthcare & Transport, the massive uptake of smart mobile technology in people's private lives has an immediate influence on their expectations of public service. Here too, Atos is intensely focused: designing education infrastructures, for example, to allow people of all ages to pursue lifelong learning and to leverage Atos experience during London 2012 in providing a secure access to own devices of athletes, volunteers and journalists for Atos PHT clients.

Security remains high on the agenda across these sectors, and here too, Atos has a particular strategic focus. We are actively involved in national security initiatives, with identity management, border control solutions, risk management and secure communications all featuring in our activity. We have also been increasingly involved in the development of the strategic approaches needed to counter cyber security challenges.

Atos does not position itself only as an IT service supplier to our PHT clients. We are extremely pro-active in our stance, and aim to establish relationships of genuine partnership. Formal collaboration between public and private sector organizations, with appropriately crafted contract and commercial models, is now a recognized business model in the public sector, and one which Atos actively endorses. We aim to anticipate need, as we become actively involved in both strategic and operational challenges.

Atos has a clear understanding of the trends affecting each of the PHT markets, and has crafted focused strategies and approaches for each, as summarized below.

### Industry-specific expertise

The ability to craft foundation IT services to meet the specific requirements of Public sector, Healthcare and Transport clients is an essential capability. The way, for example, that a local government uses Cloud-based information delivery to the citizen may be very different from the way in which central government agencies exploit shared service centers.

Atos also offers a broad spectrum of highly specialized solutions for its clients in Public sector, Healthcare and Transport. A small selection of these is illustrated here:

- ▶ eGovernment Frameworks - helping public sector agencies integrate services securely and efficiently.
- ▶ Smart Mobility solutions- helping local governments to engage citizens in co- managing the city environments
- ▶ Ticketing and journey planning - giving people the tools they need to plan journeys and purchase tickets with maximum value and convenience, from both fixed and mobile devices.
- ▶ Defense logistics - creating secure asset co-ordination systems which can be shared at both national and international level.
- ▶ eHealth solutions - exploiting the best in communication and collaboration technologies to inform and educate the patient.
- ▶ Civil and national security - a full-spectrum solution and service approach that helps clients to detect, prevent, respond and recover in a network-centric environment. This comprehensive suite of answers from mission planning and border management to data fusion and emergency response will deliver more integrated and more agile information performance.
- ▶ Cyber - deeply interconnected to Civil and national security, cyber is a new domain that supersedes previous technologies since it can affect a whole society at once, with attacks launched from any location, at any time and using any level of complexity. Atos has created the Three 'must-do's customer should apply to protect their citizens, partners and own network from cyber threats.

### Significant Wins in 2012

Atos won significant PHT contracts in all key geographies during 2012, spanning industry-specific solutions, foundation IT services and hi-tech transactional services.

Highlights included New IT outsourcing contracts with the City of San Diego, PostNord in the Nordics and the Department of Health in the UK; Business Integration Solutions for Shared Services Alliance (SSA) in the UK as well; Business intelligence solutions for Bundesagentur für

Arbeit in Germany; Supply Chain Management and Cloud Computing Department for Work and Pensions; smartcard scheme for transport in Greater Manchester.

2012 was also a year of important contract renewals. These included Dimpact - Delivery of the eSuite product suite for local government in The Netherlands, Information and Communication Technology services for the Welsh Government; IT outsourcing and mainframe hosting OGCIO Hong Kong.

### B.3.2.3 Financial Services

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#### Context

2012 saw a re-intensification of the debt crisis with Governments struggling to balance both debt reductions and also promote growth. Particularly in Europe, renewed economic concerns over Greece, Spain and Italy resulted in a more cautious business investment climate and negative economic growth. US and Asia Pacific continued to progress but at a weak rate of growth.

Wide ranging Financial Services regulation supervisory and policy framework changes are increasing become clearer impacting the industry e.g. Eurozone banking union creation, separation of investment / retail banking, transparency of balance sheets and capital ratios - all of which are driving fundamental change in industry business models

For banking and insurance the "back to basics" trend seen in 2011 intensified with companies seeking to both capturing growth opportunities on the one hand whilst aggressively reducing operational cost on the other. Many of the leading Banks and Insurance companies announced ambitious multi-billion Euro transformation and cost reduction programs. Furthermore, the focus is still on rebuilding trust at an individual level and to maximize the opportunities for business with each customer.

#### What's New?

The large-scale business model transformation programs initiated by Financial Services companies are both a significant challenge and also a huge opportunity. Short term cost reduction for the FS IT Service industry has been strongly evident in the major markets in 2012. On the opportunity side Atos is recognized one of the few leading international IT Services companies with scale and technology know-how to be a major business partner.

Banks and Insurance companies are expected to channel investment into a number of growth and cost reduction topics that are strongly aligned with the strengths of Atos.

Growth topics for Atos supporting its clients

- ▶ Assisting international customers capturing growth in key geographies e.g. BRIC, Asia Pacific
- ▶ Supporting strengthening core businesses e.g. Commercial Banking, Global Transactional business, Payments
- ▶ Solutions delivering a more compelling customer experience exploiting mobility, social and life style information

Cost reduction topics for Atos supporting our clients:

- ▶ Process support for simplifying business models - product reduction and lean process optimization
- ▶ Regulation capital ratios driving further balance sheet optimization and move to OPEX models (Pay-per-use models, Cloud solutions)
- ▶ Great user of shared services and low cost location exploitation (Near- and offshore solutions)
- ▶ The use of IT to automate processes, provide simplified global platforms and a further flexibilisation of costs for our clients

#### Atos Ambitions

The Atos financial services strategy is clearly delineated, and the new company rapidly brought together its complementary capabilities from July 2011. The Company made the comparison and combination of offers and client portfolios its top priority at launch.

We recognized immediate opportunities to extend business into new geographical markets, encouraging international business growth with selected customers and encouraging top line synergies in terms of portfolio expansion.

During 2012, Atos continued to refine its foundation services for financial services clients, building on its reputation as a provider of core infrastructure and application services, with Cloud naturally becoming part of the equation. Identity, security and risk management, together with data center operations also featured prominently.



The critical emphasis, however, was placed on market-specific solutions and services, in which Atos could take full advantage of a depth of experience of banking and insurance processes. These include our powerful assets of hi-tech transactional services and core platforms.

Atos Financial Services proposition for growth and value creation is based on a compelling combination of added value products and services, geography expansion and focus on major customers. During 2012 progress in building a solid platform for growth was made through:

- ▶ **Added value Product and Services**
  - Atos is a leader in foundation IT services - financial services companies see many areas of IT as non-core. The move to standardized, scalable and secure platforms, utility commercial models and increasing exploitation of private Cloud offers enormous savings to customers. Atos is the #1 global Managed Services provider in Europe. In the area of applications management Atos is in the top #7 globally (IDC July 2012). In 2012 Atos was widely recognized as a leader in delivering modern foundation IT Services and the announcement of Canopy on Cloud is an exciting growth business.
  - Atos brings unique Industry specific services - complex business transactions which require deep industry expertise, benefit from sophisticated application automation and harmonization and also processing scale is an USP (Unique Selling Proposition) for Atos. In areas such as Payments, Clearing and Settlement and e-banking Atos provides an end-to-end SaaS or BPO business models to financial services clients. Atos HTTS is #1 in Europe and in the top #5 for payments. FS customers need strong business partners and HTTS is unique in bring this combination of scale and expertise to customers. In 2012 major renewals and expansion into new geographies such as CEE underpins the strength of this business.
- ▶ **Geographical expansion**
  - Atos Financial businesses in Asia-Pacific, North America and CEE continue to see significant demand from customers. New customers and resources in these regions are leading to the progressive development of the business.
- ▶ **Business Partner - Top 20 and International customers**
  - Atos FS is a business partner with our top 20 customer including international customers - these deliver - 50 percent of our revenues. In 2012 the focus on these customers led to positive major contract renewals and extensions as well as new strategic contracts. Our intention remains to further develop these business partnerships both with additional services and internationally.

### Industry-specific expertise

Atos attention to market-specific solutions and services which address the business issues of our customers and are large strategic investment growth areas has progressed positively and shown results. Highlights of 2012 include:

- ▶ **Multi-channel management:** Customers continue to spend heavily on major projects which provide compelling e-banking customer experience, exploit intelligence from social networks and utilize "Big Data" for better targeting segmentation and targeting of up-sell/cross-sell offers. Atos provides modern functional rich multi-channel banking solutions combining Smartmobility, social network and "Big Data" solutions. We see growth in both customized solutions specific to the needs of customers or increasingly the use of package solution from niche partners.
- ▶ **Hi-tech transactional services:** We extended the geographical targeting of our main payment solutions. Short term we see significant growth opportunities for supporting Payment Services solutions such as Fraud, Authentication, Internet Payments and SEPA for Corporates in both existing and new geographies such as Turkey, Poland, Iberia, Italy, Germany and UK. As the leading provider in Europe, our high profile in mass processing of financial transactions brings attractive benefits for customers.
- ▶ **Risk, regulation and compliance:** IT Risk, Compliance and Security are core offerings both standalone and embedded in our main Outsourcing offerings continues to show demand. In addition on the business risk side we increased the attention on solutions for liquidity risk management in areas such as Asset Management.
- ▶ **Core process transformation banking and Insurance:** Atos has a deep knowledge of core banking, insurance and Corporate Finance/HR/Procurement processes. We see opportunities from customers seeking to further increase agility, reduce operational costs and achieve regulatory compliance by consolidating and selectively outsourcing these core processes. Atos is well placed to provide solutions with our partners such as Oracle and SAP, combined with Atos business and integration expertise e.g. we have over 8000 specialist for SAP and are a top #5 global partner.

### B.3.2.4 Telecom, Media & Technologies

#### Context

Although telecommunications, media and technology are both distinct markets, with distinct challenges, crossover continued during 2012: telecommunications companies exploited the device and application platforms of technology companies over which media companies delivered content and enterprise companies did improve their productivity by increased digitally supported collaboration.

Voice and data traffic volumes in 2012 were staggering. It's not surprising: Smartphones did overtake PCs as primary internet devices in large economies like China during 2012, already. Despite these traffic volumes, telecommunications revenues remained more or less flat - in Europe at least. This contrasted with the strong revenue growth of the emerging markets of Brazil, Russia, India and China.

Despite these volumes, the challenges are clear:

- ▶ **Telecommunications:** companies face near-saturation in mature and consumer markets. Tougher competition leads to a decrease in Annual Revenues Per User, with profit further eroded by the need to invest in network capacity, and the emergence of new pure internet and Cloud players. Erosion of traditional revenue streams pushed telecommunications companies increasingly towards new earners - Cloud for enterprise and consumer markets, along with increased interest in machine-to-machine communication began to raise serious interest in this respect.
- ▶ **Media:** the passage from analog to digital is relentless. Audiences become increasingly fragmented and media services more personalized as a result. The challenge of managing monetization is acute and increases in complexity as the choice of platform expands. For press-based publishers, the need to carry content through to online and digital media remained an unavoidable imperative with its associated monetization opportunities and challenges.
- ▶ **Technology:** competition is fierce as the gap between innovation and commoditization shrinks. Acquisition and consolidation are rife, and the Cloud shifts emphasis from hardware to software.

#### What's New?

In 2012, Atos clients in telecommunications, media and technology continued to pursue operational efficiency aggressively, and this was reflected both in their insistence on more effective IT spend and on their focus on making core processes, such as billing and CRM ever more agile and efficient. In all cases, organizations are under pressure to "do more with less", and even when IT budgets remain static or diminish, the insistence that IT should better support business objectives remains very much in evidence.

In all three sub-markets, increased and often completely new forms of competition lead our clients to critically examine their core business. As a result Atos not only continued to win IT outsourcing business, but also increased its proportion of hi-tech transactional processing.

The extended Atos capabilities were most evident in Cloud service offerings and expertise in billing solutions. For our media clients, we gained extensive capabilities in digital media facilities for the first time.

#### Atos Ambitions

There is a natural fit for Atos in the telecommunications, media and technology sectors: all the services they offer are underpinned by IT-enabled processes, which is where our own key competence lies.

In each of these sectors there is a continued demand for foundation IT and Atos' continuing leadership position in foundation IT and IT outsourcing for telecommunications remains central to our development strategy. The world of telecommunications, media and technology is increasingly globalized and the strength and agility of our own global service delivery model resonates strongly in these sectors. For our media clients, the continual drive from analog to digital remains a constant theme, and Atos' new capabilities in studio transformation illustrate this focus well.

Atos will continue to build business with the major players in its key European markets, but will also heighten focus on North America and on emerging markets, especially Eastern Europe, Latin America and Asia-Pacific.

As always, however, it is the industry-specific capabilities which create the greatest differentiation. We will always seek to enhance stand-out with the "end-to-end" nature of the proposition. Atos has 9,000 IT and business specialists working full time in telecommunications, media and technology. Their skills combine consultancy, system integration skills, ongoing service management, and, unusually, full transactional services.

Offer development in 2012 took into consideration the fact that in all sectors in which Atos is active, our clients are themselves highly dependent on telecommunications, media and technology. The emphasis we have placed on smart mobility, for example, shows how we can sell both with and through telecommunications and media companies to help meet the demand for new, context-driven mobile services in other sectors.

### Industry-specific expertise

Atos has developed numerous offers for the specific market requirements of our clients in telecommunications, media and technology. In 2012, we gained particular market traction with four of these:

- ▶ **Cloud Platforms** - Increased network capacities, the ever increasing computing power of end user (smart) devices and the change of how customers are interacting/collaborating as well as how they are consuming Media enables and demands new ways to deliver communication, collaboration and media services. Atos offers his expertise and scale in the IT application and infrastructure domains to operators (both; on the end user device as well as the Cloud perimeter) to successfully combine those IT skills/assets with the vital network assets of the operator for new value added end customer services as well as a highly cost effective and efficient operation.
- ▶ **NGIN** - our Next Generation Intelligent Networks are one of the few commercialized solutions on the market which allow mobile operators to fully exploit fixed/mobile convergence. This is particularly useful in the enterprise space, and allows operators to offer genuinely integrated contracts and services across fixed and mobile devices.
- ▶ **Digital Media Facilities** - the design and management of digital media facilities is highly specialized and requires deep knowledge of both rapidly evolving technology and of media culture and operations. Key to success is the ability to help media companies create and syndicate content with exceptional agility across multiple channels. Again, the drive to transform analog to digital is continuous, and the associated desire to create and deliver content seamlessly across multiple channels contrasts starkly with the traditionally fragmented media landscapes.
- ▶ **Billing solutions** - billing in telecommunications is unlike billing in any other sector. Billions of micro-events must be recorded, aggregated against variable tariffs, billed and collected. This already complex scenario is made even more demanding by the need to continually enhance and extend client service, minimizing churn which often runs in excess of 20 percent. Atos offers full billing solutions, with fully outsourced transaction processing if desired. Consolidation and harmonization is an Atos specialty in markets where heterogeneous heritage systems are now widely perceived as barriers to operational efficiency and agile business development.

### B.3.2.5 Energy & Utilities

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#### Context

In many ways, 2012 for the Energy and Utility sectors was a case of "more of the same": the continuing economic, operational and environmental pressures of the previous year remained largely unchanged, and indeed, they are set to remain constants in the years ahead.

In Oil and Gas, the technical challenges of safe and cost-effective extraction under tougher conditions continued to increase. Energy companies increasingly need to focus on extraction from deep water, arctic and otherwise highly inaccessible reservoirs. Sites which would previously never have been considered economically viable now become an economic necessity, and in these scenarios, IT and operational intelligence become more important than ever.

In 2013, we expect to see a significant increase in drilling in tight reservoirs, and for this to be effective, it must be accompanied both by a high degree of IT-enabled automation on site and by extended connectivity to multi-disciplinary operational control centers.

In addition, 2013 should also see further increases in fracking as a means to capture natural gas from shale deposits. While in the US, significant reductions in the cost of gas are already being attributed to fracking, elsewhere in the world, the real impact has yet to make itself felt.

As always, in Energy & Utilities, geo-politics also remains a constant influence on both global and local markets. Perhaps the most significant of these in 2012 were the Russian quest to reduce dependency on the West as its primary client for energy sales and the corresponding and continuing demand for energy in China and the East.

In the Utilities sectors in 2012, we witnessed a continuing shift from centralized to distributed power production. This was due in part to the ongoing growth in renewables which in turn is strongly influenced by consumer and social concern over environmental issues.

It is notable however, that different conditions and considerations prevail in different geographies. While in Germany and Austria, for example, nuclear is not an option post-Fukushima, in the UK and France, its profile remains largely unchanged.

Smart metering remains central to the ability to create and manage distributed networks, and progress was sluggish in 2012. All players recognize the need for mass smart metering, but the pace of mass adoption was slower than anticipated. In 2013, we expect the momentum for full-scale smart metering to begin to build in those geographies which are currently lagging behind, with real mass roll-out taking place from 2014.

At an operational level, many Utility companies also struggle with aging infrastructure and indeed, with an aging workforce. This is true for all Utility sub-sectors, including those providing water and waste management services. The costs of major projects are significant, and Utilities are keen to explore contractual models with partners that allow them to switch from capital to operational expenditure. The emergence of Cloud computing with its pay-per-use models is particularly relevant here, especially in working environments where such a large proportion of the workforce is mobile.

#### What's New?

For Atos, 2012 was a year of positive and significant integration in all its Energy and Utility activities. Across these sectors, effective decision-making is increasingly dependent on the ability to derive actionable intelligence from increasing volumes of operational data. The Atos ability to manage real-time data now becomes hugely topical for both oil and gas and utility clients.

Not only does the ability to generate intelligence from raw real-time data underpin the viability of new exploration and extraction. It also becomes pivotal to effective management and cost-reduction across the multi-disciplinary and multi-party supply chains which remain a distinguishing characteristic of these sectors.

Atos skills in systems integration combine with deep industry knowledge to add real value here, as we help clients reveal new intelligence while protecting critical investments in heritage systems. Our recognized expertise in SAP is particularly relevant here.

2012 also saw the alliance between Atos and Siemens go from strength to strength for our Energy and Utility clients. Our two companies ran numerous innovation workshops for clients, sponsored at the most senior executive level. Siemens' leadership in the management

of operational engineering data, for example, was seen to create exceptional value when combined with the Atos ability to design and implement ergonomically advanced dashboard display systems.

Another example of the added value of this combination of engineering and IT skills is reflected in the Atos mobile data centers, designed specifically for use by energy companies in the most hostile of environmental conditions. Completely self-standing, with full independent power and climate control, mobile data center modules can be established for temporary or semi-permanent use at any location worldwide.

Following the successful foundation of the new Atos in 2011, 2012 was also the year in which the specialist resources of the new company were effectively integrated to deliver maximum value for company and clients alike.

Atos Worldgrid became the focus for this industry-specific integration. Atos established Atos Worldgrid in 2010 as its specialized unit focused on the industry-specific IT and critical real-time process requirements of the energy and utility sectors. In 2012, Atos acquired two highly significant industry units following the formation of the new company in 2011: e-utile in Italy and energy4u in Germany. With their specialist focus on smart metering and smart grid, these two units have been fully integrated within Atos Worldgrid, extending the workforce to a single team of over 1,600 industry specialists.

The strategic focus of Atos Worldgrid was refined during the course of the year to cover:

- ▶ Oil and Gas - with emphasis on Big Data and asset management
- ▶ Power generation - with continued specialties in nuclear
- ▶ Smart utilities - covering all operational and commercial aspects, combining both meter-to-grid and meter-to-bill

Beyond its specialist Atos Worldgrid unit, Atos dedicated significant efforts in 2012 to ensure that its more generic foundation IT services were effectively tuned to meet the specific needs of its Energy and Utility clients. Every Energy and Utility company is under continuing pressure to reduce the cost and increase the agility and value of all core IT services, and Atos is well-positioned to help achieve this.

The investments made in developing Cloud and virtualization services, for example, make it possible for us to offer Energy and Utility clients an increasing range of IT services without the need for capital investment. This is not just about reducing cost, however - it is also about consciously boosting workforce productivity. Making fully integrated unified communications available to specialists in widely distributed and mobile locations, for example, helps maximize their effective contribution.

### Atos Ambitions

During 2013, Atos will continue to leverage its full spectrum of capabilities as innovative business technologists. These span the highly-specialized industry-specific skills of Atos Worldgrid and the market-leading high-tech transactional services of Atos Worldline, on the one hand, and its exceptional depth of expertise in foundation IT on the other.

As stated previously, the mass adoption of smart metering, did not meet expectations in 2012. During 2013, Atos has the objective to be instrumental in helping to change this. In doing so, we shall exploit our specific skills in smart metering and smart grid: our project management systems for mass roll-out, for example, are amongst the most robust and innovative in the industry.

At the same time, Atos wants to place even more emphasis on its strengths in Systems Integration. Times remain tough for our clients, and systems integration makes a critical contribution both in maximizing the value of existing assets while reducing the risks involved in transformation to new, Cloud-based models.

Our geographical ambitions will also continue to grow in 2013 and we shall build out from our heartland in Western Europe to capitalize on existing initial achievements in Eastern Europe, in China and in Latin America.

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### Industry-specific expertise

Atos continues to differentiate itself through the depth of its industry-specific expertise in the Energy and Utility sectors. This is clearly evident in focus areas such as Big Data analytics for oil and gas companies or in its extensive capabilities in smart grid and smart metering. It is also worth noting, however, that the company's market knowledge adds depth and value to an extensive range of foundation IT services too: the workplace services required by a team on the tundra are not the same as those for a high street bank.

Innovation, as always, will remain at the heart of our overall strategy in these key markets, and areas of particular interest for 2013 and beyond include:

- ▶ **Big Data analytics:** With focus on both operational and exploratory intelligence on the one hand, and commercial and consumer data on the other.
- ▶ **Enterprise Application Stores:** Enabling Energy and

Utility companies to exploit the Cloud for optimized management and delivery of both industry-specific and generic commercial and business applications.

- ▶ **Oilfield monitoring and optimization:** Creating a comprehensive digital dashboard of all upstream operations.
- ▶ **Nuclear instrumentation and control:** Every French nuclear power station uses Atos systems.
- ▶ **Smart Metering and Smart Grid:** Atos solutions cover both commercialization and operation and are supported by exceptional global system integration capabilities.
- ▶ **eCar and eMobility Solutions:** Atos is at the forefront of innovation, with the Siemens alliance adding another dimension to its expertise in on-board and charging systems.
- ▶ **Foundation IT:** Establishing and sustaining the cost-effective and agile IT platforms every Energy and Utility company needs to excel.

### B.3.2.6 Strategic Sales Engagement

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Companies have always been trying to manage their IT Budget while simultaneously gaining flexibility and innovation. Due to the financial crisis they must control their IT Budget even more than ever. Whereas in the past cost reductions were achieved by industrialization, standardization, and by using a mix of near-shore and off-shore resources, today there is also today an increasing focus, also on innovation, virtualization and automation topics such as Cloud computing or Atos' Virtual Desktop Initiative, Workplace of the Future themes, etc.. Many of these require flexibility on demand or, at the least, "Pay as you use" business model providing high flexibility for the customers if their volumes are moving.

Therefore, today's large projects, even if they come in more phases or segments than in the past, are more complex in terms of the required technical and commercial solution, more global, more strategic and long-term oriented. Instead of having one partner per country or region, very often customers now require one or two partners servicing all of the customers' geographies. In some cases the customer even requires service that is universally available, regardless of geographical presence of the respective service provider. The successful partner needs to fit well into the customers' Eco System, his global

stretch and different local cultures. The success of today's large deals is measured by its direct added value for the customer's operations and its associated costs. However, this also requires changes at the customer level as he must implement a professional Demand Organization to manage multi service partners in several geographies.

Thus, large, multi-country or even global deals represent a high level of complexity for which a dedicated team of internationally proven experts is required. Atos, being one of the leading innovative IT Services providers, has got the answers.

#### What's new?

By acquiring Siemens IT Solutions and Services (SIS) the new Atos became a leading European based IT Services Company. With the clear view, that growth will, amongst others, be generated by winning new logos and pursuing larger, multinational or global deals, Atos established a new unit called "Strategic Sales Engagements" (SSE). SSE is split into:

- ▶ local SSE, units within the larger Atos' GBUs to focus on the large deals predominantly within the GBU
- ▶ a global SSE unit to focus on even larger, multi-country, multi-geography deals.

Bid Teams are staffed from a mix of multicultural SSE resources such as:

- ▶ Deal Developers / Makers (Customer focus; Strategy Development, Relationship Manager and overall coordination),
- ▶ Bid Directors (Pursuit Project Management, Strategy Execution, Bid Budget Development and Controlling as well as end to end Management of the entire bid team),
- ▶ Financial Architects (designing innovative, commercially attractive and tax proven financial models, etc.).
- ▶ Other important GSSE roles during and prior to the bid phase are:
  - Outsourcing Advisors (shaping the fit of Atos' USPs to the customers' strategic and operative requirements, developing partnership and M&A models, Benchmarking, etc.)

- Business Consultants (setting and facilitating strategy workshops, etc.),
- Also included are experts from GBUs and Global Service Lines such as Solution Managers, Solution Design Architects, Transition and Transformation Managers: Subject Matter Experts, like HR, Legal, M&A, or Tax.

The deals in focus are covering all geographies and all Service Lines of Atos.

### Atos ambitions

Atos' ambition is to reap a significant share of the large deal market by leveraging its size and expertise and successfully selling Atos' horizontal and vertical portfolios to current and new, large, international customers.

### B.3.2.7 Atos Siemens alliance

The strategic Alliance between Atos and Siemens was launched in July 2011, as an integral part of the transaction between both groups to combine their IT solutions and services resources. The objective of this unique Global Alliance between a global industrial technology manufacturer and a global IT provider, is to maximize the combined strength of Siemens' products and solutions with Atos' foundation IT and business enabling IT solutions.

Under the drive of a combined business development team, represented at the highest level - the Alliance leaders from both Atos and Siemens are part of the Senior Management of each Group, and on the Atos side, part as well of the Group Executive Committee - the Siemens Atos Alliance has actively developed in 2012 each of the four pillars that underpin the successful development of additional joint business:

- ▶ More than 15 defined collaboration areas in which a joint business approach promises to create compelling propositions for our customers and additional value for both of our own companies;
- ▶ Joint innovation by the use of a EUR 100 million investment fund, where both companies are contributing an equal share, focusing on generating new, unique and competitive joint solutions
- ▶ The participation of Atos in Siemens One, the Siemens go-to-market framework for large scale accounts
- ▶ Country level collaboration focusing on local opportunities on joint customers

### The global Alliance, a lever for growth and innovation based a global and location collaboration

Regarding the Collaboration Areas, joint teams are teams active in a number of domains in all relevant industry sectors:

- ▶ Industry and Manufacturing with a focus on Product Lifecycle Management, Manufacturing Execution Systems
- ▶ Energy
- ▶ Healthcare with a focus on cloud based solutions
- ▶ Transport, with a focus among others on Road Transport, and Rail Operations
- ▶ Infrastructure, with a focus among others around Airports and Data Centers
- ▶ Most recently identified collaboration area is in the field of Oil & Gas, with already target customer opportunities where a joint approach is being structured.

With regards to the joint investment projects, seven projects have been approved by a Common Investment Committee. The most advanced projects have already been actively promoted to customers and at industry events, and the first customer projects based on these investments and innovations have already been awarded.

Furthermore leveraging a network of managers in all the geographies of the group, locally responsible to develop joint initiatives and opportunities between Atos and Siemens, the alliance governance model has been rolled out in a first set of focus regions, namely



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Germany, France, UK, Spain and CEE. In these countries target joint opportunities have been identified and regular management and sales contact between the local organizations of Atos and Siemens creates the ground for further Alliance development in 2013. Further "regionalization" initiatives will be pursued in India, Belgium and the Netherlands and ad-hoc contact is ongoing in many other promising countries.

### **Looking ahead: amplifying the first successes of the Alliance**

2012 has been the first full year of execution of the Siemens Atos strategic Alliance, after a significant effort in 2011 on structuring and aligning the organizations' expectations. More domains of collaboration were identified, joint investment projects launched and first successes in joint customer sales recorded.

In 2013, focus will be on pursuing this effort, bringing to market the products created jointly thanks to the investment fund and ensuring appropriate return on such investments, and strongly developing the joint funnel of customer opportunities through enhanced local collaboration in the regions and strong push in the collaboration areas.



### B.3.3 Service Lines

#### B.3.3.1 Managed Services

##### Managed Services overview

Atos specializes in managing and transforming the IT operations of its clients and is ranked in the top three in the European market and in the top six globally. Managed Services represents around EUR 4 billion and has 28,500 staff worldwide in 47 countries. We are one of the few companies that can provide all the 'design, build, and operate' elements of a complete outsourcing solution providing the management and transformation of end-to-end and joined-up workplace, infrastructure, application, security and Cloud services.

The main revenues of Managed Services come from Infrastructure and Cloud services, Workplace solutions, Application operation, Network and Communication, and Mainframe and are broken down as follows:

- ▶ 47 percent - Data Centre, Managed Infrastructure and Cloud services
- ▶ 30 percent - Workplace Services including service desk
- ▶ 12 percent - Application operations
- ▶ 11 percent - Network and Communication services

The top five geographical Business Units from a revenue perspective are Germany, UK&I, Benelux, North America followed by France.

From a market perspective, 42 percent come from Manufacturing, Retail and Services. The following markets make up 17 percent each: Financial Services Public sector, Healthcare & Transport, and Telecoms, Media & Technology.

In 2012, Atos signed several large deals with new customers as well as existing contract renewals and extensions representing circa EUR 4.5 billion with a duration between 4 and 7 years.

The geographical reach and mix of the new large deals - North America, Northern Europe (Nordics), Germany, UK and France- reflects the new scale of the Group and capability of Atos Global Delivery after the SIS acquisition.

##### Cloud services from Atos success story continues

Atos continues its drive to become the European leader in private Cloud infrastructure and continues to make substantial investments in order to achieve this ambition.

In 2012 Managed Services started an accelerated developing Cloud as a "start up" organization which already shows some first successes. New services like "Trusted Agile Infrastructure", the "Anytime Workplace Suite" including the "Anytime Communication & Collaboration Cloud" as part of the Managed Services Cloud Portfolio, are well perceived from our customers and helped to win the new logos in 2012. Further development to improve of our "Cloud Infrastructure Services" and "Flexible SAP Operations" Cloud services continued to ensure the success and growth of our already established Cloud offerings.

The Cloud services are based on a solid track record in supplying and integrating Cloud and utility based services (dedicated, private, and/or shared) and as such Atos already delivers more than EUR 160 million in revenues from Cloud solutions on a yearly basis. This is in line with the Gartner prediction that, as of 2011, companies would be deriving more than 5 percent of their revenues from Cloud solutions. Therefore, the ambition for our Cloud services is to achieve revenues of over 1B EUR in 2015.

Providing both global and local capabilities complemented by our strong security and market expertise, Managed Services will be providing infrastructure, platform and software services all 'as a service'. Atos will develop new partnerships with SAAS and PAAS players in the market, and has recently enhanced the partnership with Microsoft on a global level by signing the "productivity private Cloud" agreement.

### Data center and managed infrastructure capabilities

The acquisition of SIS has resulted in a total of more than 80 data centers and more than 100 data rooms of varying sizes and qualities coming from Atos Origin and SIS providing over 93,000 SQ meters Data Centre space.

Early in 2011, before the deal closing, Atos has identified the future data centers for the Group and 13 locations around the globe have been chosen to concentrate the main investments. In addition, in order to sustain growth and consolidate operations in these locations, Atos aims to close 40-50 locations in the next few years in order to reduce its costs by around 12 percent.

The Green Cloud, Atos' new concept where the company offset the carbon footprint of its customers in its data management, is now introduced. This project underscores Atos commitment to sustainability and evidence of this can be found with Atos opening a new data center in Helsinki, called eco-efficient. For the cooling of the data center, Atos is leveraging the cold sea water and using the heat generated by the data center for heating the equivalent of 2,000 homes in the neighborhood.

From these energy efficient global Data Centre's Atos has a strong track record of providing managed infrastructure services with a full range of end-to-end SLA backed infrastructure services including: server, storage, mainframe, network and Cloud portfolio. Atos enhanced the capabilities and provides now 130,000 managed server instances 39,500 MIPS, up to 90,000 terabyte storage and 13,000 Computing on Demand, Cloud instances. The Group priorities are simple and they include meeting Tier-1 profitability by 2013.

Gartner recognizes our stature as a company that understands the future needs of the enterprise in the Data Center Area, positioning us firmly in its 2012 "leader quadrant" for European Data Centre Services.

### Workplace and Service Desk capabilities

The Adaptive Workplace provides modular and innovative workplace and service desk services, based on extensive, proven experience in all industry sectors. Today, Atos manages 2.5 million seats, with ten global service desks operating as one virtual global delivery unit, complemented by 39 local serviced desks, handling in excess of 45m tickets annually in 39 languages. This is combined with onsite support capability in 149 countries, giving Atos has a true global workplace services footprint. The global delivery organization has a total headcount in excess of 9,500 staff. The largest locations include the Philippines (1,100 personnel), Morocco (600) and Poland (540). The breadth of the Adaptive Workplace services cover key areas of growth and client value, such as virtualization of the desktop, available from our private Cloud complimented with management of mobile devices (tablets and smartphones) and enterprise ready services so Atos customers can benefit from securely introducing solutions such as "bring your own device" and corporate file sharing. For end users "one size fits all" is no longer applicable, and the Adaptive Workplace approach results in a user experience where working anytime, anywhere with any device is reality.

The successful release of new SaaS based workplace offerings including Office 365, A3C (Anytime Communication & Collaboration Cloud from the Atos private Cloud) and inclusion of social collaboration solutions, has placed the way we work today and in future, at the core of the Atos approach. In turn, reducing costs and increasing agility and mobility of end users, whilst opening the door to Zero email™. Enabling this new way of working within a user centric, creative enterprise environment is central to the future direction for Atos. This will be supported by continued optimization and enhancement of our offshore capabilities and investment in automation, coupled with a reduced carbon footprint, through initiatives such as bringing desktops into green data centers.

Gartner recognizes the Group stature as a company that understands the future needs of the enterprise end user, positioning Atos again in its 2012 "leader quadrant" for European desktop and service desk outsourcing and stated "Atos has a sound and thorough understanding of the future needs of end-user organizations and a clear vision of the direction of the market."

The acquisition of SIS, gives Atos the platform to truly compete on a global scale, and in 2012, Atos' new customer wins and performance in Gartner's Magic Quadrant's for Desktop and Service Desk Outsourcing in North America, complimenting the position attained in Europe, provide clear proof points to support this.

### Application Operations capabilities

Following the acquisition of SIS Atos now manages over 1 million SAP business users, more than 5,000 SAP instances and 5,000 managed business application instances (1.5 million users).

Application Operations offers a key differentiator for managed services focusing on application availability and offers a compelling alternative to the in-house operation and support of the IT infrastructure with a flexible end to end, business outcomes approach to meeting our customer's application requirements.

Key developments in this domain going forward will be expanding the Cloud based offerings with key business relevant differentiation, offering Extreme Performance Computing environments, vertical sector solutions and providing services to emerging and fast growing economies.

### Network and Communication capabilities

Network and communication services provide our customers with the essential connectivity services to provide fully managed network, voice and communications services in and out of the Cloud. We provide global, standard, repeatable and innovative services to meet the high expectations of a dynamic mobile, global workforce.

Our evidence of scale is proven by facts such as managing the world largest Microsoft unified communications installation for a single client with 360,000+ seats, and have WAN MPLS reaching to 120+ countries via our network partners. With over 1 million LAN ports, 500,000 PBX/PABX lines, 42,000 switches, 17,000 wireless access points, 13,000 contact center seats, 10,000 routers managed globally and filtering for 146,000 email mailboxes.

Going forward Atos will be focusing on increasing is already considerable capabilities for intelligent networking, mobility, unified communications, Cloud computing and video.

Gartner recognizes Atos new strengths in this sector, positioning the Group again in the "challenger quadrant" in 2012 for communication outsourcing worldwide.

### Identity Security and Risk management capabilities

With the offering of a comprehensive Identity, Security and Risk Management (ISRM) services portfolio Atos helps its customers to cut through the complexity of security and compliance issues. Atos ensures that the related customer investments are aligned with the value in their business. Atos helps its customers to Transform Risk into Value.

Atos offers a combined portfolio of market proven "in house" and "partner provided" security products and services, with over 20 active risk management and product patents. We demonstrate our depth of expertise every day with our services, solutions and our Cyber Security R&D centers.

- ▶ **We have scale:** Atos has over 800 dedicated security and risk management consultants and engineers worldwide. We provide security and risk management services for some of the world's largest organizations.
- ▶ **We see things differently:** Atos sees that top performing organizations are risk takers but what really separates them from the pack is their ability to drive positive outcomes from the risks they take. We believe that by viewing digital security, regulatory compliance and business governance through a single lens we can help our customers to manage their risks better, enabling them to take more opportunities and generate more positive outcomes.

In the 2012 Marketscope on Managed Security Service Providers in EMEA Gartner rated Atos as 'Positive' for the fourth year in a row. One of the highlighted strengths is Atos' experience in integrating security services with complex, large-scale IT programs.

### B.3.3.2 Systems Integration

In 2012, the first full year of the new Atos further to the acquisition of Siemens IT Solutions & Services in July 2011, Atos has confirmed its leadership position in the Systems Integration arena, in particular in the European IT market. Atos Systems Integration purely focuses on fixed price project work and Application Management activities. It represents yearly revenues of about EUR 2.1 billion, counts more than 21,000 business technologists worldwide, of which around 7,000 are based in six offshore countries and deliver value through 42 globally integrated and industrialized offerings. Including the application development professionals from other service lines (Technology Services), the new Atos can rely on and mobilize an application engineering pool of more than 30,000 professionals for its clients.

#### Mission

Atos Systems Integration (SI) mission is to help customer organization - private enterprise or public administration - to leverage Information Technology (IT) in the best possible way in order to improve the performance of their organization in terms of productivity, growth and sustainability. Atos Systems Integration teams know customer business challenges and processes by industry and understand how technology can boost performance. They design, build, deploy and operate information systems which then deliver business improvement.

Atos' strategy in Systems Integration is built on three main pillars contributing to the execution of its mission:

- ▶ **Customers:** a market-driven approach by customer industry, so that we design, build and run IT solutions which specifically meet customer needs.
- ▶ **Portfolio of services:** a global portfolio of 42 offerings either vertical (by market segment: Public sector, Healthcare & Transport; Financial Services; Manufacturing, Retail & Services; Energy & Utilities; Telecom, Media & Technology) or horizontal (by global functions such as Finance, Human Resources, Administration) so that Atos SI teams are able to re-use and leverage best solutions, practices and expertise globally. The value delivered to customers is compounded through flexible delivery models in order to adapt in the best possible way to customer needs: fixed price projects, Unit of Work, consulting and point expertise on a time and material basis. In 2012, Atos Systems Integration has

consolidated its horizontal portfolio, further enhanced its vertical portfolio and will continue in this direction in 2013. To do so Atos has strengthened its partnerships with SAP, EMC, VMware, Microsoft and Oracle.

- ▶ **People:** a focus on developing the skills of our professionals so that they are able to deliver the best of Atos value to customers. Each employee belongs both to one geography and a global practice so that he or she brings to customers the value of proximity as well as the capacity to leverage the best experts, tools and processes developed by Atos at global level.

#### Organization

Atos Systems Integration is organized along four axes:

- ▶ **The global practices** - Solutions (project business), SAP (SAP projects) and Application Management - which own the Systems Integration offerings globally
- ▶ **The global processes** which ensure the quality, consistency and cost effectiveness of delivery globally
- ▶ **The Global Delivery Centers** (offshore) which deliver standardized and industrialized application development and maintenance from low cost locations
- ▶ **The geographic Systems Integration organizations** which deliver application development and maintenance services to customer leveraging the other three constituencies.

This global organization is mirrored in all GBUs, countries and offshore centers in order to ensure overall sustainable quality, standardization and global team work to maximize value delivered to customers.

#### Solutions

The Solutions Global Practice delivers projects (design, build and deploy) by leveraging proven technological competence and vertical specific expertise to generate sustainable customer value. Its specialized Global Competence Centers ensure a high level quality of delivery worldwide.

Solutions' portfolio contains 17 vertical solutions, to approach Atos customers with testified, innovative and replicable business solutions, and 11 horizontal solutions, to address transversal issues common to most of our customers whatever their industry.

### Vertical Solutions:

- ▶ Public sector, Healthcare & Transport: Public Administration Solutions, Social Security Solutions, Transport and Logistics Solutions, Healthcare Solutions
- ▶ Financial Services: Banking Solutions, Insurance Solutions, Information Security and Compliance
- ▶ Manufacturing, Retail & Services: Integrated manufacturing excellence, Track and Trace Solutions, Product Lifecycle Management
- ▶ Energy & Utilities: Enterprise Asset Management, Oil and Gas Solutions
- ▶ Telecom, Media & Technology: BSS Solutions, OSS Solutions, Next Generation Intelligent Networks, Mobile Virtual Network Operator, Digital Library – Media Asset Management

### Horizontal Solutions:

- ▶ Business Process Solutions: Business Intelligence and Data Information Management (BI&DIM), Customer Relationship Management (CRM), Financials and Accounting, Human Resources (HR)
- ▶ Business Integration Solutions: Cloud Solutions, Enterprise Process Integration (EPI), Enterprise Content Management (ECM), IT Security and Risk Management, Smart Mobility Solutions, Embedded Software Solutions, Testing

### SAP

Atos is one of the largest SAP service providers in the world and can rely on a pool of 10,000 business technologists worldwide (including Application Management and Managed Services SAP resources) to support around 900,000 SAP end-users.

The Atos SAP portfolio deals with core business needs in key sectors:

- ▶ SAP for financial services
- ▶ SAP for energy and utilities
- ▶ SAP for manufacturing, retail and services
- ▶ SAP for government, health and transport

The Atos SAP portfolio also includes core business process solutions:

- ▶ SAP for Business Intelligence (covers SAP HANA)
- ▶ SAP for Consolidation and Harmonization
- ▶ SAP for Sustainability and Compliance (S&C)
- ▶ SAP for Mobility
- ▶ SAP Customer and Relationship Management
- ▶ SAP for Testing

Atos focuses on providing end-to-end SAP solutions (“consult, design, build, operate, maintain”) around customers’ business needs, concentrating on six key outcomes: cost control, change, people, speed, sustainability and compliance. Atos SAP delivers all the functionality that customers need through enhanced templates and unique best practices processes, supported by customized extensions, backed by proven training and testing capability and supplied either on-premise or on-demand (as Software-as-a-Service).

In 2012, Atos received the 2012 SAP Pinnacle Award as Sustainability Partner of the Year for its proven track record in support of SAP sustainability solutions and thought leadership. Moreover, with the support of Atos, the French Armed Forces Health Service was granted the Silver SAP Quality Award France 2012 for the success of the project to redesign its hospital IT system.

### Application Management

Atos is a key player in the Application Management arena: almost one million business application users around the world rely on Atos every day. Atos Application Management services are delivered through Atos SureSource distributed model which ensure a common set of standardized methods and procedures, as well as proven collaboration tools are used across the globe to provide a high level quality at the best price to the customers.

The Application Management practice uses the Right-Fit transformational journey, a progressive value generation transformation model bringing the customer from its current operating model to future modes of operations through a tailored roadmap:

- ▶ A rapid and secure transition
- ▶ An operational and service transformation
- ▶ A business transformation

The Right-Fit Application Management counts four offerings: Application Management Consulting, Sector-specific Application Management packages, Business-enabling Application Management and Foundation Application Management.

Atos Business-enabling Application Management services relies on a set of transformational services that seek to add value to customer’s businesses using:

- ▶ Standardization and rationalization services
- ▶ Cloud transformation and ecosystem management services
- ▶ Business process chain management services

# Atos positioning in the IT market

## B.3 Sales and Delivery

### Cloud Strategy for Systems Integration

Atos Systems Integration contributes to making Atos one of the major Cloud providers. In 2012, it has been a key initiator and contributor to Canopy. It has the mission to make its customers take advantage of the technology disruption that the Cloud represents, by transforming their IT and their value chain.

Through Canopy, Atos Systems Integration is acting as a Cloud integrator, a Cloud platform provider and a composite Cloud service provider.

Build and Run Solutions Provider	Cloud Integrator	Transformation to Cloud	Consulting offering to start the transformational journey into the Cloud
		Develop & Migrate	Framework for Microsoft and Java developers to enable Cloud deployment and Legacy integration & migration
		Integrate	Security, Identity Management, Orchestration
	Cloud Platform Provider	Test and Development Cloud	Automated test and software development tools
		Test and Acceptance Cloud	Rational tool set on-demand for our customers
		Process Orchestration	Business Process Management and Orchestration Service
	Composite Cloud Service Provider	Identity, Access Management	Integrated IAM solutions protect IPR, assets, processes and people
		Archiving	Saperion as the standard platform for archiving
		Dynamic PLM Services	PLM on-demand solution + PLM Teamcenter on a dynamic Cloud infrastructure
		BI on demand	Cloud-based analytics offering
		CRM on demand	Full-featured cloud-based CRM system with higher access speed, convenient access, high availability for high number of users
		Data Cleansing as a service	Fast, secure and user-friendly way of improving the integrity of consumer or business data

### Globalization and Industrialization

#### Distributed Delivery

In 2012, Atos Systems Integration has further enhanced its distributed delivery model to better fit to its practice organization. Atos SI distributed delivery model comprises of:

- ▶ An integrated, industrialized set of end-to-end processes and tools, named Global Delivery Platform (GDP) and that is globally deployed and developed by global practice (Solutions, SAP and AM). GDP contains

methodologies, technical libraries and manages service catalogues by type of service or technology.

- ▶ A centrally hosted Shared Service Center (SSC) that provides a comprehensive set of tools to all SI employees. The integration of these tools enables them to follow delivery processes, from business requirements to design and build of the software in a controlled and efficient manner regardless of where a specific part of the process is executed.

### Industrialization

The implementation of a global consistent organization across all GBUs, countries and offshore centers is a key enabler to the roll-out and management of common processes and operational frameworks. It facilitates the deployment of lean waves, the measurement of key metrics in a similar way, the management of risks, the roll-out of global offerings and the delivery of international assignments while ensuring an overall quality and a continuous performance improvement.

In 2012, Atos Systems Integration has further industrialized its way to manage the solution design activity when answering to bids by creating a central deal solution management team within its global practices. This central team is made of best-in-class experts who either lead the solution design of very large opportunities or support GBUs if needed by bringing together the best knowledge of the group and the industry and capitalizing on the experience of the previous proposals. Thanks to this new function, Atos Systems Integration was able to sign many founding and global deals.

### Global Sourcing

In 2012, Atos Systems Integration's nearshore and workforce has grown to a total headcount of around 7,000:

- ▶ Indian operations have now reached 5,800 staff in the following six locations: Mumbai, Pune, Bangalore, Kolkata, Delhi and Chennai.
- ▶ 400 employees deliver offshore services from China and Asia Pacific
- ▶ Atos SI nearshore centers count 250 employees in Morocco, 150 in Poland (Wroclaw), and 250 in Russia (Voronezh).

By putting in place a global management system, global processes, global tooling, increasing the language coverage, enhancing the technology and functional competences in its offshore centers, and continuously benchmarking externally their performance, Atos Systems Integration has reached an offshore penetration rate of 30 percent, level that will keep increasing in the coming years.

### B.3.3.3 Hi-Tech Transactional Services & Specialized Businesses

2012 was the first full year since the creation in 2011 of our Service Line Hi-Tech Transactional Services and Specialized Businesses (HTTS & SB). This organization includes two Specialized Business Units Atos Worldline and Atos Worldgrid, and the business of the Group in the fields of Payments, eServices, Business Process Outsourcing (BPO), Smart Energy and Civil & National Security.

In 2013 Reinforcing competitiveness and vertical business momentum of BPO, CNS and Atos Worldgrid will be a priority while reinforcing the delivery and go to market consistency of the transactional services to preserve their exceptional growth and leadership.

#### Payments

##### Achievements in 2012

Atos expanded in 2012 its European leadership with the definition and roll-out of a global business strategy in payment, with further investments in our global payment portfolio and the acquisition inside Atos Worldline of Quality Equipment, a payment services provider in the Netherlands. This acquisition will enable us to strengthen Atos Worldline position in the Dutch market, and to boost the development of new services to the merchants, aligned with our global Payment strategy.

As the payment market is evolving quicker and quicker, further investments over 2012 in Atos' global payment portfolio have been launched on offerings with immediate potential and emerging trends in domains such as:

- ▶ **SEPA payments:** As Atos has a complete product offer, 2013-2014 execution will be the key focus.
- ▶ **Mobile Payments:** Atos is involved in all variants including NFC, wallets, Cloud wallets and mobile acceptance devices, as each is perceived to be a new channel for triggering usual payment transactions. Atos is the key technology partner for the innovative BUYSER launched in 2012.
- ▶ **Remote Payment:** we continue to invest and improve our remote and ecommerce offerings to harvest the bursting growth of this payment channel.
- ▶ **Micropayments:** Atos has invested in this capacity with the purchase of Quality Equipment and its wide range and experience of operating closed-user group payment systems, typically with academic campuses or on corporate premises.
- ▶ **Commercial Acquiring:** Atos is actively exploring this either with service partners or with financial institutions in Slovakia and for mass-market shops.
- ▶ **Value Added Services:** Atos has confirmed its willingness to offer large scale processing to the banks, to serve directly the merchants with commercial acquiring offers and new Value-Added Services (VAS).



- ▶ **Licensing:** Atos continues to invest in payment software and systems development and the latest versions are available for licensing and systems integration activities. Atos innovation leads to build cross industry business models with extended supply chain, between merchants, financial institutions, telecommunication operators, global players.
- ▶ Examples of recent Innovation in Payments in 2012 include:
  - Atos NFC mobile wallet, which enables end-user to pay at a fast growing number of contactless payment locations, simply by swiping his mobile phone against the payment terminal, and keying his PIN code directly on his phone;
  - Atos Cross channel payment solution, which provides a single mobile payment experience regardless of the initial payment channel - web, mobile, connected TV, IVS or call centre; this solution has been awarded the 2012 Innovative Payment Trophy at the Payforum fair trade in France
  - Buyster in France - for which Atos Wordline developed and operates the platform;
  - The first contactless portable payment terminal in Europe, Yoximo.

End-to-End Channel Management Benefits have been introduced by the Group, bringing strong advantages to its clients, in several areas such as:

- ▶ Contact centers, leading to 55 percent reduction in work load;
- ▶ email management solutions, enabling 60 percent productivity improvement;
- ▶ Telephony queries, increasing by 20 percent on up selling.

In 2012 volumes processed by Atos' Payments Services are based on a strong industrial and yet flexible production model:

- ▶ 2,2 billion of acquiring transactions
- ▶ 51 million of credit and debit cards
- ▶ 568 million remote payment
- ▶ Over 1 million terminals

### Priorities for 2013

In 2013, increased focus will be put on new payments solutions and more value added services to diversify further from standard payment processing. This development will be achieved by leveraging the existing payment client based and the ability to integrate new features on our own platforms and solutions, as well as leveraging the new Group dimension, both in client base and geographic reach.

## eServices: Digital Services for Customers, Citizens and Social Communities and Financial markets

### Achievements in 2012

During 2012 we pursued our developments of major eServices offerings as well as we achieved significant wins. To name a few:

- ▶ Our smart mobility services around connected vehicles have been recognized by the market and chosen by already two global players to be implemented in several countries. Broadly speaking smart mobility is gaining momentum among many of our customers in several industries.
- ▶ Omni-Commerce services are expanding in Europe taking advantage of the new paradigm in retail around customer experience whatever the place, the time and the device used, from tablets, to smart phone or kiosks for example. A global US brand has chosen our services. Furthermore our innovative drive service is adopted by more and more traditional retailers.
- ▶ Being one of the preeminent global player in the traffic control services we pursued our geographical expansion providing automatic fine ticketing services in Europe and South America as well as tolling services. Considering the transport area, we continue to expand the breath of our services as well as our geographical reach: we deliver journey management intermodal smart ticketing systems to big cities in many countries taking advantage of our new size and international reach.
- ▶ New services around added value messaging & consumer Cloud content services have already convinced one global telecommunication player. e-health is another new topic to be mentioned where we see an increasing interest coming from different players within the health ecosystem
- ▶ Regarding our Financial markets added value offerings we have signed significant new contracts in the asset management business for top tier players in France and continued to execute our expansion strategy in Asia.

Volumes managed in 2012 by Atos's eServices are huge & growing:

- ▶ 2,2 billion calls (IRV & contact centers);
- ▶ 3 billion SMS (Short Message Services), +85 percent growth compared to 2011;
- ▶ 68 million email boxes.



### Priorities for 2013

The continuous growth will remain steady based on our strong portfolio assets as well as a specific focus on key offerings. We pursue our geographical expansion in new countries in Europe, Latin America and Asia-Pacific.

Smart mobility and the associated vertical offerings remains a strong focus: we continue to invest in contextual mobility assets in order to enhance our mobile added value services for several industries. Our Omni-commerce value proposition for European retail activities will remain another focus to be spread out in new countries taking advantage of both recognized services for top tier brands as well as launching differentiator services.

Taking the view of industry priorities, public, transport, services and financial services are to be mentioned.

### Smart Energy

#### Achievements in 2012

**Organization:** Atos Worldgrid significantly expanded its geographic scope thanks to the acquisition of e-utile, the main Italian energy solutions provider, and of Energy4U in Germany, a very strong SAP Center of Competence (IS-U, CRM, Consolidation and Harmonization...), coming from SIS. Through these acquisitions, Atos Worldgrid also increased capabilities and scope of specific solutions in Smart technologies related to the utilities market and in the retail area including Smart Metering.

**Products:** In 2012, we intensified our R&D efforts and we proactively developed new modules and new versions of our software products: ADACS for Nuclear, ASGS and PTRS for Smart Metering and Smart Grid. Atos Worldgrid is a founding (and the only IT company) member of the Medgrid consortium, for the design of a post 2020 HVDC supergrid between Euro-Mediterranean countries. We also started joint R&D cooperation with Siemens.

### Priorities for 2013

**Organization:** Atos Worldgrid is a separated Specialized Business Unit (SBU), working in close relationships with the GBUs. To support our ambitions, we have put in place three worldwide GBS-Global Product Lines: Power Generation, Smart Utilities and Oil & Gas and Water within our Smart Energy organization.

**Products:** we will go on with our R&D roadmap. In 2013, we will push innovation: Atos Worldgrid will for instance become a member of the new G3-PLC Consortium, to promote this new OFDM PLC technology. We are expanding our footprint in the DMS market leveraging out our DMS grid control Product (Lynx).

**Projects:** Atos Worldgrid will have a strong push on existing and on new partnerships, to promote our ADACS product on refurbishment and new build for nuclear power plant, to promote our ASGS product for Smart Metering together with our DMS and PTRS products in the emerging Smart Grid market.

### Civil and National Security

#### Achievements in 2012

In Atos, Civil and National Security provides answers to security related questions. The new security solutions in the area of defense and intelligence, and public security supports civil and national security agencies and administration in creating a secure world - for the good of all those living in it. The new promising setup with bundling the Civil and National Security core competencies started in January 2012. The four competence centers located in Germany, Spain, Switzerland and Austria were bundled and are now managed within in HTTS & SB to leverage global growth.

To make use of these synergies the Group offers a comprehensive solution pack with six new offerings:

- ▶ Situation Awareness: Delivering decision superiority in critical sectors scenarios and leveraging Networked Mission Control as well as full system integration. Clients include the Armed Forces and NATO.
- ▶ Intelligence Services: delivering superior intelligence quality and performance for intelligence agencies via Data Fusion and Correlation. Our Intelligence and Assessment system offers a single platform for all content and collaboration sources.
- ▶ Electronic Identification: delivering new standards of excellence in electronic identification and leveraging leading biometric and mobility capabilities. Clients include civil, national and international organizations.

- ▶ **Border-Management:** delivering swifter and more secure validation across land, sea and air borders. Extensive expertise perfected in European Union enlargement. Including e-Gates, smart matcher border surveillance solutions deploying radar and optical sensors.
- ▶ **Professional Mobile Radio:** delivering highly seamless and secure results to professional users, border control and federal police. Leveraging unique intellectual property on top of core networks and based on trusted TETRA and TETRAPOL standards.
- ▶ **Emergency Management:** delivering faster and more seamless response and recovery capabilities through mature solution sets in command and control, communication and complex technology integration for blue light organizations.

### **Priority for 2013**

Atos will continue to enhance the support to the Civil and National Security customers. The company will focus its effort at aligning its portfolio with new solutions and products to enable and optimize the collaboration between different security forces.

### **BPO: Business Process Outsourcing**

#### **Achievements in 2012**

Atos has one of the leading BPO businesses in the UK in its chosen markets. The combined headcount exceeds 4,500 staff, with a significant proportion of offshore utilisation through a dedicated BPO team in India. One of the key differentiators, particularly in Public Services, Financial Services and Healthcare, is that in these sectors Atos manages the full end to end service, deploying employees with specific technical expertise. This enables the Group to add value via its domain expertise in addition to the traditional benefits associated with BPO.

Atos continues to attract new and repeat business thanks to continued success in industry leading customer contact centres, case and document management and print operations, as well as the bookings and account relationship management systems that are unique in the marketplace. These capabilities ensure that the Group is able to offer radically improved service and efficiencies via scalable operations to existing and prospective clients.

This was clearly recognised in 2012, when Atos won two major, five year contracts to deliver a new Assessment service to the Department for Work and Pensions, covering a substantial part of the UK. The service commences in April 2013 and will be delivered through a clinical and administrative team within Atos, as well as an integrated supply chain of partner organisations, which include the National Health Service.

#### **Priorities for 2013**

In 2013, Atos plans to continue to further enhance and develop these capabilities across Public, Financial and Healthcare Services. From this successful base, the Group will also actively pursue further appropriate opportunities in the added value BPO space across all of our markets and geographies.

### B.3.3.4 Consulting & Technology Services

A challenging economic climate, growing needs for connectivity, new working behaviors and communication cultures, globalization lead enterprises to develop innovative, more productive business processes and ways of working.

In addition to these social and economic trends, IT innovations such as Enterprise Social Networks, smart mobility, A3C, Cloud, Big Data, bring solutions to the new requirements for effective information management and communication, and collaboration, anytime, anywhere, from any place.

Digital transformation is not limited to technology: transformation in the way leaders and organizations do business needs to be managed carefully, too. Our clients need a new type of consulting that is relevant to today's world - getting the most of the digital economy to create value.

Thanks to a unique combination of a strong expertise in IT innovations, in depth industry knowledge, and advisory and change management services (all essential elements for a successful implementations of any innovative solution), Atos Consulting defines and delivers the mechanism for a successful digital transformation, to build the firm of the future.

In 2012, Atos Consulting played an essential role in turning our internal Zero email™ initiative into a Global Key Offering which will support our clients in their adoption of Enterprise Social Networks for smart collaboration within the enterprise. Atos Consulting can design, build a full social collaboration solution and ensure that all supporting activities (change management, training, integration with existing solutions, etc...) is in place to ensure a successful implementation.

To bring innovation to our clients, Atos Consulting & Technology Services unites Business, IT consulting, and Professional services. This unique combination helps Atos play to its full strengths and make a significant impact on the market. The service line contributes to business growth for our consulting and technology services activities, adds value to the other Service Lines, while helping to move Atos up-market, securing larger and more profitable engagements. The Consulting & Technology Services Service Line accounts for 7 percent of total Atos revenue and employs 7,200 skilled personnel in France, Benelux, Iberia, UK, Germany and Latin America.

#### Role of Consulting & Technology Services

Consulting & Technology Services is one of the innovation engines of the Atos Group. Its task is to translate business issues into sustainable growth and higher performance, by maximizing the potential of IT.

Consulting & Technology Services focuses on making change happen from diagnostics and design right through to long-term management and refresh. All of the skills and resources needed for an end to end service are brought together within the same service line, enabling speed, agility and responsiveness.

#### Business positioning

Consulting & Technology Services are based on resources that are in close proximity to clients. This involves both business know-how and technology expertise, and covers the entire spectrum of activities from diagnosis, assessment & planning to build and then run.

Because both consulting and technology services are contained within the same organization, there are no difficult hand-over points between development and execution: all stages are handled as part of a single, seamless process that also contains all aspects of training and managing change.

#### Business Consulting Portfolio

The Consulting & Technology Services value proposition is based on blending industry-sector expertise, process innovation expertise, technology expertise and Transformation acceleration expertise.

In order to ensure both a strong industry focus and leverage of knowledge on cross-industry issues, Business Consulting offerings are organized around Markets and Centers of Excellence. These Centers of Excellence focus on developing functional expertise across Markets, while Market teams develop industry-specific expertise and vertical offerings.

Services are targeted at all five of the Atos markets: Manufacturing, Retail & Services; Public sector, Healthcare & Transport; Telecoms, Media & Technology; Energy & Utilities; and Financial Services.

### IT Consulting Portfolio

Consulting & Technology Services aims to make IT a key success factor for C-level business decision-makers: in other words, to persuade them that IT is a business issue, first and foremost. All available research shows that top performing business organizations are more likely to make IT a top strategy priority. We need to build strong relationships with companies of this kind and encourage others to move in this direction. In this way, it is possible to have top-level discussions that combine business strategy and IT execution.

Seven Technology Consulting offers have already been developed and implemented:

- ▶ CIO advisory
- ▶ Information Security & Risk Management consulting
- ▶ IT Delivery Excellence
- ▶ Information Management Excellence
- ▶ Application Transformation
- ▶ Infrastructure Transformation
- ▶ IT program management

### Technology Services Portfolio

Technology Services connect seamlessly to Consulting, enabling the projects developed by consultants to be carried out rapidly and efficiently, either on client sites or very close to them. Proximity and Expertise are the two keys to success.

Our professionals are truly expert in their field, certified to the highest standards on key technologies and able to deliver the most projects to the highest standards. They also work in close proximity to clients, working as part of clients' teams, collaborating closely with their personnel and trusted to deliver inside the client's own firewall.

This ability to bring outstanding levels of expertise and yet to be part of the in-house team enables Technology Services to achieve high levels of intimacy with the client, to be close, responsive and very fast-moving in both delivery and continuous improvement of the initial plans.

With thousands of experts working from regional offices very close to clients, we are also able to scale up and down at high speed and respond fast to changing needs. The Technology Services portfolio covers packaged offers and core delivery disciplines, including:

- ▶ Enterprise Content Management;
- ▶ Business Intelligence;
- ▶ Applications Development & Management;
- ▶ Business and Information Analysis & Testing;
- ▶ Infrastructure Upgrade & Development;
- ▶ Systems Integration;
- ▶ Project Management & IT Consulting.

## B.4.1 Fundamentals of Atos HR

### B.4.1.1 Passion

This characterizes Atos' employees. Throughout 2012, the Group has been able to achieve the integration of SIS, win new large customer contracts, improve the service rendered to clients by fully satisfying their requirements,

deploy the Wellbeing@work program everywhere the Group operates, reduce e-mail number and implement new collaborative tools. This wouldn't have been possible without the passion of Atos' employees.

### B.4.1.2 Dedication

Dedication is another key characteristic of Atos' employees. Indeed, team work, solidarity and standing up for and supporting each other are not only words. They have real meaning which is proved on a daily basis. Atos

employees work together across geographies to deliver projects, sharing knowledge and expertise through the Group social collaboration tools.

### B.4.1.3 Emotion

Atos' employees are excited and proud to see the Company growing; witnessing listing on the "Best place to work", "Dow Jones sustainability" and "GRI" indexes; participating in the project transforming the Group into one of the biggest players in the European and global

market; seeing the Atos' logo on TV everywhere in the world during the Olympics with very famous people wearing Atos colors; succeeding on delivering the Olympic contract. They are very proud of what they have been able to deliver.

### B.4.1.4 Innovation

Innovation is not only in Atos business. It is also part of the HR function day to day focus. Indeed, how service delivery can improve and support to employees without innovation? This was one of Atos' HR major focuses in 2012.

After the implementation of "My Career", which helps employees and managers to set objectives and review performance online, new modules for succession planning and talent management were also implemented.

In the meantime, a new tool was developed and will allow Atos' employees to have their bonus scorecard managed online in 2013: "My Incentives". This is a major

change in the company since previously, everything was done manually. Time saved will be huge and allow HR professionals to concentrate resources on more value-added activities; advising, supporting, counseling and developing employees...

The HR role is thus becoming more strategic and focused on operations. Constantly evolving and looking for improvement, more innovative Human Resources projects were launched in 2013.

### B.4.2 Talent attraction

With the SIS acquisition mid-2011, and the subsequent consolidation of the recruitment team across both the historical and new geographies, 2012 was very much focused on building relationships with the grouped Service Lines and delivering new recruitment strategies to attract new talents into Atos and meet the growing business.

From the beginning of 2012 key objectives were set to support the drive for business growth and ensure that we enhanced the Atos image in the recruitment market - the core objectives of the recruitment teams were to:

- ▶ Become a strategic partner to the business
- ▶ Invest in leading tools to attract the best talent
- ▶ Collaborate together to become a global recruitment community
- ▶ Innovate to enhance the Atos brand in the recruitment marketplace

The recruitment teams showed real commitment to these objectives, and were successful in delivering them in 2012, being able to share best practice and knowledge, with this evolving even more in 2013 with the implementation of the social collaboration tools across the organization.

As well as delivering to the key objectives, critical projects were also implemented which would impact both 2012 and 2013. These included the recurrence of some of the 2011 programs such as the successful global agency and job board frameworks, and the first phase of the global social media project, using market leading tools at a global level to help attract talents and educate candidates on the new Atos organization.

Other key programs started in 2012 were to include a global recruitment model review to identify key geographies that could deliver value and resource and the "Grad to Exec Program", an initiative with the Talent Team, to widen and enhance the relationships with Tier one Universities globally to attract leading talents into Atos.

2012 has been a very positive year for the recruitment function, attracting over 12,800 new employees, as well as promoting internally 18 percent of the employee base. It has been a year of alignment with recruitment and the business teams, initiating global frameworks which have delivered benefits to 2012 and will bring further value in 2013.

#### B.4.2.1 IT Challenge

IT Challenge is a competition looking for the IT talents of the future from 25 universities based in the UK, France, Germany, Spain, Netherlands and India. As business technologists who power progress, Atos is encouraging the next generation, to imagine new smart mobility business applications and drafting and mocking up them in teams of between two and five people. 74 teams have participated to this challenge, and each member of the

winning team has been invited for three days in London Olympic Games.

The contest aims to foster and encourage innovation. The theme for the first Atos IT Challenge was smart mobility and it sets out to find a new, innovative and useful application that can be used anywhere, anytime and on any device to add value to a business or an individual. In 2013, the IT challenge theme is 'Connected cars'.

### B.4.3 Talent Development

As part of Group willingness to permanently reinforce its talents pools and organize succession plans for senior positions to ensure business performance and continuity, Atos has launched a talent review exercise throughout the entire organization. The goal is to identify new talents, top performers with high potential for growth or key expertise, to build and follow up on development plans and finally to position talents in key positions succession plans, on the short or long term.

Atos has built at Group level dedicated programs to make sure to meet the specific development needs of Atos' talents. Each of these programs is directly sponsored by an Executive Committee member to ensure a strong link between talent development and business needs.

**These programs include:**

#### B.4.3.1 The Juniors Group

This program has been launched in first quarter 2012. Juniors Group is the first stage of development on an international level. A self-contained group of junior, dynamic people from all over the Atos universe. Being a member of the Juniors Group is a learning experience through exchanges with senior management and colleagues, working in projects.

during meetings to boost learning experience. Once someone pass the assessment, he becomes a member of the Junior Group for 18 months and afterwards become part of an alumni network to keep sharing information and knowledge with previous Juniors Group members.

The Juniors Group is sponsored by the Head of Strategic Sales & Engagements at worldwide level.

A dedicated curriculum has been designed especially for this group which includes eLearning, eBooks, and courses

#### B.4.3.2 GOLD

Nominated by management every year, members of the Talent Group are invited to take part in the prestigious GOLD Program. In cooperation with HEC Paris, Europe's leading business school, the GOLD program aims to train the future leaders of the company and create ambassadors for the company's values.

beginning of the program, and focus on solutions to the challenges of global profitable growth that Atos faces. It is a unique opportunity to network with Talents from different Atos companies, different disciplines and different cross-cultural experiences.

Throughout the program, participants explore Atos' business strategy, work on a project proposed at the

The Gold Intakes have been sponsored in 2012 by the Head of Managed Services and by the Head of System Integration at worldwide level.

#### B.4.3.3 On-the-job experience

Talents at Atos get the opportunity to participate to Group strategic transformation programs such as eXpand or Wellbeing@work, contributing to make Atos a strong performer in the market place and a best place to work. Talents can also join one of Atos network of expertise such as the Scientific Community. Furthermore, Atos considers

that on the job learning is one of the most effective ways to develop and this is why significant opportunities for internal mobility are provided to Talents.

### B.4.3.4 From knowledge to excellence

Since five years, Atos University is paving the way for Atos employees to access easily a fast increasing number of learning and development opportunities, helping them reach their full potential, and perform their job successfully.

The most striking example is the solid usage of online courses and resources provided in free access to all employees, which picked over 200,000 hours in 2012 (two times more than the previous year). 22 percent of Atos staff have benefited from at least one of the 3,000+ IT and project management courses on offer, while nearly 6,000 of them have been improving their business English skills on line.

A number of corporate learning initiatives have also been launched in 2012, to support Atos objectives of improving quality of service and efficiency. Those include an ambitious program aimed at training and certifying all Project Managers along their seniority levels, and about

600 of them have already completed a certification in 2012. Other new programs, such as the Solution Design or the Engineering academies, aim at establishing a common way of designing and building IT solutions for customers.

Another key objective for Atos University in 2012 was to support the company strategic objective to accelerate organic growth. The most visible achievement here is the enablement of Atos sales staff to promote the portfolio of offerings available for Atos' clients. This program delivered a library of courses and certification tests covering 15 major offerings, such as Smart Mobility or Social Collaboration, at various levels; which resulted in more than 2,000 sales people and consultants certified at the end of the year.

With an overall effort of 26,88 learning hours on average per employee in 2012, Atos has invested more than ever in people development, and this will continue in 2013 be an increasing trend.

## B.4.4 Workforce Management

Workforce Management in Atos aims to always have the right number of people with the right skills available in the right location.

These objectives are delivered through workforce analytics and planning, through up-to-date employee profile information and through effective operational resource management for allocating people to work.

For each of these areas the company is in the process of aligning its processes, methodologies and tools on a global scale to better support cross-border operations and transparent management information across the organization.

An international network of Global Business Unit Workforce Managers (GBU WFMs) is effectively cooperating to meet Atos' Workforce Management objectives; in addition to topics such as assignment of employees to work in other countries and exchange of best practices they are progressively involved in more strategic workforce planning.

During the year, the organization has managed to keep the number of 'people on the bench' below its defined maximum target levels and to reduce the level of external subcontractors substantially through replacement of these subcontractors with own Atos employees.



## B.4.5 Talent reward and Retention

Atos' compensation policy is designed to support the Group strategic ambition to remain IT Services European leader as well as to become a reference Wellbeing@work Company

To reach Atos goals, compensation policy must ensure that the Group recruit, motivate and retain the best talents and key contributors who are going to guarantee the current and future performance of the company.

The Atos approach to reward is based on a total package that includes a fixed salary, a variable bonus for eligible employees and benefits aligned with market practice. Key individuals may also receive Long Term incentives such as stock-options and performance shares.

The Group conducts an annual benchmarking exercise with Atos competitors in the ICT (Information and Communication Technology) market to ensure the Group competitiveness, both in level and structure, and ensure compensation packages are in line with market practices in every country.

For several years, Atos implemented a semester, and not annual, bonus policy. This approach fosters ambitious objectives setting, and contributes to the alignment of business and strategic goals with missions assigned to employees.

Targets are split in three major categories:

- ▶ Financial Objectives, cascading Group targets at employee's scope (mainly External Revenue, Order Entry, Free Cash Flow and Operating Margin),
- ▶ Efficiency Objectives, such as TOP<sup>2</sup> and eXpand initiatives deployment,
- ▶ People Objectives, including Wellbeing@work initiatives roll-out.

Each semester, the Group Executive Committee reviews the global Bonus policy to make sure that it is aligned with the Group's business strategy and that objectives are SMART (Specific, Measurable, Achievable, Relevant and Time-related). Executive Committee ensures that the Bonus Policy encourages the Group employees to deliver the best performance. In particular, the weight of financial results has a significant impact regarding bonus payouts at all levels and for all functions.

Recognition is a key motivating factor. In order to allow every great contributor to be recognized at fair value, the Group rolls-out major programs, as part of the Wellbeing@work initiative, such as:

- ▶ "Accolade", which empowers Managers to instantaneously reward their teams according to three levels (Bronze, Silver and Gold) for exceptional performances. In 2012, more than 6.000 Awards have been distributed.
- ▶ "Success Story", which rewards the best delivery teams: Employees apply by posting projects on an internal social network, among six categories (five global Markets + Siemens account). Group Executive Committee selects the best project for each category, employees also vote for the best project (People Choice Award). Extensive communication follows and key players are invited to a dedicated ceremony with the Group Executive Committee.
- ▶ "Appreciation Day": During the Wellbeing@work Week, one day is dedicated to Recognition, among colleagues, among teams, all over the Group. As example, Indian Employees thanked their Dutch colleagues for their contribution to a key project.

### B.4.6 Employee stock ownership and management long term incentive plans

Atos is strongly committed to associating its employees with long-term performance and results of the company through Long-Term Incentive and shareholding plans. This commitment has enabled Atos to grow the capital held by employees of the Group.

Atos aims at providing the opportunity to become stakeholders in the long-term financial success of the company to the largest possible number of employees.

#### B.4.6.1 Employee Stock Ownership Plans

In 2011, Atos has introduced a large Employee Shareholding plans, covering more than 60,000 employees in 14 countries. This plan, called Sprint 2011, offered to employees the possibility to buy Atos shares according to two kinds of vehicles:

- ▶ Sprint Dynamic, which offers a 20 percent discount on Atos reference Share Price,
- ▶ Sprint Secure, which allows buying units of a leveraged product benefiting from the share value growth, but also providing a capital guarantee, with a minimum interest

rate over the period during which the employees have invested.

This Plan has been renewed in 2012 and extended to 25 countries, covering thus almost 65,000 Atos employees. Overall, the Employee Stock Ownership (mutual funds and corporate savings plans) moved from about 0.5 percent of the Group's share capital in 2005 to 2.1 percent as of December 2012.

#### B.4.6.2 Management Stock-Option Plans

Currently at Atos, there is no share purchase option plans in force. Atos Stock-Option Plans previously attributed are detailed below. For each grant, the template specifies information such as decision date of the Group Board of Directors, number of granted options, number of beneficiaries, exercise start date and number of forfeited and exercised options.

In line with Atos three years plan (2009-2012), Stock-Option Plans granted between December 2008 and December 2010 have been structured around 3 tranches, with performance conditions distributed over this period.

December 23<sup>rd</sup>, 2008 Plan includes performance conditions on Tranches 2 and 3 for all beneficiaries, excluding the Executive Officer and both Executive Deputy Directors, for which an additional performance condition has been implemented on the Tranche 1. Plans granted in 2009 show the same Tranche 2 and 3 performance conditions as those of December 23<sup>rd</sup>, 2008 Plan. Those performance conditions are detailed in the Executive Officer's Compensation Section.

On February 22<sup>nd</sup>, 2012, Atos Board of Directors validated the achievement of the Tranche 3 performance conditions of the plans granted in December 2008 and in 2009 (achievement figures of performance conditions are detailed in the Executive Officer's Compensation Section). Thus, for beneficiaries who are still Atos employees at the following dates, Tranche 3 of the below listed plans became permanently vested:

- ▶ on April 1<sup>st</sup>, 2012 for stock-options granted December 23<sup>rd</sup>, 2008
- ▶ on July 1<sup>st</sup>, 2012 for stock-options granted March 26<sup>th</sup>, 2009, July 3<sup>rd</sup>, 2009 and September 4<sup>th</sup>, 2009

The December 31<sup>st</sup>, 2010 Stock-Option Plan is also structured in 3 tranches with terms of performance on Tranches 2 and 3 drawn up in line with the same principles as the December 23<sup>rd</sup>, 2008 and 2009 plans. Performance conditions (Free Cash Flow and Operating Margin of the Group) are applicable to years 2010 and 2011 for Tranche 2 and to 2012 for Tranche 3. Performance conditions applicable to the years 2010, 2011 and 2012 are the same as those of December 23<sup>rd</sup>, 2008 and 2009 plans. Achievement figures are detailed in the Executive Officer's Compensation Section

As Performance Conditions have been achieved and validated by the February 22<sup>nd</sup>, 2012 Board of Directors, the rights of the December 31<sup>st</sup>, 2010 Tranche 2 Stock-Option Plan have been definitively vested to beneficiaries who are still Atos employees on July 1<sup>st</sup> 2012.

Stock-Options detail as of December 31<sup>st</sup>, 2012

Date of shareholders' meeting	Date of Board meeting	Options granted	Of which members of the Board	Of which ten high grants	Options exercised	Options cancelled	Closing 31/12/12	Of which members of the Board	Numbers of beneficiaries	Exercise period start date	Exercise period end date	Strike Price (EUR)	Cash EUR million
31/10/00	14/01/02	2,500	0	0	0	2,500	0	0	2	14/01/05	14/01/12	7517	0.0
31/10/00	14/01/02	1,000	0	0	0	1,000	0	0	2	14/01/06	14/01/12	7517	0.0
31/10/00	16/04/02	1,350	0	0	0	1,350	0	0	3	16/04/05	16/04/12	8751	0.0
31/10/00	16/04/02	1,000	0	0	0	1,000	0	0	1	16/04/06	16/04/12	8751	0.0
31/10/00	20/06/02	11,101	0	6,943	0	11,101	0	0	815	20/06/05	20/06/12	6306	0.0
31/10/00	20/06/02	6,000	0	0	0	6,000	0	0	4	20/06/05	20/06/12	6306	0.0
31/10/00	20/06/02	12,574	0	331	0	12,574	0	0	1,536	20/06/06	20/06/12	6306	0.0
31/10/00	01/07/02	45,000	0	0	0	45,000	0	0	4	01/07/05	01/07/12	6232	0.0
31/10/00	01/07/02	20,000	0	0	0	20,000	0	0	2	01/07/06	01/07/12	6232	0.0
31/10/00	09/07/02	5,000	0	0	0	5,000	0	0	3	09/07/06	09/07/12	6149	0.0
31/10/00	16/08/02	184,606	0	24,650	76,932	107,674	0	0	146	16/08/05	16/08/12	4152	0.0
31/10/00	02/10/02	2,000	0	0	1,000	1,000	0	0	4	02/10/05	02/10/12	4152	0.0
31/10/00	15/10/02	3,000	0	0	3,000	0	0	0	1	15/10/05	15/10/12	2602	0.0
31/10/00	15/10/02	100	0	0	100	0	0	0	1	15/10/06	15/10/12	2602	0.0
31/10/00	27/03/03	616,410	0	25,300	461,849	56,012	98,549	0	1,447	01/01/05	27/03/13	2592	26
31/10/00	27/03/03	348,902	0	10,564	277,726	13,760	57,416	0	3,444	27/03/07	27/03/13	2592	15
31/10/00	16/06/03	2,000	0	0	0	2,000	0	0	2	16/06/07	16/06/13	3088	0.0
31/10/00	08/07/03	500	0	0	0	0	500	0	1	08/07/06	08/07/13	3181	0.0
31/10/00	01/10/03	1,500	0	0	500	1,000	0	0	2	01/10/06	01/10/13	4987	0.0
31/10/00	01/10/03	762	0	0	0	0	762	0	1	01/10/07	01/10/13	4987	0.0
31/10/00	09/02/04	117,2125	0	117,000	51,425	63,475	1,057,225	0	1,220	01/01/06	09/02/14	5414	572
22/01/04	09/02/04	414,750	0	52,000	2,250	13,425	399,075	0	686	09/02/08	09/02/14	5414	216
04/06/04	10/01/05	805,450	0	52,500	86,851	116,867	601,732	0	803	10/01/08	10/01/15	4975	299
04/06/04	10/01/05	347,250	0	41,500	18,259	23,905	305,086	0	567	10/01/09	10/01/15	4975	152
04/06/04	28/04/05	750	0	0	0	500	250	0	1	28/04/08	28/04/15	4998	0.0
04/06/04	28/04/05	6,750	0	0	0	1,333	5,417	0	5	28/04/09	28/04/15	4998	0.3
04/06/04	26/10/05	5,200	0	0	0	1,999	3,201	0	3	26/10/09	26/10/15	5804	0.2
04/06/04	12/12/05	20,000	0	0	0	0	20,000	0	1	12/12/08	12/12/15	5707	11
04/06/04	12/12/05	15,000	0	0	0	6,666	8,334	0	1	12/12/09	12/12/15	5707	0.5
04/06/04	29/03/06	810,130	0	50,000	0	161,384	648,746	0	828	29/03/09	29/03/16	5999	38.9
04/06/04	29/03/06	337,860	0	44,500	0	34,774	303,086	0	420	29/03/10	29/03/16	5999	18.2
04/06/04	01/12/06	50,000	0	0	0	0	50,000	0	1	01/12/10	01/12/16	4387	2.2
04/06/04	19/12/06	15,100	0	0	1,000	4,063	10,037	0	24	19/12/09	19/12/16	4316	0.4
04/06/04	19/12/06	4,050	0	0	3,884	166	0	0	6	19/12/10	19/12/16	4316	0.0
23/05/07	09/10/07	20,000	0	0	20,000	0	0	0	1	09/10/10	09/10/17	4035	0.0
23/05/07	09/10/07	5,000	0	0	5,000	0	0	0	1	09/10/11	09/10/17	4035	0.0
23/05/07	10/03/08	190,000	0	0	0	140,000	50,000	0	3	10/03/14	10/03/18	3473	17
23/05/07	22/07/08	5,000	0	0	5,000	0	0	0	1	22/07/11	22/07/18	3472	0.0
23/05/07	22/07/08	2,500	0	0	0	0	2,500	0	1	22/07/12	22/07/18	3472	0.1
23/05/07	23/12/08	459,348	233,334	182,672	31,556	3,334	424,458	231,594	24	01/04/10	31/03/18	1840	78
23/05/07	23/12/08	459,326	233,333	182,664	35,826	6,666	416,834	231,593	24	01/04/11	31/03/18	2200	9.2
23/05/07	23/12/08	459,326	233,333	182,664	18,250	9,999	431,077	231,593	24	01/04/12	31/03/18	2640	11.4
23/05/07	26/03/09	611,714	0	333,340	206,235	43,336	362,143	0	74	01/07/10	30/06/18	2064	75
23/05/07	26/03/09	611,643	0	333,330	149,471	78,330	383,842	0	74	01/07/11	30/06/18	2457	9.4
23/05/07	26/03/09	611,643	0	333,330	111,990	137,295	362,358	0	74	01/07/12	30/06/18	2949	10.7
26/05/09	03/07/09	481,414	0	108,338	121,981	46,696	312,737	0	438	01/07/10	30/06/18	2500	78
26/05/09	03/07/09	481,108	0	108,332	88,056	87,814	305,238	0	438	01/07/11	30/06/18	3000	9.2
26/05/09	03/07/09	480,978	0	108,330	45,024	107,951	328,003	0	438	01/07/12	30/06/18	3500	11.5
26/05/09	04/09/09	86,347	0	75,840	3,348	3,502	79,497	0	24	01/07/10	30/06/18	3428	2.7
26/05/09	04/09/09	86,334	0	75,830	2,481	6,834	77,019	0	24	01/07/11	30/06/18	4081	3.1
26/05/09	04/09/09	86,319	0	75,830	466	7,829	78,024	0	24	01/07/12	30/06/18	4897	3.8
26/05/09	31/12/10	124,842	0	106,673	8,800	0	116,042	0	18	01/07/11	30/06/19	4041	4.7
26/05/09	31/12/10	124,830	0	106,664	0	3,333	121,497	0	18	01/07/12	30/06/19	4811	5.8
26/05/09	31/12/10	124,828	0	106,663	0	3,333	121,495	0	18	01/07/13	30/06/19	5774	7.0
<b>Total</b>		<b>10,782,220</b>	<b>700,000</b>	<b>2,845,788</b>	<b>1,838,260</b>	<b>1,401,780</b>	<b>7,542,180</b>	<b>694,780</b>					<b>303.3</b>

(\*) current Board of Directors

### B.4.6.3 Management Performance Share Plans

As part of the Long-Term Incentive program, Atos also introduced Performance Share Plans.

Atos Performance Share Plans, with shares not yet vested and / or not yet transferable, are detailed below. For each grant, the template specifies information such as decision date of the Group Board of Directors, number of granted shares, number of beneficiaries, vesting date and number of refused or forfeited shares.

The terms of the December 22<sup>nd</sup>, 2011 Plan including performance conditions, are described in this document, in the Executive Officer's Compensation Section.

On March 29<sup>th</sup>, 2012, Atos Board of Directors, pursuant to the authorization under the 4<sup>th</sup> resolution passed at the General Shareholders' Meeting of Atos dated July 1<sup>st</sup>, 2011, granted 29 beneficiaries with Performance Shares. This decision supplements the December 2011 Grant (more than 700 people), whose beneficiaries were mainly senior managers and executives, and also high-potential selected employees. Performance conditions of the March 29<sup>th</sup>, 2012 Plan are similar to those of December 22<sup>nd</sup>, 2011 Plan.

#### Performance Share Plans detail, as of December 31, 2012

Assembly date	Board of Directors date	Number of granted shares	including Board of Directors members	Number of beneficiaries	Number of refused or forfeited shares	Including Board of Directors members	Situation as of 12/31/2012	Vesting period end date	Transferability date
01/07/2011	22/12/2011	233,300	32,500	187 <sup>1</sup>	2,300	0	231,000	22/12/2013	22/12/2015
01/07/2011	22/12/2011	233,300	32,500	187 <sup>1</sup>	2,300	0	231,000	17/03/2014	17/03/2016
01/07/2011	22/12/2011	262,225	0	553 <sup>2</sup>	19,500	0	242,725	22/12/2015	22/12/2015 <sup>3</sup>
01/07/2011	22/12/2011	262,225	0	553 <sup>2</sup>	19,500	0	242,725	17/03/2016	17/03/2016 <sup>3</sup>
01/07/2011	29/03/2012	9,700	0	9	0	0	9,700	29/03/2014	29/03/2016
01/07/2011	29/03/2012	10,150	0	20	0	0	10,150	29/03/2016	29/03/2016

<sup>1,2</sup>Same beneficiaries; <sup>3</sup>Five beneficiaries in Belgium have chosen an additional 2 years conservation period after shares acquisition.

#### B.4.7 International mobility

2012 has proved to be a year of stabilization for the Group international mobility program preparing for future adaptability to better serve business needs. This stabilization has been facilitated through administrative and process developments in order to align with group strategy and better position Atos to meet new global challenges.

The centralization of Atos mobility service delivery model has allowed rapid integration and harmonization of administrative processes following the integration of SIS, and permitted the efficient delivery of mobility Policies and practices across group. It has also allowed the Group to provide better control of costs and measure the return on investment of expat program.

Atos continue to assess the drivers for mobility within Atos, as well as the costs, to better anticipate future needs and adapt Atos delivery model and Policies to ensure alignment of business needs, group strategy and return on investment.

For 2013, Atos anticipates that the economic climate will continue to place cost efficiency and return on investment high on the agenda. This climate, together with the global development of the Company, places mobility at the heart of the Group development strategy. The vectors for this development strategy are driven by Atos clients' needs and are increasingly axed around international skill-set, talent development, and rapid international resource deployment. The Group strives to attain this level of flexibility to better serve Atos business and clients and at the same time improve the expat experience.

#### B.4.8 Pensions

Atos provides pension benefits in several countries where it operates, following local market and industry practice. Atos offers two types of pension benefits to its employees: based on defined contributions and based on defined benefits. These benefits are usually provided by associated pension funds, insurance companies or directly by the Group (book reserves). Atos has a preference for defined contribution systems which are the more prevalent in its industry sector and provide its employees with the most flexibility. Pension Funds or trusts are often legally separate entities with their own governance structure, independent from Atos.

Atos has a dedicated team in place to supervise its existing pension arrangements with the support of local pension managers, also providing technical expertise to business managers in outsourcing deals. This team is in constant pro-active liaison with the independent Trustees or Board / committee members of Atos related pension funds to monitor the development of pension schemes including

investment and funding strategies. The team also monitors developments worldwide and amends pension arrangements in respect of new legislation and regulations as needed.

All aspects of the management of pension benefits which are under company control are subject to specific policies and internal control rules and as part of the Group book of internal controls. The pension asset management policy promotes prudent, liability-orientated investments and serves as a permanent framework for discussions with pension funds.

In 2011, Atos pension teams have successfully completed the integration of legacy SIS pension arrangements in various countries, including the follow up of transition and funding agreements with Siemens. Finalization of the effective transfer of SIS UK pension assets and liabilities have been completed in the first half of 2012.

### B.4.9 Performance management and Human Resources Annual Review

Through the implementation of 'My career' in 2012, Atos has given its employees and managers the opportunity to truly develop the annual performance review process keeping two main objectives in sight:

- ▶ Define training requirements
- ▶ Prepare succession planning

Each manager was assigned a personal objective to review their team and prepare appropriate training programs, in line with technology developments and also the current and future needs of Atos clients.

During 2012, and in conformity with the established plan, this tool was implemented in most of the countries in which the Group operates. There still is some way to go, but 'My career' was received very favorably by employees and is beginning to become a big hit within the Group.

The aim is to continually better serve Atos employees by providing the possibility for them to have a global vision of their organization and the support of more and more efficient tooling.

### B.4.10 Communicating with representatives

ommunication with the employee representatives  
2012 was a very rich year in terms of dialogue with the employee representative bodies, as much on a European level as within country. A lot of projects were discussed during the year at the three European Works Council meetings, and four supplementary meetings with the Special Negotiation Committee.

These exchanges lead notably to an agreement on the transformation of the group to a European Company, and an agreement on the workings of the future European Works Council of the European Company, which will begin its work in 2013.



# CORPORATE SOCIAL RESPONSIBILITY

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## C.1 Vision & Strategy

### C.1.1 Leadership in IT for Corporate Responsibility

Atos aims to be the trusted Business Technologist partner of choice to help clients become Firms of The Future, with sustainable business. Core to this approach is a deep understanding of clients' priority challenges and opportunities, aligned to Atos world-class expertise and solutions.

Atos' ambition is to be recognized as a Global IT champion, providing support to customers to reinvent their models of future growth at a time of massive change is affecting them financially, economically, technologically and socially.

To achieve this, Atos corporate responsibility strategy is based on three strategic axes:

#### C.1.1.1 Leadership on IT for sustainability

Atos wants to be 'best in class' not only for its own operations but also in the way it serves its clients and provide innovative sustainable IT solutions. This leadership goes through the consolidation of Atos

positions on global recognized rankings dedicated to Sustainability such as GRI, Great Place to Work, and extra financial ratings (DJSI, FTSE, etc).

#### C.1.1.2 Corporate responsibility at the core of Atos 's business and processes

Atos embeds sustainability in its DNA through corporate values, innovation, green operational excellence, social responsibility and business development. By making sustainability part of Group 's business and

the IT transformation process, Atos is convinced that its clients can future-proof their organization, create new opportunities, encourage innovation and ensure competitive advantage.

#### C.1.1.3 Identifying challenges, establishing priorities, measuring performance

Strengthen stakeholder dialogue enable to endorse strategic challenges for the company as well as key performance indicators that will measure and publicly report the advancements of Atos Corporate Sustainability program.

- Registration Document with the whole set of KPIs and results of the materiality assessment integrated with the financial report of Atos.
- Corporate Responsibility Report with main KPIs and highlighting key initiatives and cases studies.

Part of our Stakeholder Dialogue, the integration of Corporate Responsibility within the relations with investors is one of the aspects of Atos Strategy.

In addition, Atos is one of the first companies to perform its extra financial reporting with a specific IT tool dedicated to the Sustainability Performance Management (SuPM), which is the result of its partnership with SAP.

For the first time in 2012, Atos has developed a Corporate Integrated Report composed of two documents:

C.1.1.4 Materiality assessment

In 2012, the Group continued to work on the challenges that the market and Atos main stakeholders considered as essential for Atos. The formal materiality process of social

and environmental key performance indicators beginning of 2012 was very extensive and still relevant today. The next stakeholder survey will be conducted in 2013.



In 2012, for the first time Atos carried out an electronic survey with a selection of stakeholders to check expectations and elicit concrete opinions relating to

the Corporate Responsibility Program. The results and the specific issues raised were discussed at a global stakeholder workshop organized by Atos in June 2012.

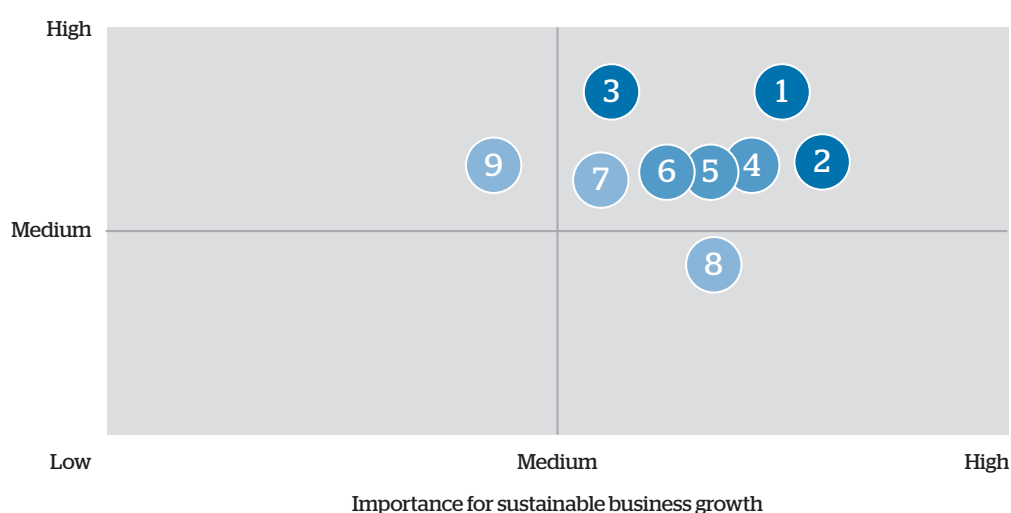


As result of the assessment, nine challenges (see matrix) have been identified and prioritized according to their

impacts on business, stakeholders and their likelihood of happening.

Nb	Key Challenges
1	Be a responsible employer managing as best as possible Wellbeing@work, turnover, absenteeism and contribute to the improvement of working conditions
2	Reduce the risks of loss or disclosure of confidential data and intellectual property due to security failures, technical problems, fraud, trickery, employees corruption, etc.
3	Reduce the environmental impacts of datacenters, offices and transportations to strive for carbon neutrality
4	Be an attractive company for talented candidates and encourage a diversity policy as a growth driver
5	Develop and ensure the positioning regarding innovative services with responsible impact in the society (health, energy management, transport, smart cities, etc)
6	Promote ethical leadership in the company and the entire supply chain
7	Contribute to the sustainability excellence in customers (GHG emissions reduction, performance management, smart campus, cloud services, etc)
8	Contribute to the development of emerging countries (know-how, TIC, etc.) and support them in these changes (trainings, etc.)
9	Improve productivity at work and promote a new way of working based on collaborative technologies (Zero email™ Program)

#### Materiality Analysis



The detailed mapping, with recognized standard guidelines defined by the GRI has allowed the selection of 47 significant KPIs on which global reporting has been focused. Out of these, 35 KPIs correspond to standard definitions and protocols provided by the GRI and 12 are specific to Atos's context and business (see next page).

In 2012 Atos continued to manage as best as possible the integration with Siemens IT Solutions and Services, in order to establish itself as an IT leader, even in the field of sustainability. For this, Atos seeks new opportunities for sustainable progress, both internally and externally, with the introduction of the former Siemens IT Solutions and Services portfolio. Sustainability is also a key collaboration area with Siemens, as part as Atos - Siemens Global Alliance

# Corporate social responsibility

## C.1 Vision & Strategy

In addition of the Materiality Assessment, Atos has integrated Sustainability and Corporate responsibility in its Enterprise Risk Mapping. According to the results of this

Mapping, Sustainability Risk is perceived as well managed by Atos managers (see C.5.2 "Enterprise Risk Management").

Atos Challenges	Categories	Relevant KPIs	Link with GRI
Be a responsible employer managing as best as possible well-being at work, turnover, absenteeism and contribute to the improvement of working conditions	Social responsibility and people well being	Number of employees by geographical localisation	LA1
		Employee attrition	LA2
		Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	LA5
		Absenteeism rate	LA7
		Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	LA8
		Number of trainings hours per employee & per year	LA10
		Percentage of employees benefiting from annual performance review	LA12
		Percentage of people in inter-contracts	AO1
		Results of surveys measuring employee satisfaction	AO2
		Top management commitment with employees	AO12
		Atos culture and values awareness	AO13
Reduce the risks of loss or disclosure of confidential data and intellectual property due to security failures, technical problems, fraud, trickery, employees corruption, etc.	Governance, ethics and compliance	Security and safety incidents	AO3
		% of employees attending security awareness trainings	AO3
		Number of consumers complaints regarding loss of private data	PR8
		Number of penalties for loss of private customer data	SO8
Reduce the environmental impacts of datacenters, offices and transportations to strive for carbon neutrality	Environmental commitment and operational excellence	Energy consumption in datacenters	EN3, EN4
		Energy consumption in offices	EN3, EN4
		Energy saved due to operational efficiency (data centers, offices and travel)	EN5, EN6, EN7, EN18
		Travel rationalisation: Total number of hours of remote working tool usage	EN7
		Number of initiatives/projects to improve energy efficiency and the cooling system of datacenters	EN6
		Direct & indirect GHG emissions	EN16
		Cooling fluids (HFC, HCFC) consumption	EN19
		ISO14001 certified sites (Offices plus DC)	EN28
		Office paper used	EN1

Atos Challenges	Categories	Relevant KPIs	Link with GRI
Be an attractive company for talented candidates and encourage a diversity policy as a growth driver	Social responsibility and people well being	List of advantages for permanent employees	LA3
		Percentage of employees covered by a collective agreement	LA4
		Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	LA11
		Diversity indicators: percentage of disabled people, of women in the management, etc in recruitment process, promotions and overall working life	LA13 - AO6
		Ratio of basic salary of men to women by employee category.	LA14
		Ratio between the local minimum salary and the company salary	EC5
Develop and ensure the positioning regarding innovative services with responsible impact in the society (health, energy management, transport, smart cities, etc)	Business Development	Number of innovation workshop with clients	AO10
		Customer satisfaction survey results	PR5
		Financial assistance from governments	EC4
		Revenue related to health services	AO5
		Revenue related to energy management services	AO5
		Revenue related to green transport development	AO5
Promote ethical leadership in the company and the entire supply chain	Governance, ethics and compliance	% code of ethics trained	SO3
		Responsible supplier screening	HR2
Contribute to the sustainability excellence in customers (GHG emissions reduction, performance management, smart campus, cloud services, etc)	Business Development	Revenue regarding cloud computing services	AO4
		Number of sustainable projects with clients	AO7
		GHG emissions reduction obtained at customer level	EN26
Contribute to the development of emerging countries (know-how, TIC, etc...) and support them in these changes (trainings, etc...)	Social responsibility and people well being	Funding for social communities	EC1
		Number of people recruited locally	EC7
		Number of IT projects/initiatives implemented for local communities	EC8
		GHG emissions reduction obtained at customer level	EC6
Improve productivity at work and promote a new way of working based on collaborative technologies (Zero email™ Program)	Social responsibility and people well being	Number of sites on smart campus concept	AO9
		Number of employees using collaborative working tools	AO11

### C.1.2 Strengthening stakeholders dialogue

#### Key achievements:

- ▶ Global Stakeholder workshop on June 19<sup>th</sup>, in Bezons, France.
- ▶ 4,187✓ employees took part in local CEO lunch and breakfast sessions to share views, ask questions and share ideas.
- ▶ 41,081✓ employees (54 percent✓ of our global workforce) worldwide took part in local Great Place to Work surveys to help build a better work environment.
- ▶ Atos was main partner of the Planet Workshops in Evian and Rabat, to engage in dialogue with clients and partners on key social and environmental topics.
- ▶ Corporate responsibility is part of the continuous dialogue with Atos European Works Council.

#### C.1.2.1 Strengthen the Stakeholders Dialogue

To ensure Atos Corporate Responsibility strategy meets the expectations of its valuable stakeholders (employees, clients, partners, suppliers and shareholders), regular meetings and discussions are organized to share views and discuss the different activities of the company. The aim is to work together and by doing to create a more sustainable environment for Atos, partners and the community as a whole.

Since 2011 Atos has set out to develop a more structured stakeholder dialogue to review its strategy and ambitions, and accelerate company's actions and initiatives. The global Stakeholder meeting on the 19<sup>th</sup> of June focused on the governance structure in particularly the scope of involvement, group size, number of meetings and establishing the right global and local involvement.

Furthermore three key points were highlighted that would benefit greatly through close collaboration with stakeholders:

New corporate sustainability initiatives	Markets and stakeholders more driven by communities	New partnerships established
The feedback and experience of partners will guide and challenge Atos, so Atos can improve its corporate sustainability policy	Atos works with many parties individually, but not as a community. Instead of working in silos, partners can enhance Atos' network	The aim is to share ideas, and explore new opportunities for clients and partners. This is enabled by new partnerships between Atos and its partners, suppliers and clients

As part of the workshop, three expertise areas were discussed in more detail with a subset of participants:

- ▶ Accelerating environmental excellence. Find new ways for carbon reduction, both internally and for our clients.
- ▶ 360 Degrees social engagement. Identify focus areas and concrete initiatives where Atos could work with stakeholders to stimulate responsible social impact
- ▶ Sustainable innovation. How to develop sustainable solutions that fit our client's needs.

Following the shareholder meeting a more detailed and structure Stakeholder Engagement program for 2013 has been developed.

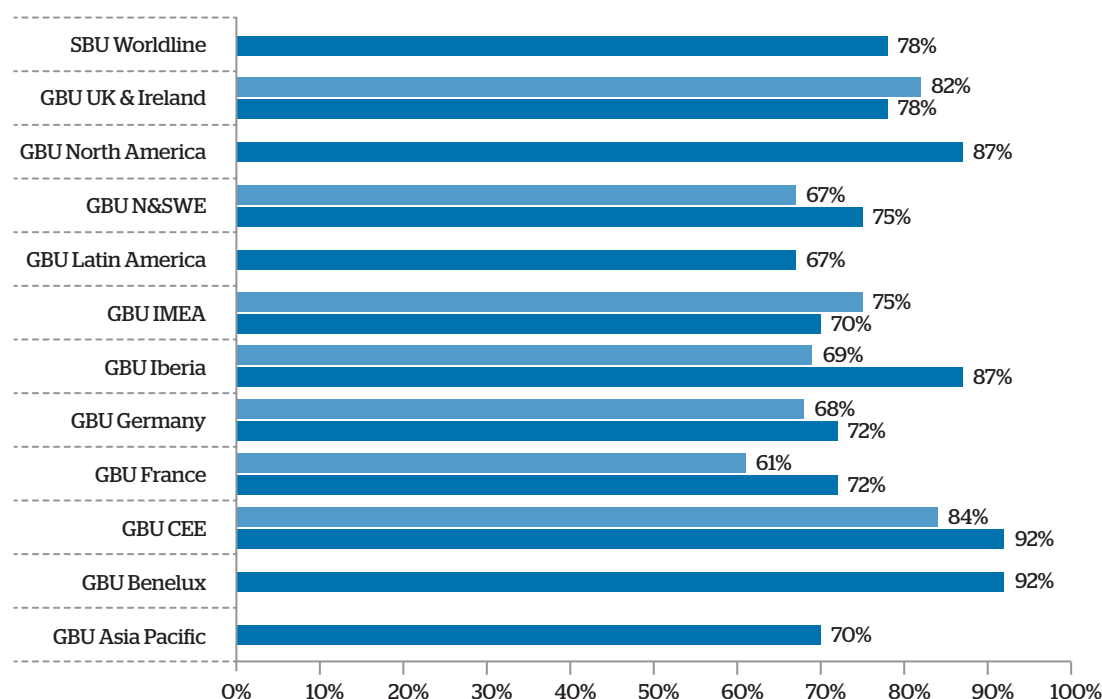
### C.1.2.2 Clients: Customer satisfaction

Atos ambition is also to assist its customers into becoming a Firm of the Future having sustainability embedded in the core of the customers organization. The Atos enterprise sustainability solutions have been designed to increase customer's sustainable performance and operational excellence. Innovation and solution development is ensured by having sustainability embedded as Global Key Offering (GKO) ensuring focus, funding and management attention.

Atos organizes regular meetings with clients to share its sustainability vision and activities and discuss where they can cooperate to have greater impact together. In October 2012, the Planet Workshop event took place in Evian, where Atos participated as key partner and invited clients to discuss and share views on social and environmental challenges.

In 2012 Atos conducted Customer satisfaction surveys at country level, and for its major clients such as Siemens. The annual, strategic measurement of the satisfaction of customers is very important to Atos and the goal is to improve services and retain customers. In 2012, a worldwide initiative was launched under the leadership of the Quality and Customer Satisfaction Officer and the Head of Sales and Marketing Support to drive a harmonized Customer Satisfaction Management approach across Atos. As a result, the Group enforces now a common focus on Customer Satisfaction as a core element of Atos' culture. It allows to measure comparably client satisfaction on CxO level in all countries and to define efficient actions on client, GBU and corporate level. The goal is to systematically optimize client satisfaction.

#### Customer satisfaction in strategic and tactical surveys by Business Unit [PR5]



- ▶ The average of strategic Corporate Satisfaction Surveys results is 78 percent ✓
- ▶ The average of tactical Corporate Satisfaction Surveys results is 70 percent ✓

### C.1.2.3 Engage Partners & Suppliers on Atos Sustainability challenges

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Atos aims to work closely with partners and suppliers to help accelerate sustainable progress.

#### **Ensuring a sustainable supply chain**

Ecovadis is in charge of evaluating the CSR performance of suppliers since 2008. In four years, Atos have conducted

nearly 400 assessments, allowing to identify potential risks in supply chain and set up a corrective action plan with some suppliers when needed (more information in C.3.3 below).

### C.1.2.4 Employees involvement

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Employees are one of key stakeholders and play a vital role in developing and implementing Atos sustainability strategy. Open and transparent dialogue is key to ensure that Atos' strategy and activities are understood and embraced, and there is room for discussion and sharing ideas in order to progress. To enable dialogue at all levels within the organization, Atos organizes regular meetings and communications between management and employees, both on a global and local level and provides easy access to top management, such as setting up of local CEO lunches and breakfast sessions to share views and ideas and twice a year a global management meeting organized for the top 700 managers and Atos executive committee to discuss strategy, actions and progress. The presentations and discussions shared at this meeting are cascaded via roadshows and town hall meetings to local management teams and their employees.

More formally, the European Work Council (EWC) is well established and allows Atos management to share strategy, changes and concerns with employees' representatives at European level. Several face-to-face meetings took place during 2012. CSR activities are part of the topics discussed on a regular basis between top management and EWC.

#### **Employee awareness of Atos sustainability program**

In 2012 Atos communicated on sustainability initiatives and achievements on a regular basis through its global intranet Source. A dedicated editorial section is in place where employees can find all the details on strategy and program, and which initiatives and actions are in place or ongoing. During the Wellbeing@work Week in September 2012, India and Asia Pacific organized a special Sustainability Day to emphasize the importance of acting responsibly; in the UK, Spain, Netherlands and many other countries there were charity events organized.

As part of the Smart Campus concept currently rolled out in many locations, several global guidelines are in place such as smart business travel (electric fleet car), clean desk policy (Zero paper), "Follow-me printing" system (print only when needed) and e-mail etiquette (as part of our Zero email™ initiative) to help minimizing the environmental impact while improving the employee efficiency.

#### **Great Place to Work independent survey**

As part of the Wellbeing@work transformation program, Atos has the ambition to enter the Great Place to Work challenge for all countries. The aim is to be recognized as a best place to work, as well as to measure the impact of the Wellbeing@work initiatives on employees and determine the areas that need further improvement. In 2012 24 countries and business organizations took part in the GPTW survey, with 41,081 ✓ participants representing 54 percent ✓ of Atos Staff, which is a significant improvement compared to last year when 16,500 employees took part across ten countries. 70 percent ✓ of the participants responded, which is an augmentation of 12 percent of the response rate compared to 2011.

The average results scores on the 59 statements showed 47 percent ✓ positive answers, which is an increase of 2 percent ✓ compared to last year and 28 percent of neutral answers. It demonstrated the commitment and involvement of employees to share their views and to help build a great working environment together. Improvements plans are being developed per country to help increase our ranking for the 2013 surveys. In Poland, Atos entered the best workplace list, being recognized as the 3rd best employer of this country.

### C.1.3 Corporate Responsibility as part of the investors relations

Climate change, respect of human rights, responsible reputation are subjects affecting more and more the performance of investment portfolios and should therefore be considered alongside more traditional financial factors to properly fulfill investors' ethical relationships.

Atos has understood that Corporate Responsibility is essential to perform a sustainable activity in accordance with financial expectations. These subjects are fully integrated in the global strategy and they are full part of the Group Business Growth.

Atos Corporate Responsibility Report 2011, including full details on Atos activities, commitment and achievements, was presented and distributed to the Board of directors and to the Group's shareholders at the Annual General Meeting (AGM) that was held in May 2012.

The Report was made available primarily online on the Group's corporate website for easy access and review by the Group's stakeholders. The 2011 report was also available on iPad version.

The report was also accessible for investors (both in pdf and online versions) directly from the investors' section of the company's website. In 2012, Atos conducted briefings with analysts in order to explain the Group's Corporate Responsibility strategy, commitment and 2011 achievements.

Atos aims to move towards a more integrated financial and sustainability reporting and has made its first step by integrating CSR Information into the registration document 2012. As the Group's sustainability KPI reporting is becoming more accurate and consistent with the implementation in 2012 of a global Sustainability Performance Management System, it will continue to improve and move towards full Integrated Reporting in the coming few years.

Atos has been subject to a number of requests for non-financial rating (e.g.: Vigéo, EIRIS, Bloomberg, Ecovadis, etc). The results of these ratings were not published until 2008.

Atos is listed by four market indexes which take in account in the rating the CSR criteria:

- ▶ ECPI Ethical EMU
- ▶ FTSE4Good ESG
- ▶ DJSI4good ESG rating
- ▶ ASPI Eurozone®

In December 2009, Atos joined the ECPI Ethical EMU index, which includes the 150 most important market capitalizations in the Euro zone which are eligible for environmental, social and governance (ESG) criteria, as defined by the ECPI.

In September 2011, Atos joined the FTSE4Good ESG which analyses risks and performance of more than 2,300 companies worldwide on environmental, social and governance issues.

In September of the same year, Atos joined the ASPI Eurozone® index which consists of 120 companies rated in the Euro zone, with reference to their approach to CSR.

Since September 2012, Atos has been selected as an index component of the Dow Jones Sustainable Europe index, positioning Atos as a leader in terms of corporate sustainability.

#### Partnership with SAP accelerates accurate global reporting

For the sustainability performance reporting over 2012, Atos has implemented the SAP® Business Objects' Sustainability Performance Management (SuPM) application to monitor and report on its targets. The solution helps Atos gather from all the entities worldwide information on its sustainability performance, and ensures a more accurate and standardized data collection to provide Atos Stakeholders, including investors for accurate information related to CSR.

Atos is one of the first companies to perform Sustainability reporting with a dedicated IT tool such as SuPM.

Atos Mission is to create shared value for Atos and stakeholders by pursuit financial profitability with a conscious environmental and social impact.

Atos' mission focuses on ensuring its own culture, operations and client solutions transform towards those

of a Firm of The Future. This transformation incorporates two sides of the same coin: operational excellence & value creation. Through operations and work ethic Atos seeks to exceed international regulations where possible, whilst driving sustainability into the heart of our operations and improving the wellbeing of its stakeholder community.

### C.2.1 Corporate Responsibility Commitments

The Group has established five high level commitments to drive the whole Corporate Responsibility program that serve as focal goals to guide international approach, implementations and advancements of the company worldwide:

- ▶ To improve corporate performance and public reporting in accordance with international best practices and operate in compliance with sustainable sector standards, anticipating new European regulations.
- ▶ To invest in and develop the Wellbeing@work of people and the contribution to local communities. Be a responsible employer.

- ▶ To reduce global carbon footprint and establish green policies that will foster operational performance.
- ▶ To support clients on their journey towards environmental excellence, with innovating solutions and a differentiator portfolio.
- ▶ To continuously undertake proactive dialogue with main stakeholders to understand and give response to their expectations.

Finally, Atos is totally committed to the strategic goal of becoming a 'great place to work' and a Zero email™ company, through the development of new ways of working, collaborative tools and high-trust workplace culture.

### C.2.2 Corporate Responsibility Mission

Atos Corporate Responsibility mission is developed in a program divided in four different domains of actions:

- ▶ Corporate Governance, Ethics & Compliance: to implement corporate governance best practices, ensure compliance with international regulations and guarantee the respect of ethics in business and in the relationships with the Group's Stakeholders.
- ▶ Social Responsibility and Corporate Citizenship: to launch a Wellbeing@work ambition aiming to improve the employees' working environment and the company social impact in the community.
- ▶ Environmental Commitment: to develop, promote, share and consolidate green initiatives while measuring, monitoring and reducing the Group's impact on the environment (carbon, energy efficiency, renewable energy, waste, purchasing, travel...).

- ▶ Business Development: develop a portfolio of solutions to accompany our clients on their journey toward sustainability and bring about IT-enabled transformation and behavioral change solutions in clients' approach and attitudes towards sustainability.

Atos Corporate Responsibility Program follows the principles of the ISO 26000 international standard and the OECD Guidelines.

Several achievements are already done in each domain of the program:



### C.2.2.1 Corporate Governance, Ethics and Compliance:

- ▶ Since 2011: Certification A+ by the GRI to Atos CR Report, which is integrated in Atos Registration Document since 2013.
- ▶ December 2012: Annual review by the Board of the AFEP-MEDEF Governance Code.
- ▶ Since 2011: Annual Global Stakeholder meeting, which gives Atos very valuable insight and inputs for the Corporate Program.
- ▶ September 2012: Atos enters for the first time to European Dow Jones Sustainability Index.
- ▶ Since July 2010: Member of the UN Global Compact and commitment of compliance with its ten principles.
- ▶ Since 2009: 1<sup>st</sup> IT company to be a member of the Global Reporting Initiative.
- ▶ Since 2008: Member of the Green Grid.

### C.2.2.2 Social Responsibility and Corporate Citizenship:

- ▶ March 2012: first Great Place to Work award for Atos Poland office.
- ▶ September 2012: Special Wellbeing@work week for employees worldwide, where many activities were organized locally from Fitness Day and Appreciation Day to Zero email™ training and Family days.
- ▶ First IT Challenge Contest where students from six different Universities and countries were facing the Smart Mobility challenge. MultiLens was the winner project, with its simplest shape is a multi-angle video streaming app to be used during events. Award ceremony was celebrated in Bezons, Atos HQ.
- ▶ In the US, the INTERalliance initiative took place as collaborative effort of Greater Cincinnati Regional businesses and educators, creating an environment that gives local young IT talent a compelling reason to stay in southwest Ohio both for college and their careers.
- ▶ Remote working policy and practice in Atos worldwide.
- ▶ Solidarity sport events organized with employees worldwide.

### C.2.2.3 Environmental commitment:

- ▶ December 2012: launch of MyCar electric car project at the Headquarter of Bezons, designed to be powered by solar panels at Atos premises and available for employees to visit clients.
- ▶ Offsetting Program to provide clients with Free carbon hosting services.
- ▶ Consolidation of the Group's Carbon Audit Program in Data Centers and the continuation of the Carbon
- ▶ Extend to the deployment of the Environmental Management System (EMS) in datacenters and offices.

### C.2.2.4 Business Development:

- ▶ Partnerships with Siemens and SAP to promote Sustainability Solutions.
- ▶ Set up of Global Sustainability Solutions portfolio designed to meet challenges of the Manufacturing sector.
- ▶ Development of our sustainable portfolio of solutions to help clients towards more sustainable operations. It includes Ambition Zero Carbon or the Smart Campus offer, in partnership with AOS, that promoting new working environment highly supported by technologies.
- ▶ Delivered ground-breaking sustainability solutions case studies.
- ▶ Contribution to reduce the Olympic Games carbon footprint in London games.

### C.2.3 Future challenges going forward

Atos strives to accelerate progress in the coming years, focusing on the four areas of action: Being 'best-in-class', Social Responsibility, Environmental commitment and

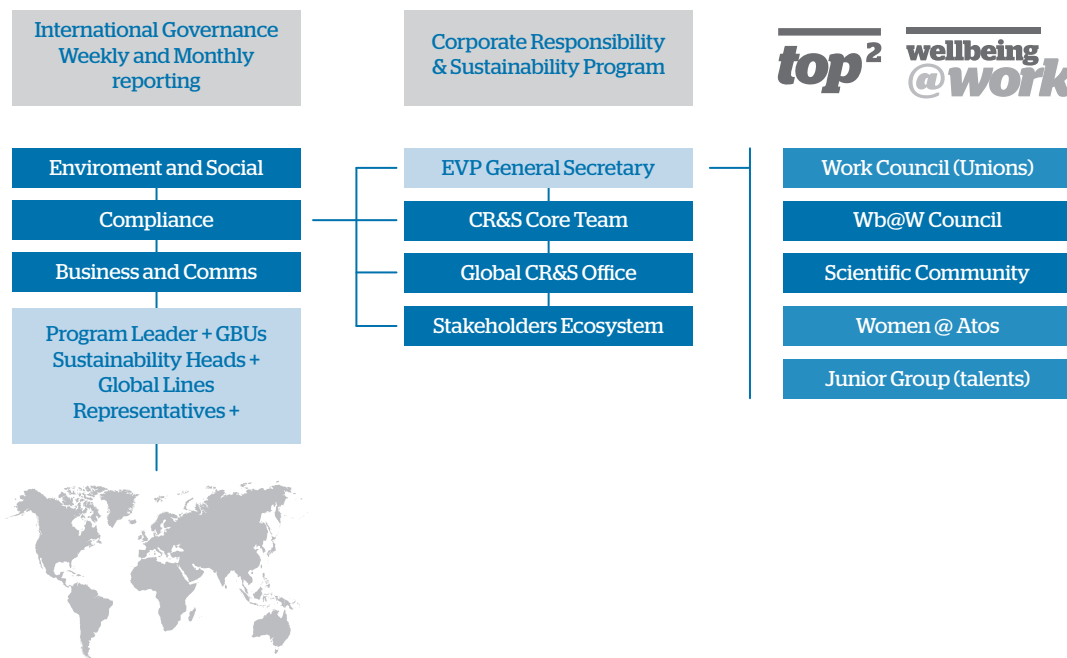
Business development. This graph shows the main objectives for 2015:

Best in class	Global Sustainability Performance & Extra-financial reporting	Be recognized as a European IT champion on Corporate Sustainability in alignment with international best practices (GRI A+, Great Place to Work, UN Global Compact, etc)
		Move up positions in extra-financial investors rating (DJSI, FTSE, CDP, Vigeo, etc)
		Improve Environmental and Social impact measurement worldwide
		Embed Sustainability in all business units and regions
		Strengthen stakeholders dialogue to build shared valuable relations
Social Responsibility	Responsible employees and impact on local communities	Promote the use of social communities and collaborative working
		Reinforce employee's pride of Atos Responsibility Program (green attitude, etc)
		Enable and support volunteer programs, university relations and corporate citizenship
		Strengthen development of innovative ICT solutions to reduce digital divide
		Endorse Corporate Diversity policy worldwide
Environmental Commitments	Green operational efficiency	Reduce 50% of Corporate Footprint by 2015 (2008 baseline)
		Assure 100% renewable energy sourcing for DCs by 2015
		Get ISO14001 certification in Atos Group
		Generalize MyCar service concept
Business Development	Innovative solutions and go-to-market	Develop relationships with industrial analysts
		Develop partners alliances (SAP, Siemens, Bolloré, AO Studley, etc)
		Strengthen the portfolio of offers, and enhance sustainability in other Global Key Offers.
		Systematize the integration of sustainability into sales proposals (BID process).
		Develop market and sales force mobilization

## C.2.4 Corporate Responsibility & Sustainability Governance

In terms of governance, the General Secretary, member of the Group Executive Committee and reporting directly to the Chairman & CEO, supervises Atos Corporate

Responsibility Program, by providing guidelines on the general strategy and the actions to be performed.



### Key Achievements in 2012:

- ▶ 24 countries joined in the Great Place to Work survey in 2012, and with an average participation rate of 54 percent ✓, 41,081 ✓ employees took part (AO2): this is a great improvement compared to last year when ten countries joined and only 16,500 employees took part. In addition, the average results show an increase of 2 percent ✓ compared to the previous year.
- ▶ In 2012, Atos further implemented the Zero email™ Program to ensure a new and more efficient way of working, improving collaboration and sharing knowledge. By the end of 2012, the end user training infrastructure was ready and 938 ✓ communities have been already created in our Enterprise Social Network based on the beta release of the Europe's leading social software company, blueKiwi acquired by Atos in April 2012; in addition, the BYOD Policy was adopted, and the remote working was further developed.

### C.3.1 Building a great place to work

The "Wellbeing@work" council, established in 2010, is composed of around 30 young employees with high potentials from all the countries where Atos operates. Their mission: exchange ideas on how to make Atos a better company for all and for the future generation; imagine new working methods; define with the company professional links and anticipate with a visionary approach our clients' future expectations. In 2012 they created, amongst others, a view on the workplace of 2014 through a video animation that was presented to the top 700 managers during the Group Management Meeting in October in Munich. The council members also act as community managers for Atos' idea generation

platform Fresh Ideas Start Here (F.I.S.H), helping to progress valuable ideas from incubation to implementation. With over 633 ideas entered by employees from around the world, to date 114 are in the process of being assessed or implemented.

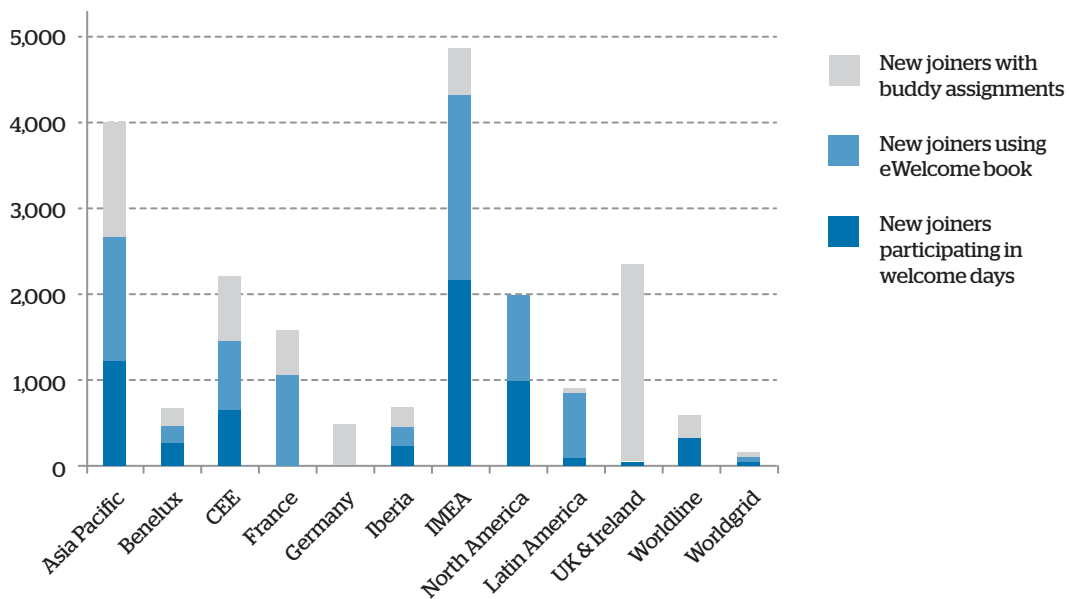
The "Campus concept" is an internal project which aims to check the offices that are aligned with Atos conception of an appropriate/ideal space for working. A total of 77 offices ✓ were audited against this approach. A total of 24,054 employees ✓ are working in offices in accordance with Atos' Campus Concept [AO9].

### C.3.1.1 Atos People, first actor of the great place to work

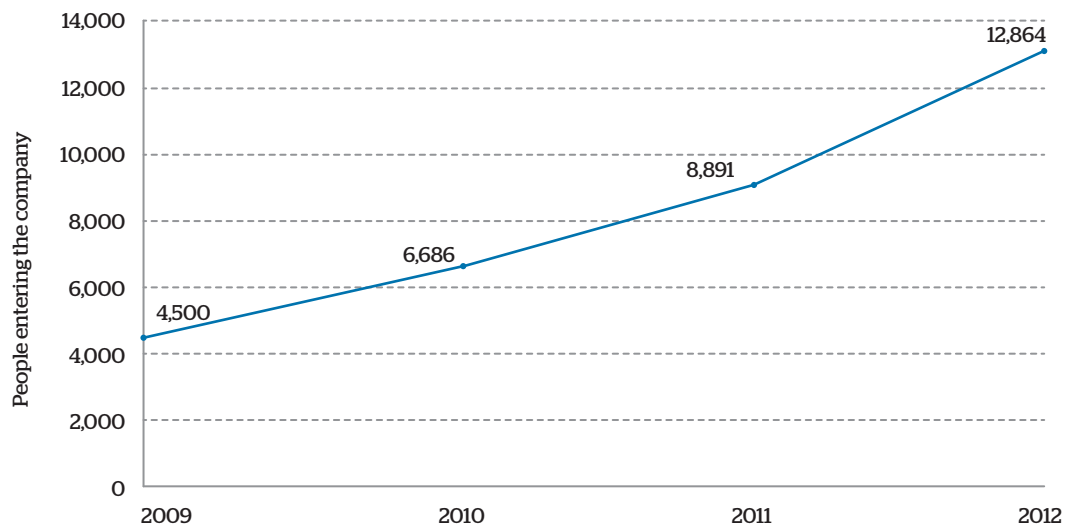
In 2012, Atos improved the involvement of people in the Great Place to work strategy:

- ▶ Over 6,039 new joiners✓ have taken part in Welcome days and 4,187✓ have attended local CEO lunch or breakfast sessions [AO12].

#### Atos culture and values awareness [AO13]



- ▶ Atos welcomed 12,864 new employees✓ in 2012 (EC7)



# Corporate social responsibility

## C.3 Achievements in 2012 regarding social commitments

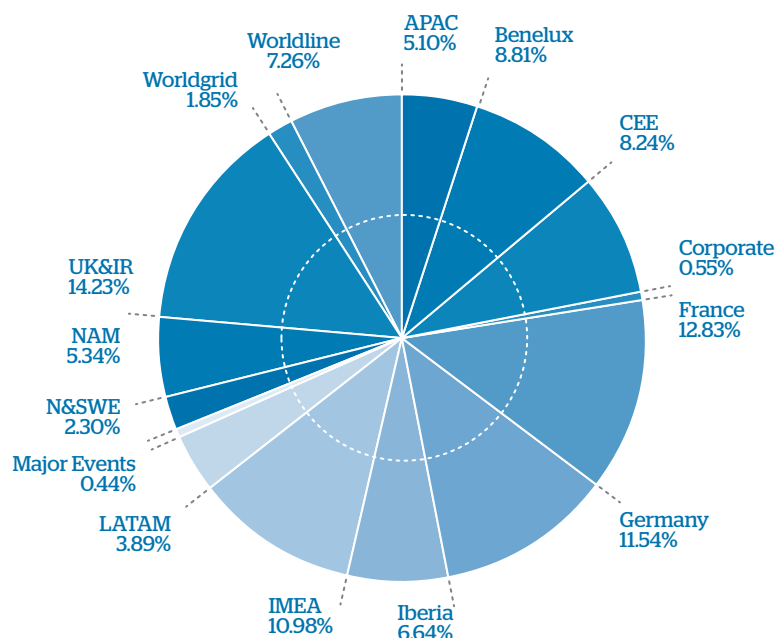
- ▶ Atos supports the local hiring [EC7]: 11,984 national employees ✓ were recruited in 2012. Atos workforce is the best evidence of this support in the recruitment process:

Percentage of national senior manager	94.80% ✓
Percentage of local employee	95.02% ✓
Percentage of local recruitment (Excluding acquisitions)	93.16% ✓

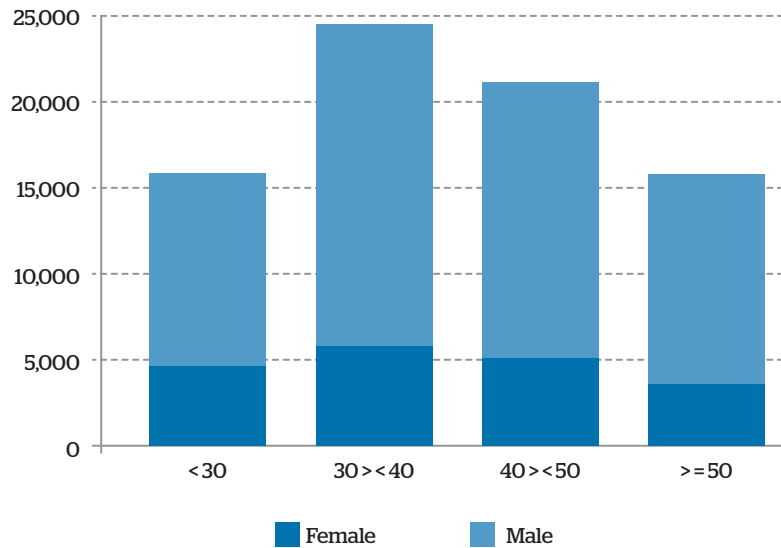
During the same period, 11,997 ✓ employees left the company [LA2]: 9,483 as part of attrition, 1,834 for reorganization and 680 for dismissals. The workforce turnover in 2012 was 15.63 ✓ percent [LA2].

- ▶ During the same year, 11,997 ✓ employees left the company [LA2]: 9,483 by voluntary leaving, 1,834 for restructuring reasons and 680 by dismissal. The employee turnover increase in 2012 up to 15.63 percent ✓ [LA2].
- ▶ Recognition and Reward programs awarded over 6,500 employees for outstanding or inspiring behaviors and achievements.
- ▶ Almost 6,000 employees across 12 GBUs have filled in the questionnaire of the Work/Life balance on-line tool with 84 percent of people having good overall work/ life balance scores.
- ▶ Atos privileges a permanent and full time working relation with its employees: 98 percent ✓ of the total workforce is under a permanent employment contract and 92 percent ✓ of them in full time. Nevertheless, Atos accepts part time job when an employee considers it is better for his/her work/life balance.
- ▶ Atos total workforce is composed by 76,742 ✓ employees [LA1] with this repartition [AO6]:

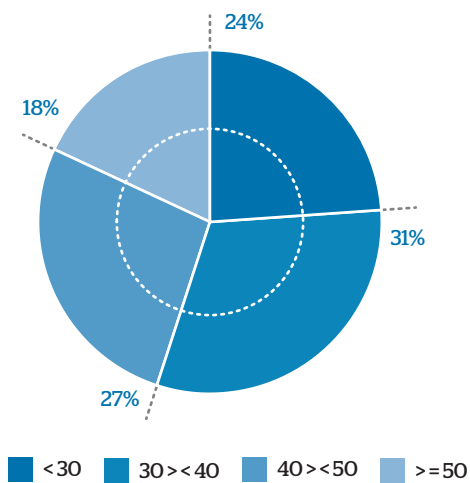
Atos employees as per December 31<sup>st</sup>, 2012



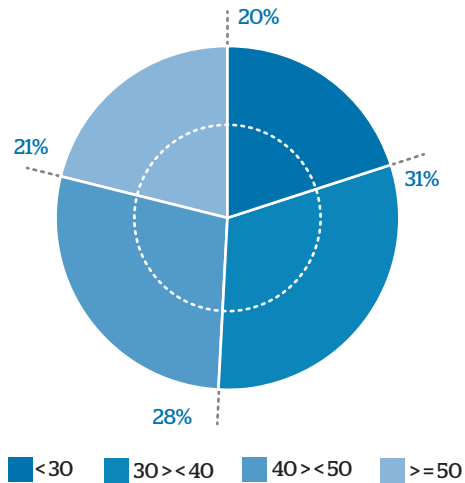
Breakdown per age and gender [A06]



Female staff breakdown per age



Male staff breakdown per age

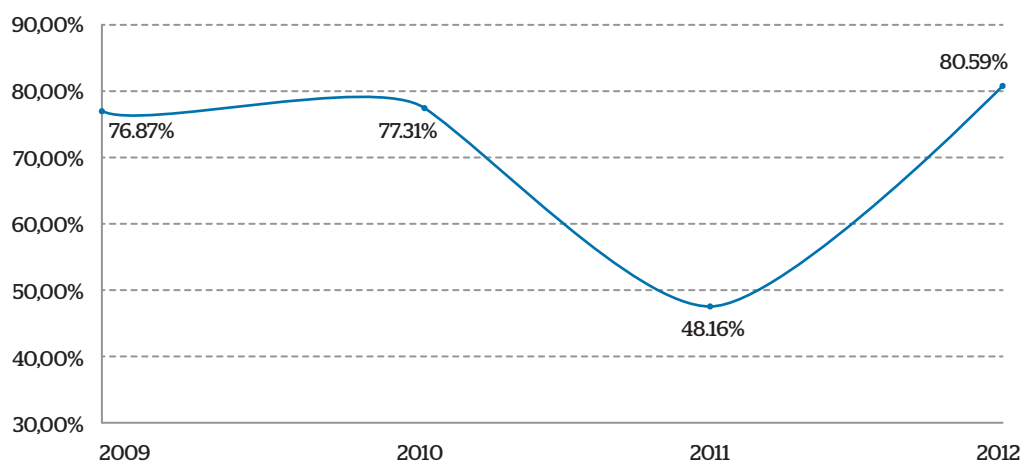


### Performance Management and Annual Review

The reported Group average for employees receiving regular performance and career development reviews in 2012 was 80.59 percent<sup>√</sup> [LA12].

Please find more details on the section B.4.9.

### Evolution of performance appraisal [LA12]



### C.3.1.2 Health@work

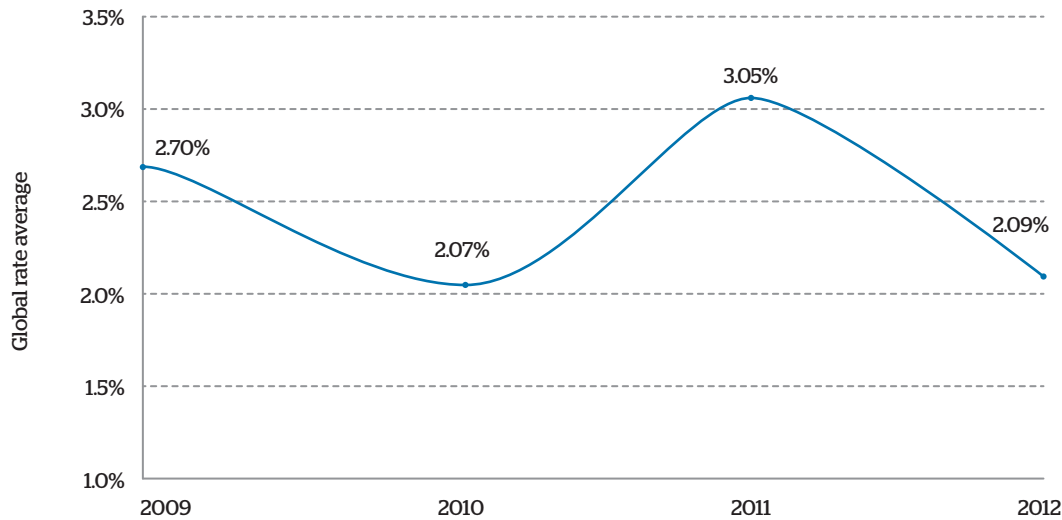
The Health@Work initiative aims to maximize the energy and personal resilience of our workforce by taking care of both psychological and physical health. This initiative uses best practices from inside the organization and outside, to help and encourage all GBUs to invest in the program. In 2012 Atos launched in several countries the atos.revitalized.com website which gives practical advice on how to maintain a healthy mind and body. The website can be customized to include local initiatives and for France a special French language site was launched called Biomoov. To date over 200 employees have connected to the Biomoov site and 5805 employees have connected to the Revalitized website.

Furthermore the Great Place to Work survey results show that 71 percent can take time off work when they think it is necessary, and 85 percent consider Atos a safe place to work.

The absenteeism percentage regarding the direct operational workforce in 2012 was 2.09 percent<sup>√</sup> [LA7], a considerable reduction compared to 3.05 percent in 2011.



Evolution of the global absenteeism's rate [LA7]



Atos also has a program in place for education, training, counseling, prevention, and risk-control to assist workforce members, their families, or community members regarding serious diseases [LA8].

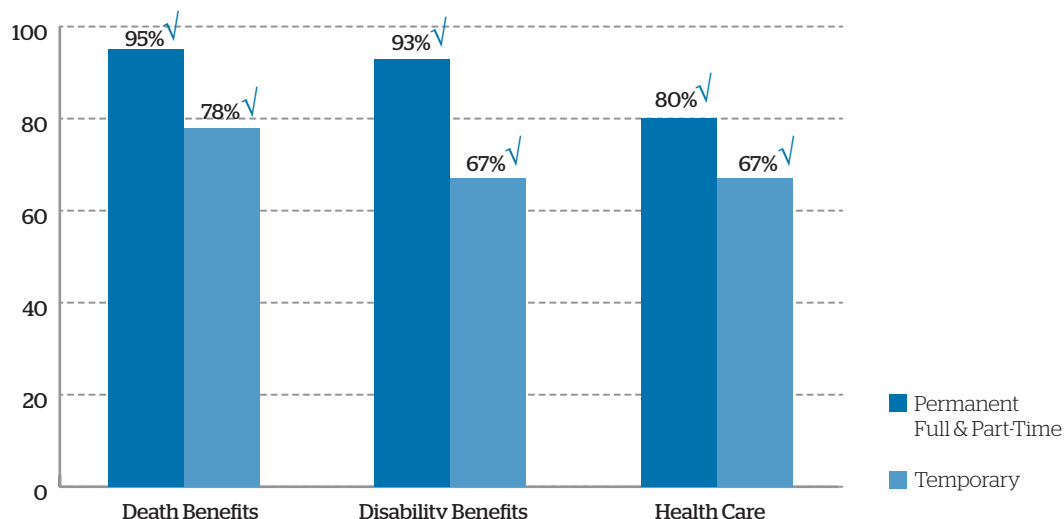
Death and disability benefits as well as health care coverage are offered to almost all permanent employees. Nevertheless, additional occupational medical/health benefits are rare in Germany, Austria, Switzerland and Sweden. Indeed, the compulsory health insurance is fairly comprehensive in these countries, so supplementary medical benefits are generally not necessary. Excluding these countries, health benefits are offered to 80 percent of permanent employees and disability benefits are offered to 93 percent of permanent employees [LA3].

In Austria, Germany and Switzerland, death benefits are included in the pension plans and provided in the form of pension for spouse and children. In other countries, death benefits are mainly provided in the form of lump sum payments. The principal lump sum amount is sometimes increased according to the family status (France, Morocco, Denmark) and doubled for a death as a result of an accident (China, Japan, Thailand, Greece, Poland, Spain, Brazil, Chile, Mexico, UAE) [LA3]. Death Benefits are offered to 95 percent of the employees.

# Corporate social responsibility

## C.3 Achievements in 2012 regarding social commitments

Employees participating in risk benefit arrangement per contract type [LA3]



### C.3.1.3 Collective bargaining agreements and minimum notice periods

Atos thinks that job security contributes to the psychological health of its workforce. Therefore, Atos follows local and international regulations concerning minimum notice period(s) regarding significant operational changes. Also, 71 percent✓ of employees is covered by collective bargaining agreements [LA4].

Collective bargaining agreements are agreements regarding working conditions and terms of employment concluded between an employer, a group of employers, or one or more employers' organizations.

Atos collective agreements cover for example Health and Safety matters, length of maternity/paternity leave, working time, notice periods, vacation time (usual and exceptional such as wedding, birth, house moving...) [LA5].

Talent Development [LA11], please refer to the dedicated section B.4.3.

### C.3.1.4 Trainings

The Atos University and other Learning & Development programs are here to help every employee reach its potential.

With 21.1 hours of learning per employee✓ on average throughout the year, Atos has kept a solid people development effort in 2012 [LA10].

The new company Learning framework has been defined and implemented straight away, consisting of global processes and tools - including the essential "myLearning" portal, which will stand as a single point of access to all

learning opportunities for all Atos employees, and a powerful Learning management organization extended by an external partner for administration and external training management.

#### Atos University

Atos University, the company's corporate university, trained 43,541 people✓ in 2012 through its international programs.

Please find more details on Atos University in the section B.4.3.2 [LA11].

### C.3.15 Building a responsible company by valuing Diversity

Atos is committed to ensuring that its workforce represents Society in each country where it operates.

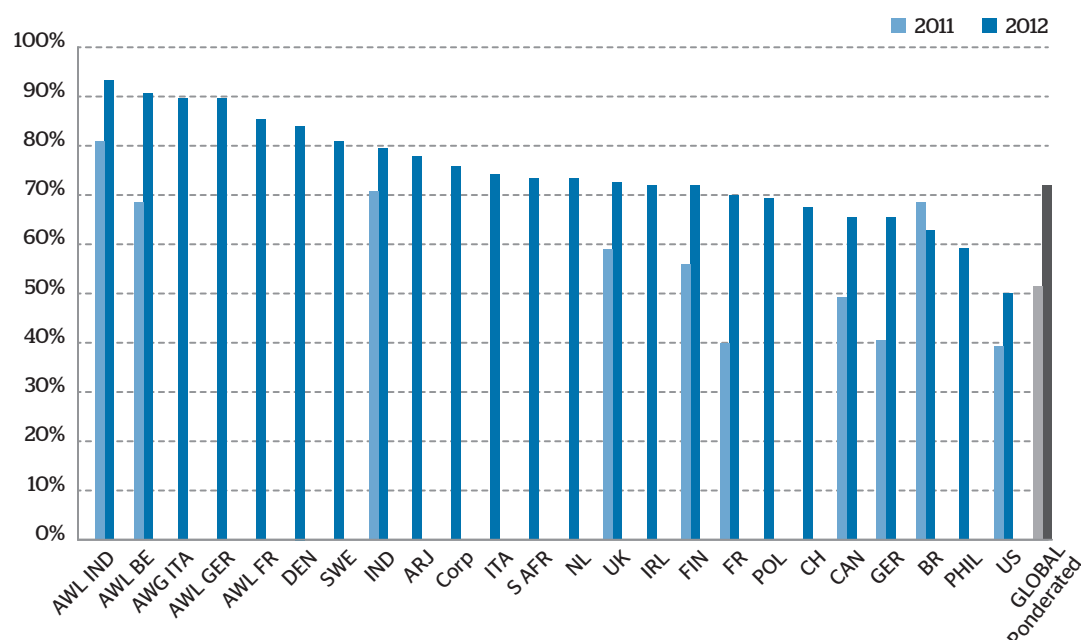
Although Atos is mainly an European organization, it employs 140 different nationalities<sup>✓</sup> and has operations within 47 countries. That demonstrates the large cultural diversity that exists in the company.

This commitment is related to United Nations Global Compact Principles:

- Principle 6: Business should uphold the elimination of discrimination in respect of employment and occupation

To measure and benchmark the quality of Atos working environment to the best references across the world, Atos has engaged the renowned and independent Great Place To Work<sup>®</sup> Institute. This institute is a global research, consulting and training firm that helps organizations identify, create and sustain great workplaces through the development of high-trust workplace cultures. It serves businesses, non-profits and government agencies on all six continents.

Great Place to Work survey participation rates:



The GPTW survey results reflect the percentage of respondents who rated the affirmative survey statements: either a 4 (« often true ») or a 5 (« almost always true »). The average results scores on the 59 statements showed 47 percent<sup>✓</sup> positive answers, which is an increase of 2 percent<sup>✓</sup> compared to last year and 28 percent of neutral answers (3 sometimes “true, sometimes untrue”). Poland achieved the Great Place to Work award in March 2012, whilst Denmark (with a 72 percent score) together with six other countries and business units, is a close runner up to become a Great Place to work in 2013.

Improvements plans are being developed per country to help increase our ranking for the 2013 surveys. Two key

areas in need of improvements during 2013 have been identified:

- **Leadership:** the aim is to place more emphasis on the effective cascade of company's vision and work to ensure that leadership across the business work in a collaborative and transparent style, making sure that everyone has the opportunity to hear about our business plans and ask questions to better understand the objectives of 2013.
- **Reward and Recognition:** some excellent work has already taken place in this area with 6,500 Accolades awarded worldwide last year, and the commitment is to increase recognition of people in appreciation of the exceptional achievements delivered during 2013.

# Corporate social responsibility

## C.3 Achievements in 2012 regarding social commitments

### Focus on Diversity

The Great Place to Work Survey in 2012 show a good score on diversity in Atos:

Suvery question	2012	2011
People here are treated fairly regardless of their age	65% ✓	67%
People here are treated fairly regardless of their gender	80% ✓	80%
People here are treated fairly regardless of their race or ethnicity	85% ✓	84%
People here are treated fairly regardless of their sexual orientation	84% ✓	84%
People here are treated fairly regardless of disability	81% ✓	77%
Average:	79% ✓	78%

As the general survey, the results on Diversity takes in account that a lot of answers were neutral, which here also a great potential to improve.

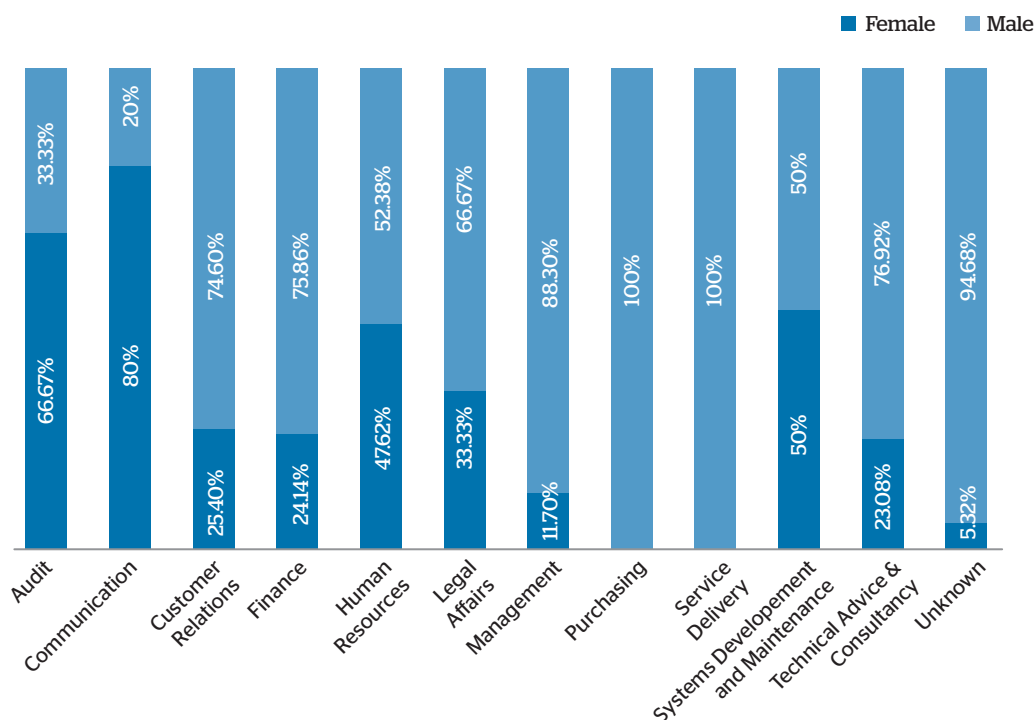
females✓ globally which reflect a better balance than the resources available on the market. The female ratio within the management team is of 19 percent✓.

### Promoting gender equality

Recurring studies show that engineering and IT education are mainly followed by males. Atos employs 27 percent of

The aim in the coming three years is not only to reach, but also to pass, the level of 30 percent of females employed for young graduates.

### Males/ Females split per job family in the Top 750 [LA13]

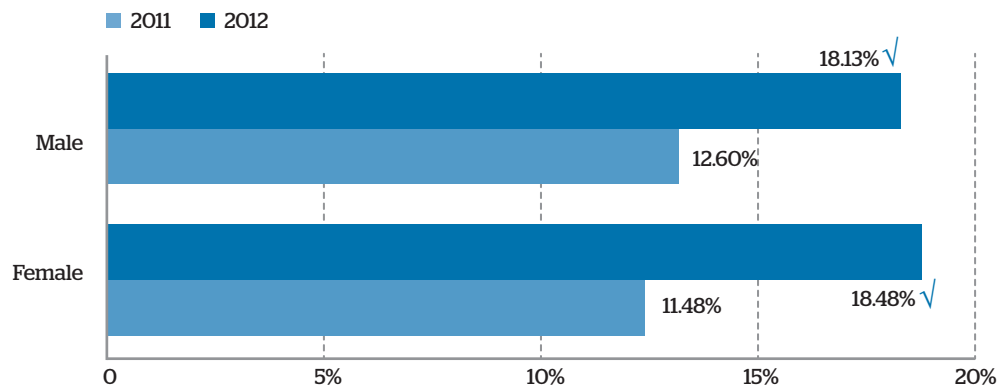


To improve the ratio of female leadership positions, specific coaching pilots have been started in Germany and France.

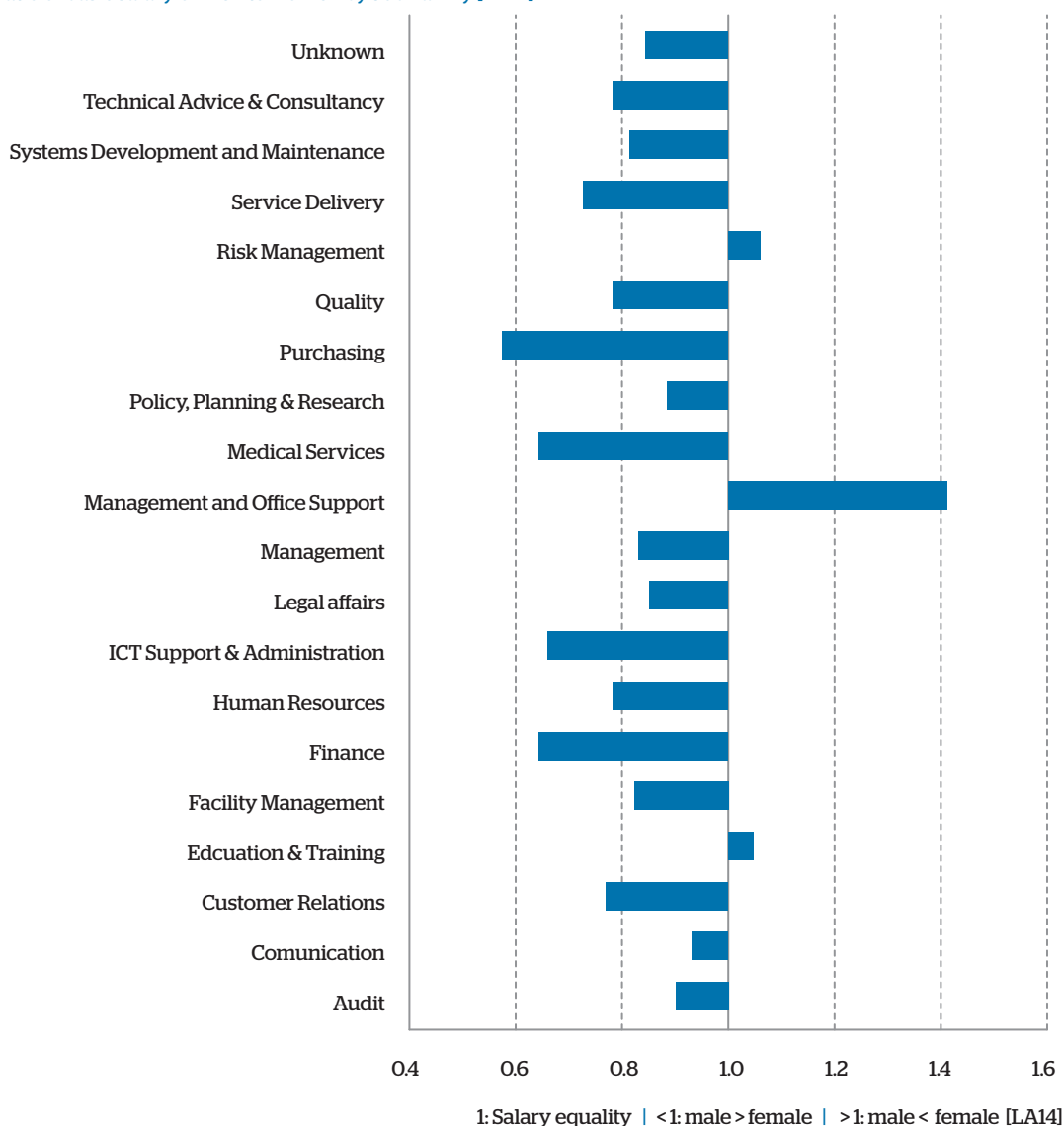
Many countries have introduced legislation to enforce the principle of equal pay for work of equal value. This issue is supported by ILO Convention 100 on 'Equal

Remuneration for Men and Women Workers for Work of Equal Value'. Equality of remuneration is a factor in retaining qualified candidates in the workforce. Where imbalances exist, an organization runs a risk to its reputation and legal challenges on the basis of discrimination.

### Promotion among the employees per gender [AO6]



Ratio of basic salary of men to women by Job Family [LA14]



The differences of salary between females and males are explained by the job position within each job family: as described in the graphic "Males Females split per job family in the Top 750" above, males are the most numerous in the Senior Management.

### Take in account disabled people

A special program has been implemented in France, in collaboration with union representatives, to attract and develop handicapped people through proving meaningful employment. Again, the goal of this initiative is both to support this population and also open

people's mind. Specific information and awareness campaigns were launched in 2010 to support this change. Everybody knows that diverse teams encourage creativity, attentiveness to others and to all differences, qualities which are also valuable for our customers and stakeholders.

For example, a "Handicap week" dedicated to communicate in all the countries on Handicap was launched.

## C.3.2 Collaborative Sustainable work environment

### C.3.2.1 Zero email™ – embracing a new way of working

Implementing new working organization within the company creates a more social and innovative working environment. And, by facilitating the development of virtual communities, providing easier access to collaborative tools and the development of remote working, employees can achieve a better balance between their work and personal life.

Atos Zero email™ ambition addresses the challenges organizations face as a result of the continuing explosion in data and the implementation of the Workplace of the future with new collaborative and communication tools. Atos' aim therefore is to promote new forms of working, to fill the gaps of the emails, by using improved communication applications as well as social media tools. For example, by using Office Communicator (OCS) instead of email for quick questions to or chats with colleagues, or by using LiveMeeting to instantly organize online meetings and sharing documents.

In April 2012 Atos completed the purchase of blueKiwi, Europe's leading social software company.

In July and August 2012 the first Zero email™ Certified program for the Olympic Games was run, demonstrating how the Security, Identity and Event Management processes are email free.

Also in July the Zero email™ Certified club was launched

and the Juniors Group became our first Zero email Community.

On October 15<sup>th</sup>, 2012, the beta release of blueKiwi ZEN or Zero email™ network was launched on Canopy cloud platform, and to all existing blueKiwi customers on November 5<sup>th</sup>, 2012.

By the end of the Year, the end user training infrastructure was ready and 20,354 blueKiwi users exist.

938 communities have already been created in Atos ESN with 20 to 30 additional being created every week.

In addition Atos will also provide training to 5,000 managers worldwide, starting early 2013. This will ensure that they understand their role as leaders of communities and how to encourage participation and also best capture and use knowledge in a tool where everyone can contribute and participate.

During the next few months up until the end of 2013 all Atos employees will be working together on the network, all part of one or more business communities.

In addition to a collaborative social business network, Atos is also reviewing its business processes to remove e-mail where possible. The first Zero email™ certified (and externally audited) processes have already been achieved.

### C.3.2.2 Remote working

Atos is now a truly global company and to operate effectively needs to take advantage of new tools and collaborative technologies that allow being more effective and efficient, such as Remote Working. There are new tools that can increase the effectiveness of the collaboration of employees such as Office Communicator (OCS)/Live Meeting.

By the end of 2012 there were 74,535 active users of OCS [AO11].

As a result, in an increasing number of countries, Atos employees can now work formally at home for certain days of the week. Whether working at home or at

customer sites, Remote Working requires putting more trust in employees and a change in management to focus on "output" rather than "presence". The result is higher productivity, re-valued and satisfied employees and a more successful and competitive company.

Atos remote working program offered more flexibility to around 20,000 employees in 2012: 4,000 teleworkers with a formal contract to work at home and about 16,000 who work informally as teleworkers from a variety of locations [LA1].

### C.3.3 Be compliant with the International Labor standards

The protection of human rights has long been a part of Atos policy. It was first formalized in our 2003 Code of Ethics and in the Group values, and has been reaffirmed since then. The 2010 Code of Ethics confirms that Atos will always take decisions based on competences without consideration for nationality, sex, age, handicap or any other distinctive trait. Participating in the UN Global Compact since 2010, in which two of its principles relate to human rights, is another way of showing how Atos is willing to ensure such protection.

In line with its commitment to the UN Global Compact, in December 2011 Atos published the new version of its Group Code of Ethics, distributed it to all new employees

worldwide and launched a related training program.

Atos ensure the full compliance with the International Labor standards, by applying principles of the ILO Convention. In all the countries where the Group operates, Atos entry level wage (lowest wage in Atos paid to a permanent and full time employee) is above the local minimum wage when considering in local policies [EC5].

	Number of "Atos countries"	Number of employees in the countries
Atos entry wage > minimum wage [ >50% ]	30 ✓	8,060 ✓
Atos entry wage > minimum wage [ 10% - 50% ]	15 ✓	22,904 ✓
Atos entry wage > minimum wage [ 0% - 10% ]	6 ✓	25,465 ✓
Atos entry wage < minimum local wage	0 ✓	0 ✓
No minimum local wage	12 ✓	19,043 ✓

In addition, Atos is against any form of discrimination, and daily works to ensure that any decision is taken without discriminated criteria. A reporting to Global Litigation Department from the GBU exists for the labor cases, especially discrimination ones, when the action, suit or proceedings related to a case over EUR 190,000. For 2012, there is no incident✓ of discrimination registered during the reporting period [HR4].

The commitment to respect human rights is also among the criteria Atos applies for the selection of suppliers.

#### Sustainable Supply Chain [HR2]

Promoting best practices with the Sustainable Supplier Charter: The Atos' Sustainable Supplier Charter is attached to all major contracts. It complies with the UN Global Compact principles and encourages suppliers to implement best practices (environment, social, ethics, supply chain). On their side, all purchasers have signed the purchasing code of ethics, and commit to abide to its rules and principles.

Sustainable development weighs 10 percent in the process of supplier selection and performance measurement

- ▶ On Atos e-Sourcing platform, where suppliers participate to online requests for proposals, auctions and bids, sustainability is one of the criteria used to rate and select the best supplier, next to cost, quality, and geographical scope.
- ▶ In the process of measuring the effectiveness of the supplier through the QCLDM performance metric (Quality, Cost, Logistics, Development and Management), Atos has added Sustainability (S). Sustainability is an increasing Business Requirement which to be understood from stakeholders and translate to suppliers.

Atos Global Purchasing department has mandated a company called EcoVadis to assess the social and environmental performance of a selection of its suppliers every year since 2008. EcoVadis evaluates the compliance with environmental laws, labor practices, human rights and fair business practices of suppliers along the entire supply chain. Suppliers are asked to complete a self-assessment questionnaire, especially tailored to their size, location and activity. They also provide documents, such as policies and certificates, to confirm the answers to the questionnaire. These documents and answers are



then analyzed by a team of experts, who will also search information about the suppliers on the public domains and to specialized organizations, such as Global Compact.

After this thorough analysis, suppliers receive a rate and their strengths and weaknesses are highlighted on EcoVadis online platform which is accessible to both suppliers and Atos buyers.

258<sup>✓</sup> suppliers have been evaluated since 2009, representing 45 percent of Atos total spend. Action plan with corrective actions are required for all suppliers with a score below or equal to 4.

In 2012, EcoVadis has assessed 88 suppliers from 12 countries. The average score is 5 out of 10 with 66 percent

scoring 5 or more. The action plan for 2013 is to assess more suppliers and cover more spend. Almost all Global Lead buyers (25 people) have participated to a conference call organized with EcoVadis in order to involve them in the process. Buyers are willing to convince suppliers to be assessed by EcoVadis and to implement corrective action plans with suppliers when necessary. A new selection of suppliers will also be done in 2013 with country as additional criteria in order to cover all Atos geographical scope.

Atos purchasing practices promote the best selection of supplier taking into account the importance of the locally-based suppliers for a local economy development and maintenance. The percentage of local expenditure at group level during 2012 was 92 percent<sup>✓</sup> [EC6].

### C.3.4 Social KPI overview

GRI code	KPI Name	2012	2011	2012 scope	
		Group		Per employee	Per revenue
<b>LA1</b>	<b>Organizational workforce in headcount</b>				
	Total Employees (Legal staff)	76,742 <sup>✓</sup>	72,570	100%	---
	Total Employees (including supervised workers: interims + interns)	99,250 <sup>✓</sup>	82,483	100%	---
	Percentage of employees with a permanent contract	98% <sup>✓</sup>	98%	100%	---
	Percentage of employees with a temporary contract	2% <sup>✓</sup>	2%	100%	---
	Percentage of permanent employees in Full Time working	92% <sup>✓</sup>	80%	100%	---
	Percentage of permanent employees in Part Time working	8% <sup>✓</sup>	20%	100%	---
<b>LA2</b>	<b>Employee Attrition</b>				
	Percentage of females leaving the company (rate from total employees leaving)	29% <sup>✓</sup>	25%	100%	---
	Percentage of males leaving the company (rate from total employees leaving)	71% <sup>✓</sup>	75%	100%	---
	Rate of females leaving employment	16.93% <sup>✓</sup>	11.09%	100%	---
	Rate of males leaving employment	15.16% <sup>✓</sup>	11.97%	100%	---
	Global attrition rate (rate of employees leaving employment)	15.63% <sup>✓</sup>	11.74%	100%	---

# Corporate social responsibility

## C.3 Achievements in 2012 regarding social commitments

GRI code	KPI Name	2012	2011	2012 scope	
		Group		Per employee	Per revenue
<b>LA3</b>	<b>Benefits to employees</b>				
	Percentage of Permanent employees participating in Death Benefits	95% ✓	97%	100%	---
	Percentage of Temporary employees participating in Death Benefits	78% ✓	87%	100%	---
	Percentage of Permanent employees participating in Disability benefits	93% ✓	94%	100%	---
	Percentage of Temporary employees participating in Disability benefits	67% ✓	85%	100%	---
	Percentage of Permanent employees participating in Health Care	80% ✓	79%	100%	---
	Percentage of Temporary employees participating in Health Care	67% ✓	67%	100%	---
<b>LA4</b>	<b>Collective bargaining coverage</b>				
	Percentage of employees covered by collective bargaining agreements	71% ✓	73%	92%	---
<b>LA7</b>	<b>Lost working days / Absenteeism rate</b>				
	Global absenteeism rate	2.09% ✓	3.05%	81%	---
<b>LA8</b>	<b>Serious diseases assistance programs</b>	<b>Not disclosed</b>	<b>Not disclosed</b>		
<b>LA10</b>	<b>Average training hours per employee</b>				
	Average hours of training per employee	211 ✓	291	82.20%	---
	Number of eLearning users	43,541 ✓	14,725	100%	---
	Number of employees attending Sustainability Training	473 ✓	Not disclosed	100%	---
<b>LA11</b>	<b>Employability initiatives</b>	<b>Qualitative</b>	<b>Qualitative</b>		
<b>LA12</b>	<b>Career development monitoring</b>				
	Percentage of employees receiving performance appraisal in the last 12 months	80.59% ✓	48.16%	69.63%	---
<b>LA13</b>	<b>Management diversity ratios</b>				
	Percentage of females in Atos	26.78% ✓	26.53%	100%	---
	Female ratio within the management team (top 750 in 2012, top 400 in 2010 and 2009)	14.56% ✓	14.61%	100%	---

HR4 includes Asia Pacific, Benelux, CEE, Germany, Iberia, IMEA, Latin America, UK & Ireland, Worldline, Worldgrid.

AO6 "Disabled people" includes Asia Pacific, CEE, France, Germany, Iberia, NSWE, Worldline and Worldgrid; "Percentage of women and men that had promotions" includes the population present the 01/01/2012 that were still present the 31/12/2012 which represents 64,270 employees; "Diversity perceptions" includes the data gathered in Great Place to Work surveys which were answered by 41,081 employees.

LA4 includes Germany, France, Benelux, UK & Ireland, Worldline (except Luxembourg), CEE (except Slovakia and Turkey), Iberia (except Portugal), Major Events (except Brazil), N&SWE (except Denmark, Estonia, Greece and Sweden), Asia Pacific, IMEA (except Egypt), North America (except USA), Latin America (except Chile, Colombia and Mexico), Worldgrid and Corporate.

LA7 includes Germany, France, Benelux, UK & Ireland (except Ireland), CEE (except Russia), Iberia (only Spain), Asia Pacific (except Malaysia), IMEA (only Morocco). Absenteeism rate only concerns "direct" people. The "direct people" are the people that are billable to the customer, even partially billable.

LA10 includes Germany, France, Benelux (except Luxembourg), UK & Ireland (except Ireland), Worldline (only France and Germany), CEE (except Croatia and Turkey), Iberia (only Spain), Asia Pacific (except Indonesia), IMEA (only India and Morocco), Latin America (only Argentina), Worldgrid (except Germany).

LA12 covers 53,436 employees. All the countries except Germany, Worldgrid Germany, Worldline Germany, Worldline France, Worldgrid France and a major part of France.

GRI code	KPI Name	2012	2011	2012 scope	
		Group		Per employee	Per revenue
<b>LA14</b>	<b>Salary rate between men and women</b>				
	General ratio Woman/Men within the Atos' Job families	0.78 ✓	0.78	87.77%	--
	Discrepancies in average salary between males and females within the same GCM level	.22% ✓	.22%	87.77%	--
<b>HR4</b>	<b>Total number of incidents of discrimination and actions taken</b>				
	Number of claims on discrimination grounds	-	-	78.55%	--
<b>EC5</b>	<b>Minimum wage comparison</b>				
	Number of "Atos countries" where Atos entry wage > minimum national/ IT sector wage [>50%]	30 ✓	Not disclosed	98%	--
	Number of "Atos countries" where Atos entry wage > minimum national/ IT sector wage [10%-50%]	15 ✓	Not disclosed	98%	--
	Number of "Atos countries" where Atos entry wage > minimum national/ IT sector wage [0%-10%]	6 ✓	Not disclosed	98%	--
	Number of "Atos countries" where Atos entry wage < minimum national/ IT sector local wage	- ✓	Not disclosed	98%	--
	Number of "Atos countries" with no minimum national wage	12 ✓	Not disclosed	98%	--
	Number employees in "Atos countries" where Atos entry wage > minimum national/ IT sector wage [>50%]	8,060 ✓	Not disclosed	98%	--
	Number employees in "Atos countries" where Atos entry wage > minimum national/ IT sector wage [10%-50%]	22,904 ✓	Not disclosed	98%	--
	Number employees in "Atos countries" where Atos entry wage > minimum national/ IT sector wage [0%-10%]	25,465 ✓	Not disclosed	98%	--
	Number employees in "Atos countries" where Atos entry wage < minimum national/ IT sector local wage	- ✓	Not disclosed	98%	--
	Number employees in "Atos countries" with no minimum national wage	19,043 ✓	Not disclosed	98%	--
<b>EC7</b>	<b>Local hiring</b>				
	Percentage of local employee	95.02% ✓	94.40%	100%	--
	Percentage of national manager (Number of national senior manager divided by total number of senior managers in the country/GBU)	94.80% ✓	94.93%	98.00%	--
	Number of national employee recruited	11,984 ✓	31,050	100%	--
	Percentage of local recruitment (Excluding acquisitions)	93.16% ✓	92.43%	100%	--
	People entering the company	12,864 ✓	8,891	100%	--
<b>A06</b>	<b>Workforce diversity ratios (Handicap people)</b>				
	Number of nationalities within Atos	140 ✓	132	100%	--
	Number of disabled people	603 ✓	891	55.75%	--
	Percentage of females within Atos	27% ✓	27%	100%	--
	Percentage of women that had promotions during the year	18.48% ✓	11.48%	88%	--
	Percentage of men that had promotions during the year	18.13% ✓	12.60%	88%	--

LA14: The GCM - Global Capability Model - is a standard for categorizing jobs across Atos. It provides an overview of the wide variety of positions in the organization, and the different levels of experience and expertise required in each position.

EC5 includes Germany, France, Benelux, UK & Ireland, Worldline, CEE, Iberia, Major Events, N&SWE (except Sweden), Asia Pacific (except China and Singapore), IMEA, North America, Latin America (except Chile), Worldgrid and Corporate. Detailed information about the methodology used in C.71 "Scope of the report".

EC7: Due to the recent merge of ex-SIS employees in Atos' information systems and due to data privacy issue, the GCM level of 7,730 employees are missing (mainly among the German employees) and a total of 430 employees do not have their nationality informed.

# Corporate social responsibility

## C.3 Achievements in 2012 regarding social commitments

GRI code	KPI Name	2012	2011	2012 scope	
		Group		Per employee	Per revenue
Diversity Perception (GPTW)					
	People here are treated fairly regardless of their age	65% ✓	67%	55%	---
	People here are treated fairly regardless of their gender	80% ✓	80%	55%	---
	People here are treated fairly regardless of their race or ethnicity	85% ✓	84%	55%	---
	People here are treated fairly regardless of their sexual orientation	84% ✓	84%	55%	---
	People here are treated fairly regardless of disability	81% ✓	77%	55%	---
	Average on Diversity Perception (GPTW survey questions)	79% ✓	78%	55%	---
AO9	Smart working conditions				
	Number of employees in offices in accordance with Atos´ Campus Concept (accordance higher than 50%)	24,054 ✓	12,315	43%	---
	Number of employees in offices in accordance with Atos´ Campus Concept (accordance higher than 75%)	4,977 ✓	4,500	43%	---
	Number of employees in offices in accordance with Atos´ Campus Concept (accordance beetween 50% and 75%)	19,077 ✓	7,815	43%	---
	Number of employees in offices in low accordance with Atos´ Campus Concept (lower than 50%)	8,824 ✓	Not disclosed	43%	---
	Number of audited sites	77 ✓	36	43%	---
AO11	Collaborative technologies development (Zero mail)				
	External e-mail received (actual)	140,592,211 ✓	Not disclosed	54.5%	---
	Internal e-mail received (actual)	241,714,206 ✓	Not disclosed	54.5%	---
	External e-mail sent (actual)	33,148,332 ✓	Not disclosed	54.5%	---
	Internal e-mail sent (actual)	124,331,312 ✓	Not disclosed	54.5%	---
	Total spaces in Bluekiwi	938 ✓	Not disclosed	100%	---
	User who have logged in once	3,155 ✓	Not disclosed	100%	---
	Total enabled users in Bluekiwi	20,354 ✓	Not disclosed	100%	---
AO12	Top management commitment with employees				
	Total number of employees participating in breakfast with CEO/local management	4,187 ✓	1,754	90%	---
AO13	Atos culture and values awareness				
	New joiners participating in welcome days	6,039 ✓	1,884	63.7%	---
	New joiners using eWelcome book	7,688 ✓	3,397	63.7%	---
	New joiners with buddy assignments	6,771 ✓	2,419	63.7%	---

AO9 includes Asia Pacific, Benelux (except Luxembourg), CEE, Germany, Iberia (Spain), IMEA (India), N&SWE (except Estonia and Greece), North America (USA), Worldline (Belgium, France and India).

AO11 includes Asia Pacific, Benelux, CEE, France, Germany, Iberia, IMEA, Latin America, N&SWE, UK & Ireland and Worldline.

AO12 includes Asia Pacific, Benelux, CEE, France, Germany, Iberia, UK & Ireland, Worldline and Worldgrid.

**Key Achievements in 2012:**

- ▶ In 2012, bearing in mind the new objective to abate by 50 percent of carbon footprint by 2015, Atos improved again our carbon footprint performance, mainly through the continuation of the carbon audit initiative and the PUE programs in the datacenters, but also extending the scope of decarbonized energy supply.
- ▶ In terms of ISO 14001 certification, Atos exceeded the original target set in 2010 to certify 25 centers by the end of 2012: 43<sup>✓</sup> offices and datacenters were certified.

**C.4.1 Environmental management****C.4.1.1 Carbon management program: towards a Zero Carbon Company**

Since 2008, Atos has undertaken an annual evaluation of the carbon footprint of the entire company, covering all of its activities. This initiative involves identifying the main sources of emissions and taking the right actions to reduce the volume of CO<sub>2</sub> (directly or indirectly) emitted.

As main sources of pollution are coming from Atos datacenters and business activities (travels and facilities), Atos has structured its carbon abatement program in two parts:

- ▶ Improve the energy efficiency and develop the carbon tracking in datacenters.
- ▶ Reduce the business influences: limit travels' impacts thanks to remote and collaborative solutions, and smart way of traveling (MyCar), and limit the Facilities' impact ("Smart Campus").

**Datacenters, still at the top of the agenda**

In 2012, on its journey to become a Zero Carbon Company, Atos set a new objective of reducing its carbon footprint by 50 percent by 2015 (from a 2008 baseline) which positions us at the top of the league of the most competitive companies in the IT sector in terms of carbon reduction.

The approach is twofold: to reduce the carbon footprint of the organization and operations, while providing to clients the smartest services in terms of environmental footprint.

Carbon emissions produced by Atos are managed, measured, tracked and publicly reported on each year.

Atos applies the Greenhouse Gas Protocol (GHG Protocol), which is the most widely used international accounting tool to understand, quantify, and manage greenhouse gas emissions.

With environmental regulation strengthening around the world, many Atos customers are increasingly mindful of their carbon emissions and the costs they represent. As a result, the company took the decision in 2010 that clients that choose to outsource their IT infrastructure and applications to Atos carbon neutral datacenters benefit from the Ambition Zero Carbon Program aimed at further reducing its CO<sub>2</sub> footprint in its worldwide activities, particularly in its datacenters. Atos Worldline datacenters, part of Atos core expertise in Hi-Tech Transactional Services (HTTS), enable the processing of billions of critical electronic transactions and also operate under similar carbon neutral requirements.

Atos' Carbon Neutral Hosting Services are based on four key activities. Firstly, an energy efficiency program to reduce Power Usage Effectiveness (PUE), reinforce virtualization, close energy-inefficient datacenters, and implement green best practices when possible. Secondly, a global Carbon Audit program applied to all its main datacenters. Thirdly, a renewable energy sourcing strategy. And, finally offsetting the carbon emissions produced by its datacenters, which have a global footprint of 81.373 tons CO<sub>2</sub><sup>✓</sup>[EN16].

To achieve its objective of becoming a Zero Carbon Company, Atos has put in place its Ambition Zero Carbon program which aims to reduce its carbon footprint. In order to neutralize any remaining CO<sub>2</sub> emissions, Atos has financed a sustainable, carbon reduction project in a developing country (Carbon credits coming from a wind turbine farm located in India).

Demand for datacenter services is booming as the use of information and communication technologies (ICT) by all sectors of the economy is dramatically growing. This continual increasing demand for electricity to power IT and cooling equipment has a significant impact on the environment. The ICT industry accounts for approximately 4 percent of the global carbon dioxide (CO<sub>2</sub>) emissions, datacenter consumption contributing partly to this situation. Atos is the European leader in outsourcing and Managed Services. The company measures and monitors the Power Usage Effectiveness (PUE) of all its units. This metric is used to measure the energy efficiency of datacenter facilities. The average weighted PUE for these data centers was 1.80 in 2012 (1.85 in 2011). The objective is to reach the target average of 1.65 in 2014. This improvement reflects the ongoing efforts being made to improve the performance of Atos hosting services. However, it is necessary to specify that the readability of this indicator requires integrating other factor, such as the IT load, or age of the IT infrastructure for instance. Obviously, taken separately, part of datacenters has a much higher performance, like our datacenter in Finland where the PUE is about 1.2.

### **Reduce the business and employees' activities influences**

Atos travel policy establishes strict processes for employees who travel on behalf of Atos for business purposes. The policy strongly encourages remote meeting (e.g. conference calls, video conferencing), and favors "smart" transportation wherever possible (e.g. train instead of airplane, electric Atos fleet car or public transport). The policy is mandatory and applies to all employees across

the world. All travel bookings must be made via a platform (travel agency), applying the travel policy in the booking process with a workflow of control and validation.

In addition, the implementation of a collaborative sustainable work environment support this reduction of the need to travel and at the same time extends flexibility for employees.

As from January 2010, cars with emissions above 120g CO<sub>2</sub>/km are no longer permitted as part of Atos' car fleet, and leasing terms for cars which have a carbon emission above 120g CO<sub>2</sub>/km cannot be renewed or extended. Thanks to the efforts by our workforce, the average of pollution per km has decreased from 145g CO<sub>2</sub>/km (2009) to 123.75g CO<sub>2</sub>/km ✓ (2012 average).

In addition, to further reduce the carbon emissions produced from travelling, in 2012, Atos developed a new service for employees: an electric fleet car produced by the Bolloré Group and designed for business travel to be powered by renewable electricity (see case study). This project is being trialed at the Atos headquarter (Bezons, France) and is due to be gradually rolled out to the main locations of the company.

Compared to Atos' Ambition Zero Carbon program to reduce its carbon emissions by 50 percent by 2015 (2008 baseline), MyCar can create savings of up to 127g CO<sub>2</sub>/km (which is the French average produced by a standard vehicle) or 137g CO<sub>2</sub>/km for the European average.

### **C.4.1.2 Environmental Management Systems core to our strategy**

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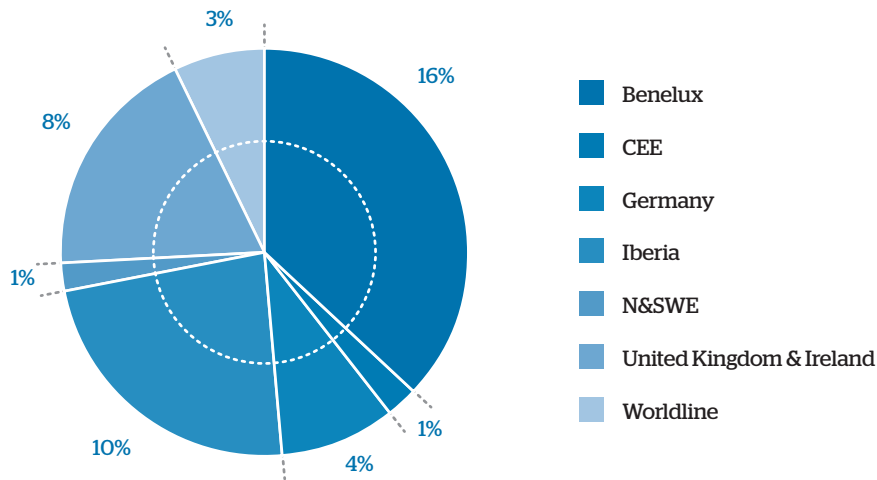
The ISO 14001 approach requires company to take a look at all areas where its activities have an environmental impact. This involves identifying the main sources of pollution and ensuring that governance and processes are in place to monitor and improve them. Many benefits have been identified to Atos including compliance with environmental regulation, savings in consumption of energy and materials, lower distribution costs, improved corporate image with stakeholders, and improvement of environmental performance.

The roll out of the ISO 14001 certification in all GBUs increases consideration of environmental impacts. Its implementation in main sites should contribute to develop awareness about environmental issues, improve the careful management of natural resources (energy, water...) while reducing the environmental footprint of Atos.

In 2009 Atos launched the implementation of Environmental Management Systems (EMSs) with the objective of attaining ISO 14001 certifications for all office sites (with more than 400 employees) and datacenters (all strategic Atos datacenters are targeted). The major environmental aspects relate to the usage of electricity, gas and fuels to operate datacenters and offices. The common factor amongst these environmental aspects is carbon emission. As a result, ambition is to manage the majority of carbon emissions through EMSs, aiming for at least an 80 percent of main sites in the final stage.

With regards to datacenters, the target initially agreed in 2010 was to certify 25 datacenters over the period 2010-2012. By the end of 2012, 43 offices ✓ were certified [EN28].

## ISO14001 certified sites (Offices plus DC) [EN28]



## C.4.1.3 Waste Management

Atos pays particular attention to Waste of Electrical and Electronic Equipment (WEEE) as this is potentially hazardous. Indeed, these wastes have a high ecological footprint due to the large amounts of water, metals, and energy used during the design, manufacture, transport, usage and the recycling of components. The Atos Global Waste Management Policy states that all wastes have to be managed in full compliance with regulation. In this respect, the global policy aims at ensuring that the collection, storage, transportation and disposal of waste are properly managed and recycled to minimize the impact on environment and mitigate risks to the health and safety of communities.

To ensure the waste chain is correctly managed, Atos requests its vendors to sign the Sustainable Supplier Charter specifying any environmental constraints to comply with. As an increasing part of the IT equipment is leased, in the near future, suppliers will be requested to provide evidence about the end of lifecycle of the IT equipment used by Atos. The objective is twofold: to secure the supply chain in the entire lifecycle and to ensure any impacts on environment are minimized.

In this strategy of the waste management, in 2012, Atos continues to manage the use of office paper: 434 tons of papers were used [EN1], including 186 tons of recycled and certified paper consumed as FSC and similar and 2 percent of 100 percent recycled paper consumed [EN1].

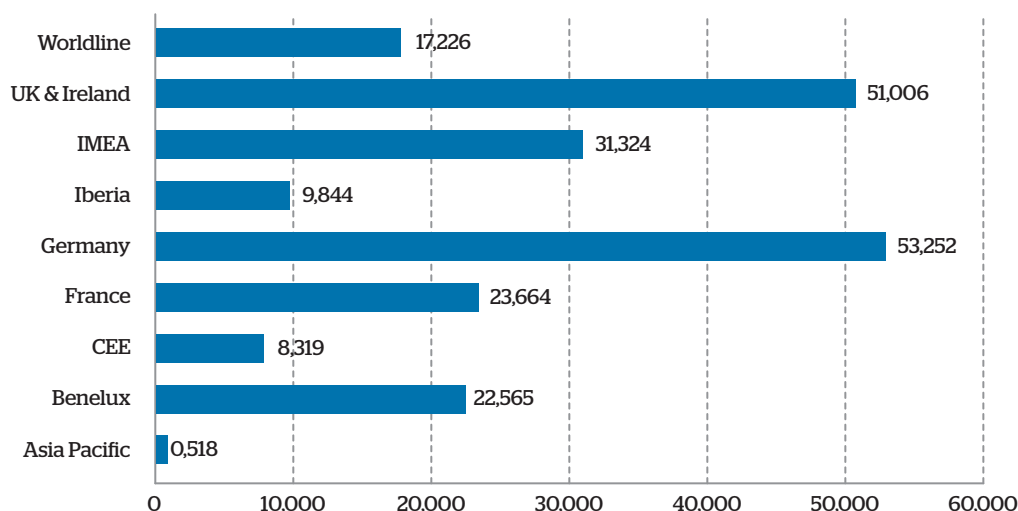


### C.4.2 Improving the sustainable use of resources

#### C.4.2.1 Zero Carbon ambition: a plan in action

In 2012, Atos produced 217,718 tons $\checkmark$  CO<sub>2</sub> for all activities worldwide [EN16].

Direct / indirect greenhouse gas emission (data centers & offices) per GBU [EN16]



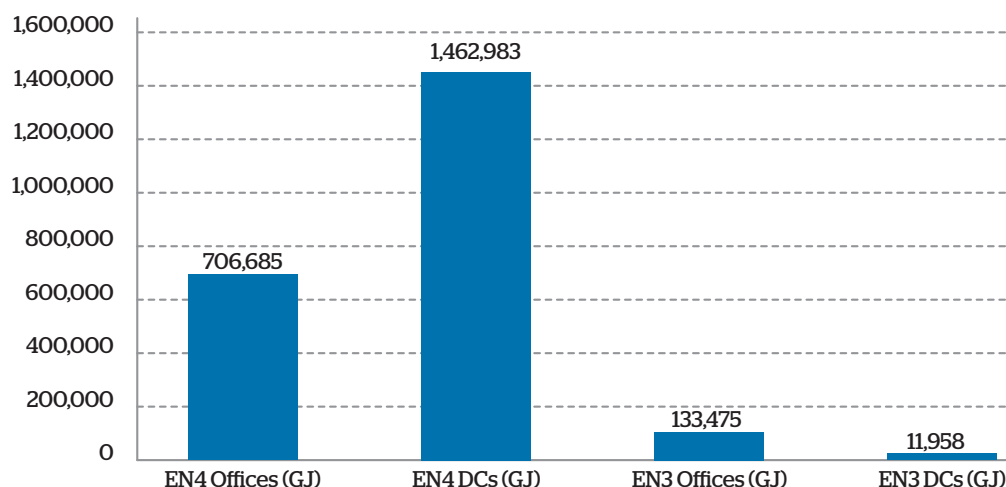
Atos uses remote tool to limit travels: in 2012, employees passed 2,948,022 hours on OCS $\checkmark$  [EN7].

Due to conservation and efficiency improvements of energy use in offices, more than 14,050 GJ $\checkmark$  of energy have been saved in 2012 [EN5]. In data centers, more than 13,154 GJ $\checkmark$  was saved through the Carbon Audit program performed in 19 significant Data Centers [EN6]. Atos is also continuously improving the control of refrigerants emission, and in 2012 the amount registered was more

than 3,559 kg $\checkmark$  recharged in the cooling system [EN19]. By implementing several initiatives to reduce greenhouse gas, Atos has achieved a total reduction of 1,924 Tons CO<sub>2</sub> $\checkmark$  [EN18].

The total Direct Energy Consumption in data centers & offices was 145,433 GJ $\checkmark$  [EN3]. The Indirect energy consumption in data centers & offices was 2,169,668 GJ $\checkmark$ , with 1,888,103 GJ $\checkmark$  for Electricity consumption [EN4].

Distribution of the direct and indirect energy consumption [EN3 & EN4]





### C.4.3 Environmental KPI overview

GRI code	KPI Name	2012	2011	2012 scope	
		Group		Per employee	Per revenue
<b>EN1</b>	<b>Office paper used</b>				
	Office paper used (tons)	434 ✓	364.76	---	54.64%
	Percentage of recycled paper consumed	2% ✓	Not disclosed	---	54.64%
	Recycled and Certified paper consumed as FSC and similar (tons)	186 ✓	27961	---	54.64%
	Percentage of recycled and certified paper consumed	43% ✓	76.66%	---	54.64%
	Other paper consumed, unknown paper (tons)	236 ✓	8515	---	54.64%
	Average paper usage per employee in the reporting year (Kg)	798 ✓	6.01	---	54.64%
<b>EN3</b>	<b>Direct Energy Consumption in DCs &amp; Offices (GJ)</b>				
	Total Direct Energy Consumption in DCs & Offices (GJ)	145,433 ✓	169,211	---	78%
	Direct energy consumption in Offices (GJ)	133,475 ✓	Not disclosed	---	78%
	Direct energy consumption in DCs (GJ)	11,958 ✓	Not disclosed	---	78%
	Diesel and Fuel oil consumed by Atos (GJ)	5,462 ✓	4,350	---	78%
	Gas consumed by Atos (GJ)	139,971 ✓	164,862	---	78%
	Total Energy Consumption: Direct (EN3) and Indirect energy (EN4) (GJ)	2,315,101 ✓	2,707,231	---	78%
<b>EN4</b>	<b>Indirect Energy Consumption in DCs &amp; Offices (GJ)</b>				
	Total Indirect Energy Consumption in DCs & Offices (GJ)	2,169,668 ✓	2,538,019	---	78%
	Total Indirect Energy Consumption in Offices (GJ)	706,685 ✓	Not disclosed	---	78%
	Total Indirect Energy Consumption in DCs (GJ)	1,462,983 ✓	Not disclosed	---	78%
	Electricity consumption (GJ)	1,888,103 ✓	2,532,476	---	78%
	District Heating consumption (GJ)	281,565 ✓	5,543	---	78%
<b>EN5</b>	<b>Energy Saving Initiatives in Offices</b>				
	Energy Saved due to saving initiatives (GJ)	14,050 ✓	17,871	---	42.38%
<b>EN6</b>	<b>Energy Saving Initiatives in Data Centres (GJ)</b>				
	List of initiatives to improve energy efficiency in DCs (narrative list)	Qualitative	Qualitative	---	---
	Total Energy saved in Data Centres (GJ)	13,154 ✓	5,265	---	58.02%
<b>EN7</b>	<b>Initiatives to reduce business travel</b>				
	Number of hours of Remote Working tool usage (OCS) in hours	2,948,022 ✓	103,891	---	100%

# Corporate social responsibility

## C.4 Achievements in 2012 regarding environmental commitments

GRI code	KPI Name	2012	2011	2012 scope	
		Group		Per employee	Per revenue
<b>EN16</b>	<b>Direct / Indirect greenhouse gas emission (DCs &amp; Offices)</b>				
	Global Footprint (KgCO <sub>2</sub> e)	217,718,000 ✓	Not disclosed	--	78%
	Global Footprint in Data Centres (KgCO <sub>2</sub> e)	81,373,000 ✓	Not disclosed	--	78%
	Global Footprint in Offices (KgCO <sub>2</sub> e)	60,160,000 ✓	Not disclosed	--	78%
	Global Footprint in Travels (KgCO <sub>2</sub> e)	76,185,000 ✓	Not disclosed	--	78%
	% Global Footprint by revenue (Kg CO <sub>2</sub> /revenue)	3.2% ✓	3.6%	--	78%
	Global Footprint by revenue (Kg CO <sub>2</sub> /M € revenue)	31,563 ✓	36,343	--	78%
	Global Footprint by employee (Kg CO <sub>2</sub> /employee)	3,707 ✓	5,097	--	78%
	% company cars less than 120 gr CO <sub>2</sub> /km	49% ✓	Not disclosed	--	100%
	Number of company cars less than 120 gr CO <sub>2</sub> /km	3,940 ✓	Not disclosed	--	100%
	Number of company cars	7,972 ✓	Not disclosed	--	100%
	Average of emissions in company´s fleet cars (gr CO <sub>2</sub> /km)	123.75 ✓	131.6	--	100%
<b>EN18</b>	<b>Greenhouse Gas initiatives and reductions achieved</b>				
	Estimation of ghg reductions achieved due to the energy savings initiatives [reported in EN5, EN6, EN7] (Tons CO <sub>2</sub> e)	1,924 ✓	4,051	--	63.94%
<b>EN19</b>	<b>Refrigerants: Cooling fluids (HFC, HCFC) emissions</b>				
	Total Kg of Refrigerant gases recharged in cooling system	3,559 ✓	Not disclosed	--	43.52%
	Kg of Refrigerant gases recharged in cooling system (scope 1)	3,204 ✓	Not disclosed	--	43.52%
	Kg of Refrigerant gases recharged in cooling system (scope 3)	355 ✓	Not disclosed	--	43.52%
<b>EN28</b>	<b>Compliance with environmental laws and regulations (ISO 14001)</b>				
	ISO14001 certified sites (Offices plus DC)	43 ✓	25	--	100%

EN3, EN4 and EN16 include Asia Pacific (Philippines), Benelux (Netherlands), CEE (Austria, Romania), France, Germany, Iberia (Spain), IMEA (India), UK & Ireland, Worldline.

EN1 excludes Latin America, IMEA, N&SWE and North America.

EN5 includes Asia Pacific, Benelux, CEE, Iberia and UK & Ireland.

EN6 includes Benelux, CEE, France, UK & Ireland, and Worldline.

EN18 excludes Germany, IMEA, Latin America, N&SWE and North America.

EN19 excludes Germany, UK, Asia Pacific, Latin America, N&SWE and North America.

Atos firmly believes that ethics in business is a key element for success. Over the last few years, and as part of its continuous commitment towards corporate governance best practices, the Group has designed and implemented

several decisions, policies and procedures in order to establish common practices and standardized methods ensuring integrity in business.

## C.5.1 Corporate governance

Atos SE is listed on the NYSE Euronext Paris stock exchange, and governed since February 10<sup>th</sup>, 2009, by a Board of Directors and a Chairman and CEO. On May 30<sup>th</sup> 2012, the Shareholders' General Meeting approved the principle of the change of the company status of Atos from "Société Anonyme" into a "Societas Europaea".

As part of its continuous commitment towards corporate governance best practices, on December 23<sup>rd</sup>, 2008 the Board of Directors formally expressed its adherence to the Afep-Medef Code of Corporate Governance for listed companies as a baseline reference code and committed itself to comply with all these recommendations.

Since then, a session dedicated to corporate governance matters regularly takes place during the Board of Directors meetings. A yearly review of the implementation and compliance with the Afep-Medef recommendations is carried out, on which the Company communicates at year end.

The last review performed, by the Board of Directors on December 20<sup>th</sup>, 2012, confirmed the Company's compliance with the Afep-Medef recommendations.

### C.5.1.1 Representation of women at Board level

The Board of Directors is as of this date composed of 23 percent of women. In the Executive Committee, 6 percent of the members are women.

The topics of diversity and representation of women within the Board of Directors were considered by the

Company before Afep-Medef issued its recommendation in April 2010 and before relevant law was adopted in France in relation to representation of women within Boards of Directors. Atos fully complies with this recommendation and with the applicable Law in France.

### C.5.1.2 Independence of corporate bodies

The Afep-Medef Code places great importance on the necessity of having independent members on the Board of Directors and recommends at least half of the Board to be independent Directors. The Company fully complies with these independence requirements.

As of December 31<sup>st</sup>, 2012, the percentage of independent members was as follows:

- ▶ 62 percent of the Board of Directors.
- ▶ 100 percent of the Nomination and Remuneration Committee.
- ▶ 60 percent of the Audit Committee.

### C.5.1.3 Reference Director

In 2009 the Board of Directors decided to appoint a Reference Director from amongst its independent members. As from the Board's meeting of December 22<sup>nd</sup>, 2010, the Reference Director of the Board of Directors is Mr. Pasquale Pistorio. The Board of Directors can assign specific governance-related tasks to the Reference

Director. As an illustration, the yearly assessment of the Board's mission is managed under the responsibility of the Reference Director. His role is to ensure continuous commitment and the application of best corporate governance standards by the Board of Directors.

### C.5.2 Ethics in Business and towards our stakeholders

#### C.5.2.1 Our Code of Ethics and Compliance Function

Since July 1<sup>st</sup>, 2011, a new General Counsel has been in charge of Compliance and Regulatory, reporting to the Group General Counsel.

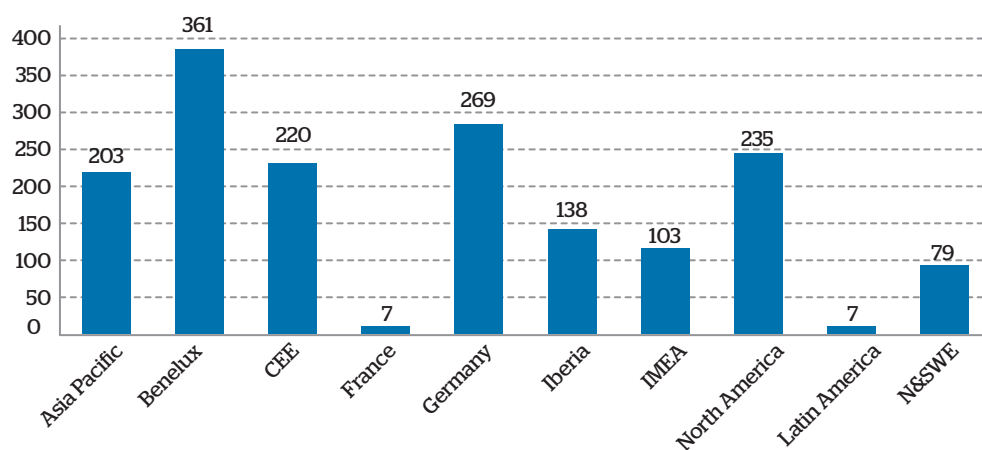
Since 2012, an Ethic Officers Body, with independents members, has been created to think about the strategy and impulse realizations in terms of Ethics within Atos, with the support of Atos Legal & Compliance Department.

On October 12<sup>th</sup>, 2010, the Board of Directors adopted a new version of the Atos Code of Ethics, covering more issues than the previous version (adopted in 2003). Since

November 2010, the Code of Ethics has been distributed to all employees and is presented and explained to those who are more directly concerned with its content in their day-to-day activities. Training was widely deployed in the Group during 2012 and all staff who underwent the training signed an acknowledgement of receipt stating their commitment to abide by the Code of Ethics.

In 2012, a "Train the Trainers" session on the Code of Ethics was given by the Compliance General Counsel to align the Trainings delivery within all the Legal & Compliance Department.

Number of employees trained in code of ethics by GBU [SO3]



For the training session in the GBUs, this type of training is mandatory for top managers and for all persons considered as 'core target' or who are concerned in their day-to-day professional activities with the content of the code. It is also open to all other employees, when it is key for them (N-3 and N-4 regarding their activities, such as Sales). In addition, for 2012, the selection of employees took in account the merger with ex-SIS: make sure that ex-SIS employees who integrated Atos in 2011 receive training on Atos Code of Ethics ex Atos Origin employees have received in previous years. 1,622 employees were trained on the Code of Ethics in 2012 [SO3]. The Code was also attached to all employment contracts dated as from January 1<sup>st</sup>, 2011.

For 2013, the plan action is to launch the Web based Training on the Code of Ethics, which will be available for any employees, ensuring the understanding of the Code whatever the position in Atos.

Understand of the Code is one of the main concerns when a company is acquired: after the acquisition of blueKiwi in April, a training session was organized for the blueKiwi employee, with met ten participants (around 30 percent of the workforce).

The Code is also shared with suppliers and partners who are asked to commit to respecting its principles.

A detailed presentation of the Code of Ethics is available in section E.6.2 below.

Atos has deployed several measures to avoid any risk of corruption or bribery [SO4]:

- Any intermediaries or consultants assisting Atos in developing/retaining its business are screened before any relationship starts: their behavior and knowledge of ethics are essential elements which are verified beforehand. In case of risk of corruption/insolvency/disproportion regarding the compensation, the business

partner is screened by Global Compliance, which recommend or not the approval by the Group General Counsel. The Group CFO is the final approver of a business partner.

- ▶ A standard Consultant agreement must be signed, with the respect of several provisions, checked by the Legal & Compliance Team.
- ▶ The same screening is mandatory when Atos wants to join a consortium leaving the lead to another company.

In addition, to prevent Atos from any disproportionate contribution given or received by an Atos employee, a Contribution Policy was adopted in December 2012, aiming to screen any gift, invitation, hospitality packages or any other contribution for which Atos is recipient or provider, and an assessment of the compliance risk is:

- ▶ Mandatory when the public sector or related party members are involved.
- ▶ Mandatory when it an Atos employee who receive a contribution.
- ▶ Mandatory when the private sector is involved and the expenses are higher than the Country specific threshold.

Finally, a Legal Compliance Experts Committee with one representative for each GBU/SBU was created in June 2012, aiming to exchange best practices between GBU/SBUs, explain Group Policies and procedures and have feedback on Legal Compliance issues.

Thus, in 2012, the Group did not report any significant fines or non-monetary sanctions for non-compliance with laws and regulations√[SO8].

### C.5.2.2 The Protection of our Stakeholders' data (customers, employees...)

Data Protection matters for Atos as much as it matters for its Customers for whom it becomes a competitive factor. To address this effectively, Atos has recently adopted a Group Data Protection Policy which strengthens Atos' approach to Data Protection by setting up rules providing a high level of protection to employees' and customers' Personal Data.

It was also key to adopt such a policy to ensure that in the current context of growth of the Group together with the general trend of globalization, Personal Data will benefit from the same level of protection whatever entity of Atos process the personal data. For this very reason, the principles established by the Group Policy rely on the most stringent applicable principles in Data protection and in particular on the provisions of the EU Directive on Data Protection 95/46.

In order to ensure the effectiveness of these principles and to make sure that privacy is embedded in all processing conducted within the Group, standard procedures are deployed. In particular, a Privacy Impact Assessment shall

now be completed for new projects implying personal data processing in order to ensure that data privacy is embedded in any processing of the Group.

The actual implementation of these procedures is guaranteed by a strong data protection community established throughout the Group. Fifty Legal experts on Data Protection and Data Protection Officers around the world act as the guardians of the effective application of the Group Data Protection Policy.

Finally, as Atos strongly believes that an effective implementation of a Group policy is linked to a high level of legal awareness, a training program targeting all employees for general data protection issues has been developed, and other specific trainings aiming at addressing issues faced by certain identified functions such as HR, Purchasing, Legal...

### C.5.2.3 Protection of assets

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Atos has setup a Safety and Security organization to protect Atos assets and the assets of our customers, as contractually committed, from all threats, whether internal or external, deliberate or accidental.

The Atos security policies defined are mandatory and binding for all Atos entities and employees in order to guarantee the safety and the security of Atos internal and external (i.e. "Customer related") business processes. They apply to all staff, contractors and consultants throughout the Atos organization.

The Atos Group Safety and Security policies encompass the protection of all Atos assets, whether owned, used or held in custody by Atos (information, intellectual property, sites, network, personnel, software and hardware).

The Atos Security policies are based on a general principle of the Code of Ethics which reminds all employees that such Security Policy is mandatory and that any information reported or shared with third parties shall always be accurate.

Atos' Information Security Management System (ISMS), built in 2001, continues to be enforced and extended across all GBUs, SBUs and Service Lines. The Security organization is aligned with this continuous improvement process. In 49 countries in which Atos is located, in 2012, 70 percent of Atos perimeter was ISO27001 certified, and Atos continues to extend its certifications to new perimeters/ countries. Atos thus enforces its security risk management and better protects customers' assets and its own assets.

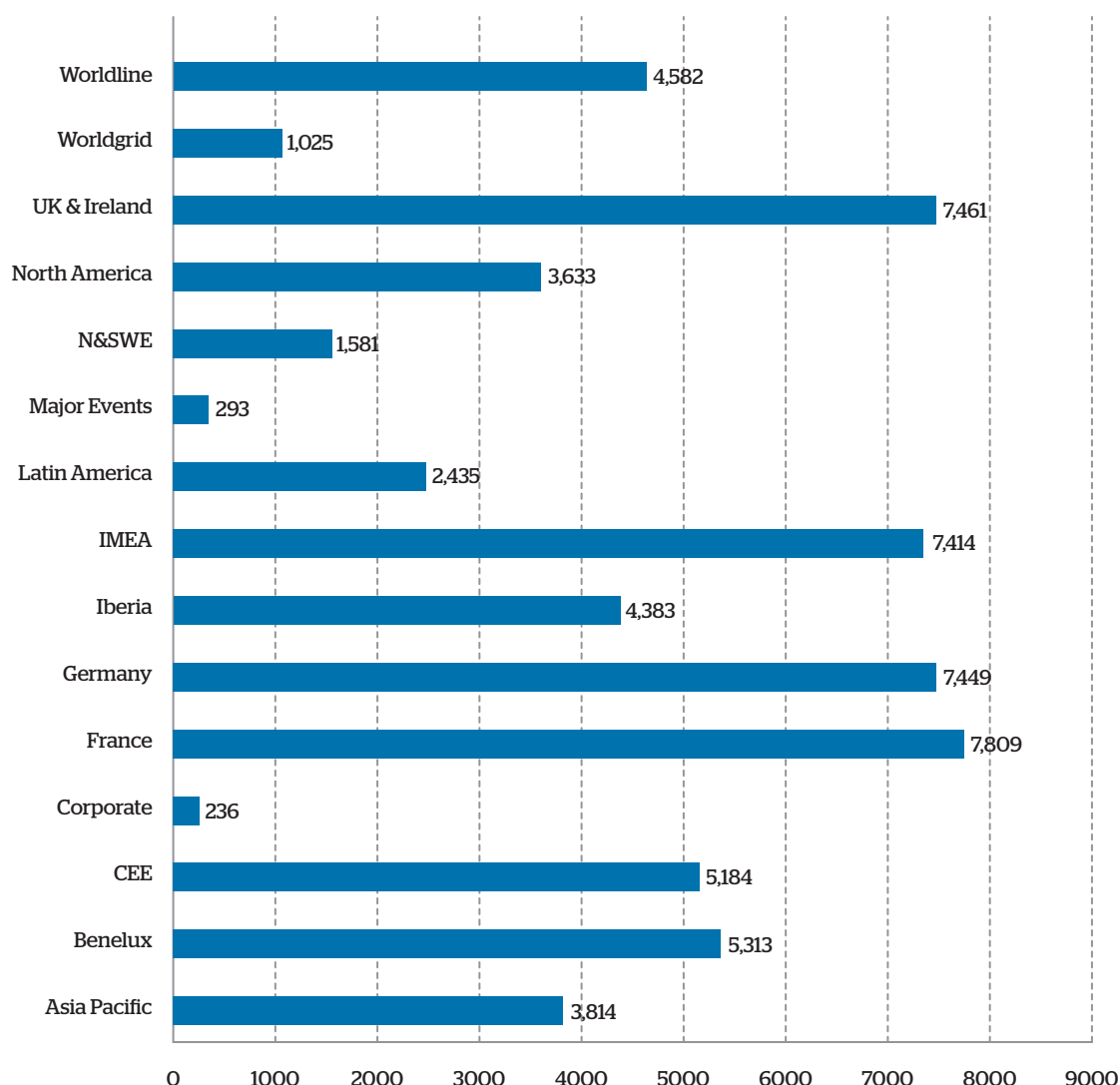
In 2013, Atos will extend his ISO27001 multisite certification and aims to cover 80 percent of its perimeters certified in 2013 (and 90 percent in 2014).

A security KPI project is roll-out progressively to measure security implementation at every GBUs, SBUs and SLs and enforce the security management system.

As public KPI AO3, 2 indicators are strongly monitored at Group level:

- ▶ AO3 KPI measure related to delay to report security incidents and security events in GBUs, SBUs and SLs to Global Security. In 2012, it has been demonstrated through this reporting that 81 percent ✓ of serious security events and serious security incidents were appropriately reported within three business days to Global Security. This KPI is important to demonstrate commitment of GBUs, SBUs and SLs to report on time security incidents and events to Global security organization and thereby, better address, respond, measure and report on these incidents of global interest.
- ▶ AO3 KPI measure related to participation to a security web-based-training: in 2012 the Group succeeded to achieve safety and security awareness training session to 81.5 percent ✓ of total number of employees. The target for 2013 is to achieve to train 90 percent of total number of employees worldwide. Continuous safety and security awareness assures that safety and security becomes a concern of every employee of the Group.

## Number of employees connected to Group Security WBT training by GBU [AO6]



In all IT business processes (change, configuration, patch, incident management, etc.), security is a recurring attention point. Technical measures are in place to act proactively on security anomalies (weekly security watch analysis, monthly monitoring of firewall configurations, weekly vulnerability scans, yearly penetration tests, reviews of access rights, intrusion detection systems, and monitoring and logging of system events). All these measures are part of the Atos security framework.

The Group's main certifications regarding security include: ISO 27001, ISAE 3402 (previously known as SAS70) and PCI/DSS.

In addition, Atos has put in place measures and policies to protect its intellectual property assets and confidential information, including, but not limited to, the use of confidential agreements, encryption and logical and physical protection of information where required. Furthermore the Atos Legal & Compliance Department advises on all commercial transactions as to ensure that appropriate provisions are included in its contracts with customers and suppliers and that confidential matters are appropriately dealt with and in compliance with applicable laws.

### C.5.2.4 Atos Enterprise Risk Management (ERM)

ERM designates the processes used to manage risks (and opportunities) related to the achievement of business objectives.

Atos ERM helps to:

- ▶ Create and preserve company's value, assets and reputation,
- ▶ Secure decision-making and the company's processes to attain its objectives,
- ▶ Promote the consistency of the company's action with its values,
- ▶ Bring the company's employees together behind a shared vision of the main risks.

As detailed in section E.3.2.2, the Atos risk mapping has been updated in 2012 under the sponsorship of General Management, in order to identify and assess risks that

may impact the objectives of the Group. This assessment is based on a framework of 30 risks, one of them being focused on "sustainability / climate change".

The Sustainability /climate change risk definition is the risk that expectations of stakeholders (customers, business partners, employees, public entities, non-governmental organizations and society) regarding corporate / environmental responsibility are not met, impacting reputation and ability to do business in certain areas. According to the assessment performed in 2012 with more than 130 managers, their perception is that the residual risk (taking into account mitigation measures) is in the lowest quartile - showing their confidence that this risk is unlikely to impact significantly the group.

## C.5.3 Corporate citizenship/Contribution to society

Atos believes that as a private organization in the society, its role goes beyond creating employment, providing services, and generating profit for shareholders. The wider role of Atos in Corporate Citizenship is played by embracing an inclusive business model.

By evaluating and understanding the socio-economic impact of our operations, Atos focus remains on its core competencies and strengths identifying where these can be applied to address societal and development challenges through the core business.

By taking corporate citizenship seriously, Atos can improve its reputations and operational efficiency, while reducing risk exposure and encouraging loyalty of internal and external stakeholders and innovation.

Atos social initiatives and engagements support the Millennium Development Goals, in particular, Goal 2 that aims to achieve universal primary education, Goal 3 that promotes gender equality and empowers women, Goal 7 that ensures environmental sustainability and Goal 8 that aims to develop a Global Partnership for Development.

By embedding increasingly corporate citizenship practices in its day to day practices, Atos improves business performance and provide real-life examples for the society of investment in key aspects of corporate citizenship.

The main themes include:

### C.5.3.1 Corporate citizenship & Civic Engagement

Atos leverages its well established entrepreneurship in the public interest for corporate citizenship and civic engagement:

- ▶ Atos is an important stakeholder within society (employment, technologies & solutions enabling progress of society, environmental footprint).
- ▶ Atos experiences rapid growth in the BRIC's & several fast emerging countries.
- ▶ Atos is a prime partner of governments and public services (national and local authorities) - Education, Justice, Culture, Police, Defence, Health services & cities/ local authorities/councils.

- ▶ Atos is a prime partner of basic & essential commodities/services: energy/utilities, transportations, communications & collaboration and financial transactions/payments.
- ▶ Atos is a prime contributor to the Digital economy which is continuously influencing dynamics of society at large.



### C.5.3.2 Powering progress of society at large through Social innovation

Atos contributes to essential progress and the enhancements of society at large in areas which are intimate its core competences:

- ▶ Access/Equality to Education - IT literacy: IT & computer science, IT enabling computer/assisted instruction (CAI).
- ▶ Women empowerment & inclusion: promotion of women in science, higher education of women, women at work.
- ▶ Youth employability & empowerment in IT & computer economy.
- ▶ Social cohesion / Giving back to the community: Community outreach & Program determined by geographic proximity, business activity oriented, or employee led
- ▶ Micro-business development (mobile banking & insurance, micro-finance).
- ▶ Welfare/wellbeing improvement in deprived areas (including Educational activities (school drop-out etc ...).
- ▶ Digital knowledge/content: Promotion to rural, remote and developing areas (digital public libraries).
- ▶ Social networking/collaboration among NGOs, NPO's & associations, communities, between corporate & non-profit worlds to share best practices, ideas, and to reach out constituents and donors.

Atos applies to corporate citizenship and social engagement what it does best, such as but not limited to Project Management, assessment and feasibility analysis, risk management, hosting of IT enabling solutions and deployment of solutions.

Majority of our socially engaged employees around the world are through volunteerism, IT support, donations schemes, partnerships with humanitarian organizations and financial support.

In 2012, 1,130✓ employees took part in several programs worldwide. The initiatives ranged from social engagement through free IT teaching and projects, to sporting activities that help raise funds for charities.

In total, Atos has spent more than EUR 619,736✓ on funding for social communities in 2012. This amount includes the donations to charity and social communities plus the commercial initiatives as defined in the London Benchmark Group (a reference model used for by Atos to report on the Social Contribution) [EC1]. Atos' Community Investment in 2012 amounts to more than EUR 477,442✓ [EC8].

A total amount of EUR 4,268,743✓ was received in financial assistance from governments in 2012 [EC4].

These are some examples of corporate citizenship initiatives that illustrate the above priorities set by Atos in the CR Report.

## C.5.4 Society KPI overview

GRI code	KPI Name	2012	2011	2012 scope	
		Group		Per employee	Per revenue
<b>EC1</b>	<b>Funding for social communities</b>				
	Funding for social communities: Donations + Commercial initiatives (EUR)	619,736 ✓	540,427	---	82.90%
	Funding for social communities: Donations + Commercial initiatives (People involved)	1,537 ✓	3,923	81.92%	---
	Donations to Charity and Social Communities (EUR)	410,766 ✓	253,522	---	82.90%
	Donations to Charity and Social Communities (People involved)	858 ✓	Not disclosed	81.92%	---
	Commercial initiatives (EUR)	208,970 ✓	286,905	---	82.90%
	Commercial initiatives (People involved)	679 ✓	Not disclosed	81.92%	---
	Management Cost of Funding for social communities (EUR)	21,126 ✓	Not disclosed	---	82.90%
<b>EC4</b>	<b>Financial assistance from governments</b>				
	Financial assistance from governments (EUR)	4,268,743 ✓	8,298,617	---	53.53%
<b>EC8</b>	<b>Community investments</b>				
	Community investments: Universities + Responsible IT Project (EUR)	477,442 ✓	2,764,841	---	82.90%
	Community investments: Universities + Responsible IT Project (People involved)	1,130 ✓	435	81.92%	---
	Investments in Universities and similars (EUR)	413,368 ✓	179,207	---	82.90%
	Investments in Universities and similars (People involved)	1,092 ✓	Not disclosed	81.92%	---
	Investments in Responsible IT Project (EUR)	64,073 ✓	2,585,634	---	82.90%
	Investments in Responsible IT Project (People involved)	38 ✓	Not disclosed	81.92%	---
	Management Cost of Community investments (EUR)	91,026 ✓	Not disclosed	---	82.90%
<b>SO4</b>	<b>Actions taken in response to incidents of corruption</b>	Qualitative	Qualitative		
<b>SO8</b>	<b>Significant fines for non-compliance</b>				
	Total value of significant fines (higher than 100K EUR) (EUR)	- ✓	-	---	100%
	Number of significant fines (higher than 100K EUR)	- ✓	-	---	100%
<b>PR5</b>	<b>Customer satisfaction survey</b>				
	Overall Customer Satisfaction from Tactical surveys (%)	70% ✓	77%	---	45.66%
	Overall Customer Satisfaction from Strategic surveys (score from 0 to 9)	7 ✓	Not disclosed	---	100%
	Overall Customer Satisfaction from Strategic surveys (in %)	78% ✓	Not disclosed	---	100%

GRI code	KPI Name	2012	2011	2012 scope	
		Group		Per employee	Per revenue
<b>PR8</b>	<b>Customer complaints</b>				
	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	72 ✓	18	---	100%
	Number of third party complaints regarding breaches of customer privacy	25 ✓	Not disclosed	---	100%
	Number of complaints regarding breaches of customer privacy	12 ✓	Not disclosed	---	100%
	Number of leaks, thefts or losses of customer data	35	Not disclosed	---	100%
<b>HR2</b>	<b>Supplier Screening</b>				
	Number of total suppliers assessed by Ecovadis (accumulated figure)	258 ✓	170	---	100%
	Percentage of total expenses assessed (accumulated figure)	45% ✓	41%	---	100%
<b>EC6</b>	<b>Percentage of local suppliers</b>				
	Percentage of local suppliers	92% ✓	67%	---	100%
<b>AO1</b>	<b>Percentage of people in inter-contracts</b>	<b>Confidential</b>	<b>Confidential</b>		
<b>SO3</b>	<b>% code of ethics trained</b>				
	Number of employees trained in code of ethics	1,622 ✓	1,295	83.90%	---
	Percentage of employees trained in code of ethics	2.11% ✓	1.78%	83.90%	---
<b>AO2</b>	<b>Employee Satisfaction</b>				
	Number of people participating in satisfaction surveys (Employees answering GPTW surveys)	41,081 ✓	17,156	100%	---
	Percentage of Responses to work surveys (Average of Response rate)	70% ✓	58%	100%	---
	Percentage of positive responses to "Taking everything into account, I would say this is a great place to work"	47% ✓	45%	100%	---
<b>AO3</b>	<b>Data Security Incidents</b>				
	Total security incidents	28 ✓	Not disclosed	100%	---
	Percentage of serious security incidents reported within three working days	81% ✓	Not disclosed	100%	---
	Employees connected to Group Security web based Training	62,612 ✓	19,950	100%	---
	% of employees who have completed security awareness trainings	81.5% ✓	44.40%	100%	---

PR5 Tactical excludes Asia Pacific, Benelux, Latin America, North America, UK & Ireland and Worldline.

EC1 includes Asia Pacific, Benelux, CEE (except Turkey and Russia), France, Germany, Iberia (Spain), IMEA (India and South Africa), N&SWE (Denmark, Finland and Italy), UK&IR (UK), Worldgrid, Worldline (France and Germany).

EC4 includes Asia Pacific, Benelux, Germany, UK & Ireland and Worldgrid.

EC8 includes Asia Pacific (Philippines), CEE (Austria), France, Iberia (Spain), N&SWE (Italy), UK & Ireland (UK), Worldgrid (France), Worldline (France).

SO3 includes Asia Pacific, Benelux, CEE, France, Germany, Iberia, IMEA, North America, Latin America and N&SWE.

### Key Achievements:

- ▶ Global partnership signed with SAP to promote jointly sustainable solutions.
- ▶ New alliance with AOS Studley to promote the distinctive "Smart Campus" offer.
- ▶ Design of the "Low Emission Zones", a new joint solution of the Siemens Global Alliance to minimize the Carbon in cities.

## C.6.1 Global Key Offering

### C.6.1.1 Drive innovation workshops for customers

Customers are increasingly looking to innovation to adapt and thrive in the constantly evolving marketplace. They want and need a Partner & Peer platform to collaborate, engage and create. Having the customer embedded in the heart of Group's activity, Atos has launched an Innovation workshop program and other collaborative innovation events with its customers and partners that will influence our direction and our commitment [AO10].

An innovation workshop is a customer-focused and customer-tailored event aimed at helping customers to gain insight into the future of their industry and the impact on their firm, stimulate and provoke thinking around how can leverage emerging technologies and trends, and provide them with innovation strategy, innovation boosting, innovation processes or governing mechanisms. These workshops and events are key factors of success for product and service innovation, to turn new key ideas into business.

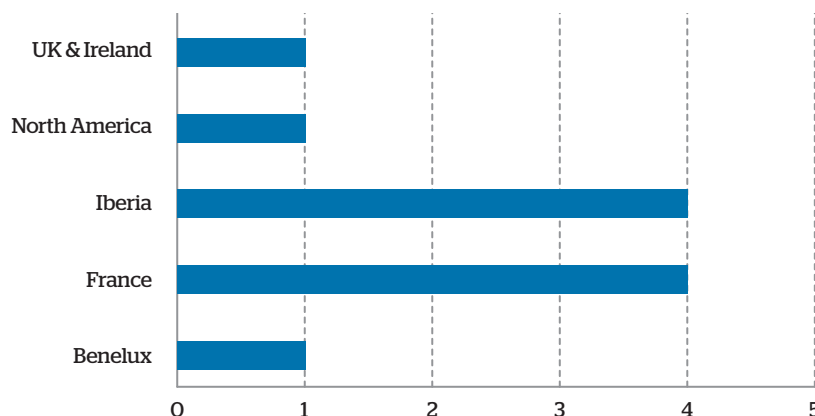
A new process has been designed by GIBS to ensure that the content of these meetings would be of high quality with the proper audience, and the progress of deployment

regularly reported at the regular eXpand reviews chaired by Atos SEVP. Key steps of the process include:

- ▶ Scope determination, in which are defined the scope, key hypothesis of the workshops, topics of interest, priorities, and planning, and agreement with the client.
- ▶ Preparation, with a deep involvement of the Scientific Community.
- ▶ Execution, where Atos shares its knowledge and insights, market agenda/challenges/ambitions, and business and technology disruptors, demonstrating client that it has an in-depth understanding of their industry, and the ability to generate new business ideas.
- ▶ Follow up with the customer and account team.
- ▶ Reporting to eXpand Program.

During 2012 Atos tested the concept successfully, implemented the program and Governance, and run 11 Innovation workshops with top clients applying this new process on top of numerous innovation sessions held within the year prior to this new modus operandi. And for 2013, Atos will target 50 up to 100 innovation workshops performed with the BTICs (Business Technology Innovation Centers) across the world with our 500 clients.

### Customer innovation workshops delivered by GBU [AO10]



With the new BTIC inaugurated in Bezons, some Sustainability videos and demonstrations are presented

to the clients, as an introduction of the Global Key Offers related to Sustainability.

### C.6.1.2 Rising to the challenges of enterprise sustainability

Atos strives to offer its clients a wide array of sustainable solutions to meet environmental and social challenges. Atos's portfolio is designed to meet key challenges faced by companies: optimization of resources usage, pollution

reduction, operational performance monitoring, tracking of regulatory compliance, developing social wellbeing... while optimizing profitability.

### C.6.1.3 Always innovate and anticipate client's needs: Atos' portfolio of sustainable solutions

It is part of the Executive Committee Program to define the Global Key Offerings, and the the sustainability ones. Therefore, Atos' portfolio of sustainable solutions is composed of several Key Global Offers and some pure play solutions, as following [AO7]:

- ▶ Solutions to make **IT infrastructure greener**, including Ambition Zero Carbon, Green IT and Data Center Infrastructure Management.
- ▶ Solutions to **optimize sustainable performance**, including Intelligent Sustainability, Compliance, Energy Management, Low Emission Zones, Water Services and Waste Management, Health, Safety and Environment, Product Lifecycle Management and Risk Management.
- ▶ **Smart citizenship** solutions to address the new challenges for our society, such as Smart Campus, Zero email™, MyCity and Smart Mobility.

Regularly the portfolio is enriched with new innovative solutions, based on recommendations of the Atos's Scientific Community and market requirements. During 2012, new offers like Low Emission Zones, Water Services and Waste Management, Smart Campus or Zero email™, were further developed and progressively included.

Many of our more generic offerings have a strong sustainable component. One of the challenges of 2013 is to establish a method to track the sustainable components of all our offerings.

The sustainable solution in 2012 had revenue of EUR 1.880 Mio√ through 30 projects√ with clients from Benelux, Germany and Iberia [AO7].

### C.6.1.4 Helping clients to make their IT infrastructure greener

Several sustainable offers, described in the CR Report, help clients to make their IT Infrastructure greener:

- ▶ **GreenIT infrastructure**: assessment of the amount of energy consumed by a client's current IT infrastructure.
- ▶ **Ambition Zero Carbon**: carbon audit in the datacenters to identify, quantify and abate the main sources of carbon.
- ▶ **Data Center Infrastructure Management (DCIM)**: leverage of real-time datacenter information to achieve greater energy and capacity efficiency.

According to the Carbon Audit estimations, Atos avoided per year 2,114 TeqCO<sub>2</sub> emissions√ [EN26].

Cloud Services: Atos provides cloud services either by hosting Customers on their Private Cloud or on Atos shared cloud platform which is scalable on-demand, or by providing secured access to third-party cloud services providers and integrating them into customer IT. The revenues in 2012 were EUR 163.7 Mio√ [AO4].

### C.6.1.5 Supporting clients to reach the operational sustainable excellence

Several sustainable offers, described in the CR Report, support clients to reach the operational sustainable excellence.

Sustainability performance management solution: it is the case of our **Intelligent Sustainability**, with a data reporting and performance management process.

Environmental resources management solutions:

- ▶ **Smart Energy management**: sophisticated integration projects and real-time Smart Energy solutions.
- ▶ **Low Emission Zones**: a geographical area of a city from which the most polluting vehicles are excluded.
- ▶ **Water services and waste management**: control system

installations.

Compliance, risk and product management solutions:

- ▶ **Compliance**: enable organizations to create a set of internal controls.
- ▶ **Risk management**: the Information Security and Risk Management (ISRM) portfolio.
- ▶ **Health, Safety and Environment**: Addressing of incident management, environmental management, product safety procedure & handling, dangerous goods inventory & handling.
- ▶ **Product Lifecycle Management**: management of product data and lifecycle processes.

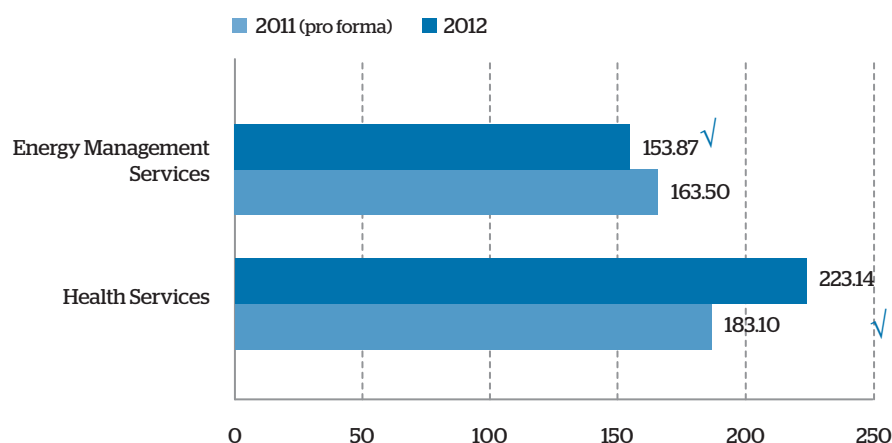
### C.6.1.6 Supporting clients with Well Being and smart cities solutions

Several sustainable offers, described in the CR Report, support clients with Well Being and smart cities solutions:

- ▶ **Smart Campus**: design of the new working environment.
- ▶ **Zero email™**: revolution of the communication and collaboration processes.
- ▶ **MyCity**: Improvement of citizens' interactions with their city.
- ▶ **Smart Mobility**: mobile applications and mobility solutions.

Many of the solutions in our Sustainability and Sustainable Enterprise portfolios involve long-term partnerships with best-in-class players such as Siemens, SAP, AOS Studley, Weave-Air or Bolloré. By building these relationships, Atos can ensure that its clients use sustainability as an enabler to develop their profitability in these increasingly volatile times

Revenues of Health and Energy Services in EUR million [A05]



More details are given on the partnerships in the CR Report.

## C.6.2 Sustainability excellence with clients KPI overview

GRI code	KPI Name	2012	2011	2012 scope	
		Group		Per employee	Per revenue
<b>A04</b>	<b>Cloud computing initiatives</b>				
	Revenues from Global Key Offering Cloud (M EUR)	164	Not disclosed	---	100%
<b>A05</b>	<b>Health, education, energy and transport solutions</b>				
	Projects related to improvements of health system (revenues in M EUR)	223	1831	---	100%
	Projects related to improvements of energy system (revenues in M EUR)	154	163.5	---	100%
<b>EN26</b>	<b>Customers' GHG emissions savings</b>				
	Emissions avoided per year (Teq.CO <sub>2</sub> ) according the Carbon Audit estimations	2,114	1,742	---	83.75%
	Carbon audit total savings (K EUR)	1,620	1,082	---	83.75%
	Reduction of DCs energy consumption (GJ)	70,901	26,248	---	83.75%
	Reduction of DCs energy consumption by outsourcing (MWh)	19,695	9,249	---	83.75%
<b>A07</b>	<b>Sustainable projects with clients</b>				
	Revenues from Sustainability offering (EUR)	1,880	158,400	---	100%
	Number of projects/initiatives related to Sustainability Offering (Global Key Offering)	30	1	---	100%
<b>A010</b>	<b>Initiatives regarding innovative services / product developments</b>				
	Customer innovation workshops delivered in GBU's	11	Not disclosed	---	100%

Only A05 is a 2011 pro forma revenue.

EN26: detailed information about the methodology used in C.71 "Scope of the report".

### C.7.1 Scope of the report

This chapter describes the scope of 2012 Atos' Corporate Responsibility Integrated Report and the guidelines on which it is based. It also addresses how Atos reports

according to globally-accepted reporting standards, and the process used to obtain the information presented in this report.

#### C.7.1.1 New French legal requirements related to the CSR reporting

Since 2012, the French Companies must report a higher number of information related to the Corporate Responsibility.

Any information must be reported; any omission must be justified.

With the Materiality methodology, Atos has defined objectively and according to the practices of reporting

within IT Companies Sector the list of information which is "material" and need to be reported, and the list of the one for which a justification of its omission must be given.

This methodology ensures to the external auditors, who will certify the presence of the information and the sincerity of the justification, to perform their Audit Report in accordance with the French law.

#### C.7.1.2 Global Reporting Initiative (GRI) guidelines

The report is set up according to the Global Reporting Initiative (GRI) G31 guidelines, a worldwide standard for reporting on corporate responsibility. GRI defines 84 Performance Indicators clustered into six categories (economic, environment, labor practices & decent work, human rights, society, product responsibility). This report is prepared in accordance with the reporting criteria and guidelines of the A+ application level of the Global Reporting Initiative (GRI).

Atos has applied the "Guidance on Defining Report Content" following the Principles of Materiality, Stakeholder Inclusiveness, Sustainability Context and Completeness.

Atos is committed to transparent and public reporting on sustainability. This report covers the period from January 1<sup>st</sup>, 2012 to December 31<sup>st</sup>, 2012 in a comparable period (one year) to the previous 2011 report. In term of scope the geographical perimeter has changed compared to 2011. Detailed explanations are provided in next paragraphs.

##### Process for defining report content

The selection of the KPIs is aligned with Atos business strategy and based on a materiality assessment (See in section C.1.1.4). Corporate Responsibility strategy includes a prioritization of topics which is an essential requirement for our performance dashboard and internal project follow up.

The GRI table index can be found in this section of the report. It states which subjects have been considered applicable and then included in the report, or not applicable with the reasons for their exclusion. The

required profile information and an overview of the management approach for each indicator category is also provided.

##### Reporting scope for the indicators resulting from the materiality study

Atos obtains its Corporate Responsibility (CR) data from internal measurement and from external sources (third parties). Data relating to subcontractors are not reported here, but can be found in the Annual Report.

For the year 2012, following to the merger with SIS in 2011, the Group is organized as follows:

- ▶ Asia Pacific: Australia, China, Hong Kong, Japan, Malaysia, Philippines, Singapore, Taiwan, Thailand, Indonesia.
- ▶ CEE: Austria, Bulgaria, Croatia, Czech Republic, Poland, Romania, Russia, Serbia, Slovakia, Turkey.
- ▶ Benelux: The Netherlands, Belgium, Luxembourg.
- ▶ France: France.
- ▶ Germany: Germany.
- ▶ Iberia: Portugal, Spain, Andorra.
- ▶ IMEA: India, Morocco, South Africa, Egypt, UAE.
- ▶ Latin America: Argentina, Brazil, Chile, Colombia, Mexico.
- ▶ UK & Ireland: The United Kingdom and Ireland.
- ▶ North America: Canada, USA.
- ▶ N&SWE: Denmark, Finland and the Baltics, Greece, Italy, Sweden, Switzerland.
- ▶ The Service Line Atos Worldline: French, German, Belgian, Indian and Luxembourg subsidiaries.
- ▶ Atos Worldgrid: China, France, Spain.
- ▶ Corporate: France, Germany, Netherlands, Switzerland.
- ▶ Major Events: France, Russia, Spain, United Kingdom.



As the merger with SIS took place on the July 1<sup>st</sup>, 2011, Atos Group scope for 2012 contains data related to the new Atos perimeter, integrating SIS. When this is not the perimeter it is specified in a footnote.

On the basis of this context, the scope of the indicators varies on the 2012 reporting period. The tables inserted in sections C.3.4, C.4.3, C.5.4 and C.6.2 specify the scope associated to each communicated indicator.

#### Reporting tool

Atos Sustainability Office is the contact point for questions regarding the Report and includes representatives from each GBU/Service Line and representatives from the global functions. Representatives are responsible for the collecting process and evidence archiving.

In 2011, Atos launched the implementation of SAP Sustainability Performance Management (SuPM) as a new Global Tool to facilitate the gathering of information, global workflows, validations, exploitation and visualization of KPIs results. Atos' challenge has been to report for the full 2012 year within the new tool worldwide.

The most of the indicators are gathered through the sustainability global tool (SuPM) at country level. Most of LA indicators data have been extracted from a Group HR tool (Clarity) and uploaded into SuPM via linking and interfaces. Some other indicators are still not gathered into the sustainability global tool but have been collected at group level in other tools.

All the procedures, templates and final data are stored on the Atos Intranet (Livelihood Global Tool) with worldwide access.

### C.7.1.3 Application of the AA1000 principles

Atos CR Reporting is developed in accordance with the principles of inclusivity, materiality and responsiveness as defined in the AA1000 APS (2008) standard.

This integrated CR report in the Registration Document demonstrates Atos adherence to these principles:

#### Inclusivity

Identifying the expectations of Atos stakeholders is a key element in the selection process of Atos most important Corporate Responsibility challenges. A first list of stakeholders was identified by assessing who is impacted significantly by Atos activities and who can have an impact on its business. Atos stakeholders' dialogue mainly focuses on these main partners. The stakeholders' dialogue process and the stakeholders with whom we carry on a structured dialogue are detailed on section C.1.2.

#### Materiality

The sustainability challenges considered to be the most significant for Atos activities were selected. This selection was based on Atos stakeholders' expectations as well as Atos internal prioritization established on objective criteria related to its markets, opportunities and realizations.

Atos materiality assessment process is described in section C.1.1.4.

#### Responsiveness

Atos Report is an essential response to stakeholders' expectations. It is published annually. Actions plans have been prepared to manage the sustainability challenges that are significant for Atos activities. These actions plans are reviewed annually as described on section C.7.1.4 of this report and are summarized on table of the section C.8.

### C.7.1.4 Methodological detailed information

#### Detailed information related to EN3, EN4 and EN16

The data collection related to the KPI EN3, EN4 and EN16 involved all the GBUs. With few exceptions, countries provided the information necessary to get a reliable estimation of the carbon footprint. In order to align the GRI collecting process to the Carbon Disclosure Abatement Project Atos used a methodology of collecting based on the GHG protocol and the GRI guidelines. In this way the two processes can be integrated and the data for both reports can be gathered.

For the CO<sub>2</sub> calculations, country regulations and calculation methods have been applied.

The conversion factors have been adjusted according to the country and the type of energy consumed (fuel oil, diesel, gas, electricity). [3.9.1] [3.9.2]

Conversion factors are based on Defra: Guidelines to Defra/DECC's Greenhouse Gas Conversion Factors for Company Reporting, available at: <http://www.defra.gov.uk/environment/business/reporting/conversion-factors.htm>. For the figures, Atos used Electricity/Heat Conversion Factors from those last updated for 2010. But for establishing a comparable base between 2009 and 2010 in this report (for the figures communicated on pages 52 and 53), we used the

same Electricity/Heat Conversion Factors as in the 2009 report (2006-5 year rolling average) [3.11] and the data for Commonly Used Fossil Fuels is sourced from the Digest of UK Energy Statistics 2008 (BERR), available at: <http://www.berr.gov.uk/whatwedo/energy/statistics/publications/dukes/page45537.html>.

Atos has included some assumptions and techniques for underlying estimations applied to the compilation of the Indicators and other information in the specific KPIs. For example, in the KPI PR5, the GBUs reported average of customer satisfaction has been converted to a percent by dividing the average between the scale of punctuation [T1] used in each GBU. [3.9.3]

An explanation of the effect of a re-statement of information is provided in the EN16 KPI [3.10.1] in order to achieve a comparable scope with the 2009 report. [3.10.2]

### Detailed information related to EN26

Carbon Audit program's methodology and tools are based on the Bilan Carbone® ADEME. Information is collected by a tool developed in collaboration with the company Weave AIR. The reference year and the scope of the audit are identified and specified during the site visit.

All data center emissions are recorded under the activity data center:

- ▶ The building construction and work.
- ▶ Energy consumption (computer equipment, air conditioning and offices).
- ▶ Refrigerants leak.
- ▶ Purchases and Waste Site.
- ▶ Travels of Employees working for the datacenter.
- ▶ The production of IT equipment and technical infrastructure.

The calculation of emissions is individual. Reference years are not the same between sites; data were retro-estimated on the basis of constant emissions for the purposes of consolidated presentations.

Energy (especially electricity) and the production of IT equipment (embedded carbon) represent more than 85 percent of cumulative emissions. Particular attention is given to:

- ▶ IT equipment life time standardized and fixed in the calculation tool.
- ▶ The emission factors used to estimate the embedded carbon (server, router, firewall and berries) were established on the basis of simplified life cycle analysis.

- ▶ The emission factors of the electricity supplier, in each datacenter, were used to calculate emissions due to electricity consumption.

Action plans for 2015 have been developed by each site. The calculation of action plans is based on the following assumptions:

- ▶ The increase in activity between the base year and 2015, considered from the growth objectives of the site.
- ▶ The energy prices augmentation.

Gains (expressed in kWh, €, CO<sub>2</sub>) associated with actions, estimated from business case and recorded in a "action plan catalog".

### Detailed information related to LA KPIs

All the Human Resources indicators derived from the HR Information System (LA1, LA2, LA3, LA4, LA7, LA10, LA12, LA13, LA1 and AO6) are based on an extraction made on January 27<sup>th</sup>, 2013. Due to late and retroactive entries on staff movements into the HR Information System, the actual situation as of December 31<sup>st</sup>, is different from the one presented through the HR dedicated indicators. This difference however remains limited: it is for instance about 1 percent of the total workforce at the end of the period.

### Detailed information related to LA7

For 2012, the number of working accidents is not reported within the Registration Document, due to the fact that only former direct employees are taken into account in the reporting made by the countries, and some countries were not be able to report, which significantly limited the scope.

For 2013, the action plan is to improve the reporting process, and give clear and harmonized definition of the working accident to perform an accurate reporting.

### Detailed information related to LA11

Atos continuously develops its services and capabilities in order to respond to the demands of our customers in the market. As a consequence, number of staff is freed-up on a regular basis. They are offered alternative positions and counselling as well as diverse learning & development opportunities such as a wide range of e-learning possibilities. The company recognizes the importance of supporting these employees and places great emphasis on re-skilling and supporting them.

**Detailed information related to EC5**

The KPI EC5 is calculated on the basis of the Atos "Countries" included in one or several GBU/SBU.

Atos "countries" are different than national countries as it is the detail of local establishment of Atos GBU/SBU.

For example, the national country "France" is composed of different Atos countries, such as Atos France and Atos Worldline.

All the information on the Atos Regions is given in G.4 Implantations of this Registration Document.

**Detailed information related to HR2**

All the figures related to HR2 are based on the information facilitated by an external company Ecovadis.

**Detailed information related to SO8**

The reporting of the significant fines for non-compliance is linked to a Global procedure called "Litigation Docket", which requires the reporting from the Countries to the Group Litigation Department all fines, claims and sanctions higher than EUR 100,000. The reporting for SO8 follows this procedure and the results of 0 means that Atos has not fines for non-compliance higher than EUR 100,000. Compared to other companies, this threshold is very low, and enables Atos to have a clear and efficient control of the litigation issues within the Group.

**Detailed information related to AO2**

This indicator is based on the Great Place to Work survey.

**Detailed information related to AO4**

Atos is working on the content definitions under Cloud Global Key Offering; therefore, figures reported are under estimated.

AO4 figures includes the projects that were declared as Cloud computing projects in the Atos accounting software (Iris).

**Detailed information related to PR5**

Some assumptions and techniques were included for underlying estimations applied to the compilation of the Indicators and other information in the specific KPIs. For example, in the KPI PR5, Atos has used a method to convert and homogenize the values from questionnaires into a percentage of satisfaction.

The processes used to survey our customers are performed at different levels (operational, tactical and strategic level). The values that are registered at this time out of SuPM refers to the Overall Satisfaction of all accounts (strategic level) and registered into tools as ComeON and Checkbox while the scope of this KPI in SuPM only refers to the measurement of service delivery quality (operational level).

**Detailed information related to AO11**

AO11 figures include former Atos Origin employees and it covers six months of the year that have been extrapolated to one year.

**Detailed information for the no reporting of some Grenelle 2 information**

The amount of the provisions and guarantees for environment-related risks, provided that this information would not be likely to cause the company serious damage within the framework of ongoing litigation: it is not reliable compared to the activity sector.

The consideration of adverse noise affects and any other forms of pollution specific to an activity: it has not been identified as essential/priority in Atos materiality test assessment. Atos operations do not impact significantly on that.

Water consumption and water procurement on the basis of local constraints: it has not been identified as essential/priority in Atos materiality test assessment. Atos operations don't impact significantly on that.

Land use: it has not been identified as essential/priority in Atos materiality test assessment. Atos operations don't impact significantly on Biodiversity as Atos is operating within areas already zoned for economic activities (business / commercial / industry zones).

Adaptation to the consequences of climate change: the consequences have been assessed and the conclusion is that the risk is marginal for Atos.

The measures undertaken to safeguard or develop biodiversity: these measures have been identified as not material for Atos.

### C.7.2 Attestation of completeness and limited assurance report of the Statutory Auditors on the reporting process of social, environmental and other sustainable development information and on a selection of the above for year ended December 31<sup>st</sup>, 2012

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

For the attention of Atos Group Executive Management

Pursuant to your request and in our capacity as Statutory Auditors of Atos, we hereby present you with:

- ▶ Our attestation of completeness on the consolidated social, environmental and other sustainable development information present in the management report prepared for the year ended December 31<sup>st</sup>, 2012 pursuant to Article L.225-102-1 of the French Commercial Code (Code du commerce);
- ▶ Our limited assurance report on the compliance of the Group with the principles of inclusivity, materiality and of responsiveness as they are announced in the AA1000 APS<sup>1</sup> standard in the development of social, environmental and other sustainable development information present in the management report ;
- ▶ Our limited assurance report on a selection of social, environmental and other sustainable development information disclosed in chapter C "Corporate Social Responsibility" of the management report, identified by the sign (✓).

#### Responsibility of the company

The Board of Directors is responsible for preparing a management report including the consolidated social, environmental and other sustainable development information provided for in Article R. 225-105-1 of the French Commercial Code (hereinafter the "Information"), prepared in accordance with the reporting criteria used by the Atos Group (the "Reporting Criteria") and available from the Human Relations and Corporate Responsibility Management teams.

The Atos Group takes into account the GRI (Global Reporting Initiative) guidelines and the AA1000 APS (2008) standard in order to identify the main issues of corporate responsibility and select the indicators (KPIs "Key Performance Indicators") used to manage these issues and to communicate the performance of the Group externally.

#### Independence and quality control

Our independence is defined by regulatory texts, the profession's Code of Ethics as well as by the provisions set forth in Article L. 822-11 of the French Commercial Code. The profession's Code of Ethics assures our independence under the criteria required by the AA1000 AS (2008). Furthermore, we have set up a quality control system that includes the documented policies and procedures that aim to ensure compliance with rules of ethics, professional standards and the applicable legal texts and regulations.

#### Responsibility of the Statutory Auditor

Based on our work, our responsibility is:

- ▶ To attest that the required Information is presented in the management report or, in the event of omission, is explained pursuant to the third paragraph of Article R. 225-105 of the French Commercial Code and Decree no. 2012-557 of April 24<sup>th</sup>, 2012 (Attestation of inclusion);
- ▶ To express limited assurance on the fact that the description made by the Group in chapter C.7.1.3 "Applying the principles of AA1000" of the management report on the compliance with AA1000 APS (2008) principles of inclusivity, materiality and responsiveness in the process of developing the chapter C "Corporate Social Responsibility" in the management report ("the Report" and the "Principles"), is fair in all material aspects (Report of assurance on the process of development of social information, environmental and other sustainable development);
- ▶ To express limited assurance on the fact that some information selected by the Atos Group and identified by the sign (✓) are presented, fairly, in all material aspects, in accordance with the Reporting Criteria (limited assurance report on a selection of social, environmental and other sustainable development information).

To assist us in conducting our work, we referred to the corporate responsibility experts of our Firms.

<sup>1</sup><http://www.accountability.org/standards/index.html>

### 1. Attestation of completeness

We conducted the following procedures in accordance with professional standards applicable in France:

- ▶ We have compared the Information presented in the management report with the list set forth in Article R. 225-105-1 of the French Commercial Code;
- ▶ We have verified that the Information covered the consolidated scope, i.e., the Company and its subsidiaries within the meaning of Article L. 233-1 of the French Commercial Code and the companies that it controls within the meaning of Article L. 233-3 of the French Commercial Code, subject to the limits set forth in chapter C.71 "scope of the report" of the management report;
- ▶ In the event of omission of certain consolidated information, we have verified that explanations were provided in accordance with Decree no. 2012-557 of April 24<sup>th</sup>, 2012.

Based on our work, we attest to the completeness of the required Information in the management report.

### 2. Limited assurance report on a selection of consolidated social, environmental and other sustainable development information

We conducted our procedures in accordance with ISAE 3000 (International Standard on Assurance Engagements) and AA1000 AS (2008) as well as the professional guidelines applicable in France. Our procedures satisfy the requirements of a Type 2 verification in accordance with the AA1000 AS (2008) standard.

#### Development process social, environmental and other sustainable development information

##### *Nature and scope of procedures*

We have carried out the following work to obtain limited assurance on the fact that the description of the Principles does not contain any material anomalies that would call into question its fairness, in all material aspects. A higher level of assurance would have required more extensive work.

We performed the following procedures:

- ▶ We met the people contributing to the identification of key issues, facilitation and reporting of Corporate Responsibility (Executive Committee, Head of Corporate Responsibility and Human Resources), in order to assess the implementation of the report's preparation process as defined by the Group;

- ▶ We conducted tests at corporate level on the implementation of the procedure related to:
  - Identification of stakeholders and their expectations;
  - Identification of material Corporate Responsibility issues;
  - Implementation of policies and guidelines of Corporate Responsibility.
- ▶ We compared the material issues described by the Group in its management report with those presented by the main IT services sector companies in their Corporate Responsibility reports and those arising from our review of the sector's press in 2012.

### Conclusion

Based on our work, we did not identify any material anomaly likely to call into question the fact that the description made by the Group in the chapter C.7.1.3 "Applying the principles of AA1000" of the management report, on the compliance with principles of inclusivity, materiality and responsiveness as set out in the AA1000 APS (2008) standard in the process of developing the management report has been presented fairly.

#### Social, environmental and other sustainable development information selected by the Group

##### *Nature and scope of procedures*

We have carried out the following work to obtain limited assurance on the fact that the Information selected by the Atos Group and identified by the sign (✓) does not contain any material anomalies that would call into question its fairness, in all material aspects, in accordance with the Reporting Criteria. A higher level of assurance would have required more extensive work.

We performed the following procedures:

- ▶ We assessed the appropriateness of the Reporting Criteria with respect to its relevance, completeness, neutrality, clarity and reliability, by taking into consideration, when relevant, the sector's best practices;
- ▶ We have verified the set-up within the Atos Group of a process to collect, to compile, to process and check the selected information with regard to its completeness and consistency of the selected information. We have familiarized ourselves with the internal control and risk management procedures relating to the compilation of the information. We have conducted interviews with individuals responsible for social, environmental and other sustainable development reporting.

- ▶ Concerning the selected quantitative information<sup>2</sup>:
  - For the consolidating entity and controlled entities, we have set up analytical procedures and verified, using sampling techniques, the calculations as well as the consolidation of this information;
  - At the sites that we have selected<sup>3</sup> based on their activity, their contribution to consolidated indicators, their location and a risk analysis, we have:
    - Conducted interviews to verify the proper application of procedures and obtained information to perform our verifications;
    - Conducted substantive tests, using sampling techniques, to verify the calculations performed and reconcile data with supporting evidence.

The contribution of the tested entities over the selected Information by Atos Group represents on average 24 percent for environmental information and 66 percent for social and other sustainable development information.

### Conclusion

Information **EC4** - Financial assistance from governments, **EC8** - Community investments, **EN5** - Energy Saving Initiatives in Offices, **EN6** - Energy Saving Initiatives in Data Centers, **EN18** - Greenhouse Gas emissions mitigation initiatives and reductions achieved, **EN19** - Refrigerants: Cooling fluids (HFC, HCFC) emissions and **AO13** - Atos culture and values awareness, present an uncertainty, that we have not been able to quantify, due to a misapplication of the definitions by certain visited entities, insufficiently precise definitions or a lack of measurement tool for some indicators and an insufficient control at the level of collection of this information.

In addition, we have not been able to confirm through supporting documentation the information **LA11** - Employability initiatives.

Based on our work subject to the above-mentioned qualifications, we did not identify any material anomaly likely to call into question the fact that the information selected by Atos Group and identified by the sign (✓) has been presented fairly, in all material aspects, in accordance with the Reporting Criteria

Neuilly-sur-Seine, April 2<sup>nd</sup>, 2013

One of the Statutory Auditors

Deloitte & Associés

Christophe Patrier  
Partner

Eric Dugelay  
Partner in charge of  
Corporate Social Responsibility  
services

<sup>2</sup> **EC1** - Funding for Social Communities (Donations to charity & Commercial initiatives), **EC4** - Financial assistance from governments, **EC5** - Minimum wage comparison, **EC6** - Percentage of local suppliers, **EC7** - Local hirings, **EC8** - Community investments, **EN1** - Office paper used, **EN3** - Direct Energy Consumption (DCs & Offices), **EN4** - Indirect Energy Consumption (DCs & Offices), **EN5** - Energy Saving Initiatives in Offices, **EN6** - Energy Saving Initiatives in Data Centers, **EN7** - Initiatives to reduce energy consumption in business travel, **EN16** - Direct / Indirect greenhouse gas emission (DCs & Offices), **EN18** - Greenhouse Gas emissions mitigation initiatives and reductions achieved, **EN19** - Refrigerants: Cooling fluids (HFC, HCFC) emissions, **EN26** - Customers' GHG emissions savings, **EN28** - Compliance with environmental laws and regulations (ISO 14001), **LA1** - Organizational workforce, **LA2** - Employee Attrition, **LA3** - Benefits to employees, **LA4** - Collective bargaining coverage, **LA7** - Absenteeism rate, **LA8** - Aide programs in case of serious diseases, **LA10** - Average training hours per employee, **LA11** - Employability initiatives, **LA12** - Career development monitoring, **LA13** - Management diversity ratios, **LA14** - Salary rate between men and women, **HR2** - Supplier screening, **HR4** - Total number of incidents of discrimination and actions taken, **SO3** - Employees trained in code of ethics, **SO8** - Significant fines for non-compliance, **PR5** - Customer satisfaction survey, **PR8** - Breaches of Customer Privacy, **AO2** - Employee Satisfaction, **AO3** - Data Security Incidents, **AO4** - Cloud computing Services - Global Key Offering, **AO5** - Health, education, energy and transport solutions, **AO6** - Workforce diversity ratios, **AO7** - Sustainable projects with clients, **AO9** - Smart working conditions, **AO10** - Initiatives regarding innovative services / product developments, **AO11** - Collaborative technologies development (Zero email<sup>TM</sup>), **AO12** - Top management commitment with employees, **AO13** - Atos culture and values awareness

<sup>3</sup> « GBU Germany », « India », « Global HR », « Global Factory », « Global Finance », « Global IT », « Global Purchasing ».



## C.7.3 GRI Attestation letter




## Statement GRI Application Level Check

GRI hereby states that **ATOS** has presented its report "Corporate Responsibility Integrated Report" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see [www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf](http://www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf)

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 15 March 2013

  
Nelmara Arbex  
Deputy Chief Executive  
Global Reporting Initiative



The "+" has been added to this Application Level because ATOS has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

*The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. [www.globalreporting.org](http://www.globalreporting.org)*

**Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 8 March 2013. GRI explicitly excludes the statement being applied to any later changes to such material.

C.8  
Key Performance Indicators (cross reference table)

Profile Disclosure	Description	Degree of reporting (we do report *** / we partially report** / we do not report*)	Where to find info/remarks	Grenelle 2	UNG Principles
<b>STANDARD DISCLOSURES PART I: Profile Disclosures</b>					
<b>1. Strategy and Analysis</b>					
11	Statement from the most senior decision-maker of the organization.	***	CR Report: Leading by example + Ref Doc: B.2.1 Vision and strategy		
12	Description of key impacts, risks, and opportunities.	***	Ref Doc: E.1 Risk analysis		
<b>2. Organizational Profile</b>					
2.1	Name of the organization.	***	CR Report: Our company profile + Ref Doc: A.1 Business Profile		
2.2	Primary brands, products, and/or services.	***	Ref Doc: A.1 Business Profile		
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	***	Ref Doc: A.1 Business Profile		
2.4	Location of organization's headquarters.	***	Ref Doc: F.3 Locations and contacts,		
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	***	Ref Doc: A.1 Business Profile		
2.6	Nature of ownership and legal form.	***	Ref Doc: E.2 Corporate Governance		
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	***	Ref Doc: B.3 Sales and Delivery		
2.8	Scale of the reporting organization.	***	Ref Doc: A.1 Business Profile		
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	***	Ref Doc: B.1.2 Market sizing and competitive landscape		
2.10	Awards received in the reporting period.	***	CR Report: Leading by example		
<b>3. Report Parameters</b>					
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	***	DA= Fiscal year		
3.2	Date of most recent previous report (if any).	***	DA= 2012 CR report + 2012 AR		
3.3	Reporting cycle (annual, biennial, etc.)	***	DA= Annual		
3.4	Contact point for questions regarding the report or its contents.	***	Ref Doc: E.7.6 Contacts		



Profile Disclosure	Description	Degree of reporting (we do report ***/we partially report** / we do not report*)	Where to find info/remarks	Grenelle 2	UN G Principles
3.5	Process for defining report content.	***	Ref Doc: C.1 Vision & Strategy; C.71 Scope of the report		
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	***	Ref Doc: C.71 Scope of the report		
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	***	Ref Doc: C.71 Scope of the report		
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	***	Ref Doc: C.71 Scope of the report		
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	***	Ref Doc: C.71 Scope of the report, section C.71.4 (Methodological detailed information)		
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	***	Ref Doc: C.71 Scope of the report		
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	***	Ref Doc: C.71 Scope of the report		
3.12	Table identifying the location of the Standard Disclosures in the report.	***	Ref Doc: C.8 Key Performance Indicators, page 139		
3.13	Policy and current practice with regard to seeking external assurance for the report.	***	Ref Doc: D.4 Consolidated financial statements		
<b>4. Governance, Commitments, and Engagement</b>					
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	***	Ref Doc: Corporate Governance, Section E.2		

# Corporate social responsibility

## C.8 Key Performance Indicators (cross reference table)

Profile Disclosure	Description	Degree of reporting (we do report ***/we partially report**/we do not report*)	Where to find info/remarks	Grenelle 2	UN G Principles
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	***	Ref Doc: Corporate Governance, Section E.2		
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	***	Ref Doc: Corporate Governance, Section E.2		
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	***	Ref Doc: Corporate Governance, Section E.2	Organization of social dialogue including information procedures, consultation and negotiation with the employees	
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	***	Ref Doc: Corporate Governance, Section E.2	Remunerations and their evolution	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	***	Ref Doc: Corporate Governance, Section E.2		
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	***	Ref Doc: Corporate Governance, Section E.2	The organization of the company to integrate environmental issues and, if appropriate, the assessments and certification process regarding environmental issues	
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	***	Ref Doc: C5.2 Ethic in business; E.6 Codes and charts	The organization of the company to integrate environmental issues and, if appropriate, the assessments and certification process regarding environmental issues	
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	***	CR Report: Leading by Example + Ref Doc: Corporate Responsibility and Sustainability Governance		
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	***	Ref Doc: E.4 Executive compensation and Stock ownership + DA = In 2012, TOP management had specific social targets in BSC.		

Profile Disclosure	Description	Degree of reporting (we do report ***/we partially report** / we do not report*)	Where to find info/remarks	Grenelle 2	UN G Principles
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	***	Ref Doc: E.1 Risk analysis; C.5.2 Enterprise Risk Management		
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	***	CR Report: Responsible citizenship; Stakeholder dialogue + Ref Doc: C.5.3 Contribution to Society		
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	***	CR Report: Responsible citizenship; Stakeholder dialogue + Ref Doc: C.5.3 Contribution to Society		
4.14	List of stakeholder groups engaged by the organization.	***	CR Report: Stakeholder dialogue + Ref Doc: C.1.2 Strengthening stakeholders dialogue	Conditions of the dialogue with stakeholders	
4.15	Basis for identification and selection of stakeholders with whom to engage.	**	Ref Doc: C.1 Vision & Strategy; C.1.2 Strengthening stakeholders dialogue; C.7.1.3 Application of AA1000 principles	Conditions of the dialogue with stakeholders	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	***	Ref Doc: C.1.2 Strengthening stakeholders dialogue	Conditions of the dialogue with stakeholders; Actions of partnership and sponsorship	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	***	Ref Doc: C.1 Vision & Strategy; C.1.2 Strengthening stakeholders dialogue	Conditions of the dialogue with stakeholders; Actions of partnership and sponsorship	
<b>STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)</b>					
DMA EC	Disclosure on Management Approach EC	**	Ref Doc: A.2 Revenue Profile ; D.2 Operational review ; C.5.3 Corporate citizenship/ Contribution to society ; C.3.1 Building a great place to work ; C.7.1 Scope of the report		
DMA EN	Disclosure on Management Approach EN	**	Ref Doc: C.4.1 Environmental management; C.4.2 Improving the sustainable use of resources; C.6.1 Global Key Offering; C.7.1 Scope of the report		

# Corporate social responsibility

## C.8 Key Performance Indicators (cross reference table)

Profile Disclosure	Description	Degree of reporting (we do report ***/we partially report**/ we do not report*)	Where to find info/remarks	Grenelle 2	UN G Principles
<b>DMA LA</b>	Disclosure on Management Approach LA	**	Ref Doc: C.3.1 Building a great place to work; C.3.1.3 Collective bargaining agreements and minimum notice periods; C.7.1 Scope of the report		
<b>DMA HR</b>	Disclosure on Management Approach HR	**	Ref Doc: C.3.3 Be compliant with the International Labor standards		
<b>DMA SO</b>	Disclosure on Management Approach SO	**	Ref Doc: C.5.2 Ethics in Business and towards our stakeholders		
<b>DMA PR</b>	Disclosure on Management Approach PR	**	Ref Doc: C.1.2 Strengthening stakeholders dialogue; C.5.4 Society KPI overview		
<b>STANDARD DISCLOSURES PART III: Performance Indicators</b>					
<b>Economic</b>					
<b>Economic performance</b>					
<b>EC1</b>	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	***	Ref Doc: A.2 Revenue Profile ; D.2 Operational review ; C.5.3 Corporate citizenship/ Contribution to society		
<b>EC2</b>	Financial implications and other risks and opportunities for the organization's activities due to climate change.	**	DA= Climate change has been identified as an opportunity to increase environmental efficiency in operations (Carbon Footprint Reduction in IT infrastructure) and a lever to enable environmental excellence in clients. In addition, risks and opportunities due to natural disasters are part of the Group risk management process.	The organization of the company to integrate environmental issues and, if appropriate, the assessments and certification process regarding environmental issues; Amount of the environmental risks provisions and guarantees, unless such information is likely to cause serious prejudice to the company in an ongoing litigation; Measures of prevention, reduction or repair of discharges into the atmosphere, water and soil, impacting severely the environment; Adaptation to consequences of climate change	
<b>EC3</b>	Coverage of the organization's defined benefit plan obligations.	**	CR report, Social KPI overview + Ref Doc: E.4 Executive compensation and stock ownership		

Profile Disclosure	Description	Degree of reporting (we do report ***/we partially report** / we do not report*)	Where to find info/remarks	Grenelle 2	UN G Principles
EC4	Significant financial assistance received from government.	**	Ref Doc: C.5.3 Corporate citizenship/Contribution to society + DA= The government is not present in the shareholding structure.		
<b>Market presence</b>					
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	***	Ref Doc: C.3.2 Collaborative Sustainable work environment		
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	***	Ref Doc: C.3.2 Collaborative Sustainable work environment, page 123	Territorial, economic and social impact of the company activity regarding regional employment and development	
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	***	Ref Doc: C.8 Key Performance Indicators + C.3.1 Building a great place to work ; C.7.1 Scope of the report	Territorial, economic and social impact of the company activity regarding regional employment and development	
<b>Indirect economic impacts</b>					
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	**	Ref Doc: C.5.3 Corporate citizenship/Contribution to society		
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	*			
<b>Environmental</b>					
<b>Materials</b>					
EN1	Materials used by weight or volume.	***	Ref Doc: C.4.1 Environmental management	Measures regarding waste prevention, recycling and disposal	7
EN2	Percentage of materials used that are recycled input materials.	***	Ref Doc: C.4.1 Environmental management	Consumption of raw materials and measures implemented to improve efficiency in their use	

# Corporate social responsibility

## C.8 Key Performance Indicators (cross reference table)

Profile Disclosure	Description	Degree of reporting (we do report *** / we partially report** / we do not report*)	Where to find info/remarks	Grenelle 2	UN G Principles
<b>Energy</b>					
EN3	Direct energy consumption by primary energy source.	**	Ref Doc: C.4.2 Improving the sustainable use of resources	Energy consumption and measures implemented to improve energy efficiency and renewable energy use	7
EN4	Indirect energy consumption by primary source.	***	Ref Doc: C.4.2 Improving the sustainable use of resources	Energy consumption and measures implemented to improve energy efficiency and renewable energy use	7
EN5	Energy saved due to conservation and efficiency improvements.	**	Ref Doc: C.4.2 Improving the sustainable use of resources	Energy consumption and measures implemented to improve energy efficiency and renewable energy use	7.8
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	**	Ref Doc: C.4.2 Improving the sustainable use of resources	Energy consumption and measures implemented to improve energy efficiency and renewable energy use	7.8
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	**	CR report: Atos' Key Performance Indicators + Ref Doc: C.4.2 Improving the sustainable use of resources	Energy consumption and measures implemented to improve energy efficiency and renewable energy use	7.8
<b>Water</b>					
EN8	Total water withdrawal by source.	*		Consumption of raw materials and measures implemented to improve efficiency in their use	
EN9	Water sources significantly affected by withdrawal of water.	*			
EN10	Percentage and total volume of water recycled and reused.	*			
<b>Biodiversity</b>					
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	*		Land usage; Measures implemented to protect and conserve the biodiversity	
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	*		Consideration of noise and of any other activity specific pollution; Measures implemented to protect and conserve the biodiversity	
EN13	Habitats protected or restored.	*		Measures implemented to protect and conserve the biodiversity	

Profile Disclosure	Description	Degree of reporting (we do report ***/we partially report** / we do not report*)	Where to find info/remarks	Grenelle 2	UN G Principles
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	*		Measures implemented to protect and conserve the biodiversity	
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	*		Measures implemented to protect and conserve the biodiversity	
<b>Emissions, effluents and waste</b>					
EN16	Total direct and indirect greenhouse gas emissions by weight.	***	CR report: Atos' Key Performance Indicators + Ref Doc: C.4.2 Improving the sustainable use of resources ; C.7.1 Scope of the report	Greenhouse gas emissions	7
EN17	Other relevant indirect greenhouse gas emissions by weight.	***	Ref Doc: C.4.2 Improving the sustainable use of resources + DA= the total ghg emissions registered in travels are 63,637,000 kg CO2e	Greenhouse gas emissions	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	***	Ref Doc: C.4.2 Improving the sustainable use of resources	Measures of prevention, reduction or repair of discharges into the atmosphere, water and soil, impacting severely the environment	7.8
EN19	Emissions of ozone-depleting substances by weight.	**	Ref Doc: C.4.2 Improving the sustainable use of resources		7
EN20	NOx, SOx, and other significant air emissions by type and weight.	*			
EN21	Total water discharge by quality and destination.	*		Water consumption and water supply adapted to the local constraints	
EN22	Total weight of waste by type and disposal method.	*		Measures regarding waste prevention , recycling and disposal	
EN23	Total number and volume of significant spills.	*			
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	*			
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	*			

# Corporate social responsibility

## C.8 Key Performance Indicators (cross reference table)

Profile Disclosure	Description	Degree of reporting (we do report *** / we partially report ** / we do not report*)	Where to find info/remarks	Grenelle 2	UN G Principles
<b>Products and services</b>					
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	***	Ref Doc: C.6.1 Global Key Offering; C.7.1.4 Methodological detailed information	Resources allocated to prevention of environmental risks and pollution; Measures regarding waste prevention, recycling and disposal	78,9
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	*			
<b>Compliance</b>					
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	***	Ref Doc: C.8 Key Performance indicator + C.4.1 Environmental management + DA= There was no significant fines for non-compliance with environmental laws and regulations during the reporting period, nor any non-monetary sanction.	The organization of the company to integrate environmental issues and, if appropriate, the assessments and certification process regarding environmental issues and Information and training measures for employees regarding the protection of the environment	
<b>Transports</b>					
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	*			
<b>Overall</b>					
EN30	Total environmental protection expenditures and investments by type.	*			
<b>Social: Labor Practices and Decent Work</b>					
<b>Employment</b>					
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	***	Ref Doc: C.3.1 Building a great place to work	Total headcount and distribution of employees by gender, age and geographical area; Working time organization	
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	***	Ref Doc: C.3.1 Building a great place to work	Recruitments and redundancies	6
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	***	Ref Doc: C.3.1 Building a great place to work		6
LA15	Return to work and retention rates after parental leave, by gender.	*			



Profile Disclosure	Description	Degree of reporting (we do report ***/we partially report** / we do not report*)	Where to find info/remarks	Grenelle 2	UN G Principles
<b>Labor/management relations</b>					
LA4	Percentage of employees covered by collective bargaining agreements.	***	Ref Doc: C.31 Building a great place to work	Summary of collective agreements and The freedom of association and recognition of the right to collective bargaining	3
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	**	Ref Doc: C.31.3 Collective bargaining agreements and minimum notice periods		3
<b>Occupational health and safety</b>					
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	*			
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	**	Ref Doc: C.8 Key Performance indicators + C.31 Building a great place to work ; C.71 Scope of the report	Absenteeism and Occupational accidents, including accident frequency and severity rates, and occupational diseases	1
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	**	Ref Doc: C.31 Building a great place to work	Occupational health and safety conditions	1
LA9	Health and safety topics covered in formal agreements with trade unions.	*		Summary of collective agreements signed with trade unions or the representatives of the company health and safety committee	
<b>Training and education</b>					
LA10	Average hours of training per year per employee by gender, and by employee category.	**	Ref Doc: C.8 Key Performance indicators + C.31 Building a great place to work	Policies implemented regarding training; Total number of training hours	1
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	***	Ref Doc: B.4.5 Talent reward and Retention, Section B.4.3.4		
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	***	Ref Doc: Ref Doc: Ref Doc: C.8 Key Performance indicators + C.31 Building a great place to work; Section B.4.9		

# Corporate social responsibility

## C.8 Key Performance Indicators (cross reference table)

Profile Disclosure	Description	Degree of reporting (we do report *** / we partially report** / we do not report*)	Where to find info/remarks	Grenelle 2	UN G Principles
<b>Diversity and equal opportunity</b>					
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	***	Ref Doc: C.31 Building a great place to work	Measures implemented to promote employment and integration of disabled people	1, 6
<b>Equal remuneration for women and men</b>					
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	**	Ref Doc: C.31 Building a great place to work	Remunerations and their evolution; Measures implemented to promote gender equality	6
<b>Social: Human Rights</b>					
<b>Investment and procurement practices</b>					
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	*			2
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	***	Ref Doc: C.8 Key Performance indicators + C.3.3 Be compliant with the International Labor standards	Integration of social and environmental issues into the company procurement policy; Importance of subcontracting and consideration, in the relationship with subcontractors and suppliers of their social and environmental responsibility	1-6, 10
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	**	Ref Doc: C.5.2 Ethics in Business and towards our stakeholders	Others actions implemented to promote Human Rights	2
<b>Non-discrimination</b>					
HR4	Total number of incidents of discrimination and actions taken.	***	Ref Doc: C.3.3 Be compliant with the International Labor standards	Policy against discrimination and The elimination of discrimination in respect of employment and occupation	6
<b>Freedom of association and collective bargaining</b>					
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	*		The freedom of association and recognition of the right to collective bargaining	3

Profile Disclosure	Description	Degree of reporting (we do report *** / we partially report** / we do not report*)	Where to find info/remarks	Grenelle 2	UNG Principles
<b>Child labor</b>					
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	*		The abolition of child labor	5
<b>Prevention of forced and compulsory labor</b>					
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	*		The elimination of all forms of forced labor	4
<b>Security practices</b>					
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	*			
<b>Indigenous rights</b>					
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	*			
<b>Assessment</b>					
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	*			
<b>Remediation</b>					
HR11	"Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms."	*			
<b>Social: Society</b>					
<b>Local communities</b>					
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	*			
SO9	Operations with significant potential or actual negative impacts on local communities.	*		Territorial, economic and social impact of the company activity regarding regional employment and development	

# Corporate social responsibility

## C.8 Key Performance Indicators (cross reference table)

Profile Disclosure	Description	Degree of reporting (we do report ***/we partially report**/we do not report*)	Where to find info/remarks	Grenelle 2	UN G Principles
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	*		Territorial, economic and social impact of the company activity on the local populations	
<b>Corruption</b>					
SO2	Percentage and total number of business units analyzed for risks related to corruption.	*	Ref Doc: C.5.2 Ethics in Business and towards our stakeholders	Action implemented against corruption	10
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	**	Ref Doc: C.8 Key Performance indicators + C.5.2 Ethics in Business and towards our stakeholders	Action implemented against corruption	10
SO4	Actions taken in response to incidents of corruption.	***	Ref Doc: C.5.2 Ethics in Business and towards our stakeholders + DA= No incidents of corruption have been registered in the reporting period	Action implemented against corruption	
<b>Public policy</b>					
SO5	Public policy positions and participation in public policy development and lobbying.	*			
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	*			
<b>Anti-competitive behavior</b>					
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	*			
<b>Compliance</b>					
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	***	Ref Doc: C.5.2 Ethics in Business and towards our stakeholders		10

Profile Disclosure	Description	Degree of reporting (we do report ***/we partially report** / we do not report*)	Where to find info/remarks	Grenelle 2	UN G Principles
<b>Social: Product Responsibility</b>					
<b>Customer health and safety</b>					
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	*		Measures implemented to promote consumers health and safety	
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	*			
<b>Product and service labelling</b>					
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	*			
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	*			
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	***	Ref Doc: C.8 Key Performance indicators + C.12 Strengthening stakeholders dialogue		
<b>Marketing communications</b>					
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	*			
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	*			

# Corporate social responsibility

## C.8 Key Performance Indicators (cross reference table)

Profile Disclosure	Description	Degree of reporting (we do report ***/we partially report** / we do not report*)	Where to find info/remarks	Grenelle 2	UN G Principles
<b>Customer privacy</b>					
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	**	Ref Doc: C.5.4 Society KPI overview		10
<b>Compliance</b>					
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	*			
<b>Atos Specific</b>					
AO1	Percentage of people in inter-contracts	*			
AO2	Employee Satisfaction		Ref Doc: C.8 Key Performance indicators + C.3.1 Building a great place to work		
AO3	Data Security Incidents		Ref Doc: Ref Doc: Ref Doc: C.8 Key Performance indicators + C.5.2.3 Protection of assets		
AO4	Cloud computing initiatives		Ref Doc: C.8 Key Performance indicators + C.6.14 Helping clients to make their IT infrastructure greener		
AO5	Health, education, energy and transport solutions		Ref Doc: C.8 Key Performance indicators + C.6.16 Supporting clients with Well Being and smart cities solutions		
AO6	Workforce diversity ratios (Handicap people)		CR report: Atos' Key Performance Indicators + Ref Doc: C.3.1.5 Building a responsible company by valuing Diversity		
AO7	Sustainable projects with clients		Ref Doc: C.6.1.3 Always innovate and anticipate client's needs: Atos' portfolio of sustainable solutions		
AO9	Smart working conditions		Ref Doc: C.8 Key Performance indicators + C.3.1 Building a great place to work		
AO10	Initiatives regarding innovative services / product developments		Ref Doc: C.6.1 Global Key Offering		
AO11	Collaborative technologies development (Zero email™)		Ref Doc: C.3.2.1 Zero email™ – embracing a new way of working		
AO12	Top management commitment with employees		Ref Doc: C.3.1.1 Atos People, first actor of the great place to work		
AO13	Atos culture and values awareness		Ref Doc: C.3.1.1 Atos People, first actor of the great place to work		



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### D.1

## Operational review

#### D.1.1 Executive Summary

**External revenue** in 2012 stood at **EUR 8,844 million** representing an organic growth of **+0.8 percent** or EUR +66 million, with a growth of +1.4 percent in the first half of the year and +0.2 percent in the second semester.

The performance was driven in particular by North America and the United-Kingdom and to a lesser extent by Atos Worldline and Germany (totaling an increase of EUR +195 million), while Benelux, France and Iberia continued to suffer from a difficult economic situation (EUR -94 million for the three GBUs). The growth materialized in Managed Services (EUR +95 million or +2.4 percent) and HTTS & Specialized Businesses (EUR +52 million or +2.7 percent), while cyclical activities were more affected with Consulting & Technology Services declining by -5.0 percent (EUR -32 million) and Systems Integration by -2.3 percent (EUR -50 million), more particularly during the second half of the year.

In 2012, the total order entries reached EUR 10 billion, representing a book to bill ratio of 113 percent, well above the level of 103 percent reported in 2011 on a statutory basis. Order entry included the contract with McGraw-Hill signed in the US for an expected amount above EUR 500 million and the Department of Work & Pensions (DWP). In Systems Integration, the Group won a new significant contract with a large European telecom infrastructures company for application management. The other major wins in 2012 included the Nuclear Decommissioning Authority, the Department of Health, EDF Energy, and the Welsh Government in the United-Kingdom & Ireland. Two contracts were renewed in North America for Siemens Healthcare and Morgan Stanley. The Group signed the renewal of the outsourcing contract for Atos first German customer with an extension to Postbank and performed a new signature with PostNord in the Nordics.

Excluding the Siemens account, for which a significant portion of the seven year outsourcing and application management contracts was recorded as opening backlog in July 2011, the book to bill in 2012 reached 118 percent.

At the end of 2012, the full backlog amounted to EUR 15.6 billion or 1.8 year of revenue, representing an increase of EUR 1.5 billion compared to December 31<sup>st</sup>, 2011. The full qualified pipeline at the end of 2012 was EUR 5.4 billion, slightly up compared to the end of 2011, and representing 7.3 months of revenue. While the Group performed a high level of signatures in 2012, it has also been able to rebuild the pipeline during the year.

Operating margin in 2012 reached EUR 580.0 million, representing an increase of EUR +155.1 million compared to a margin of EUR 425.0 million in 2011 on a pro forma basis.

The operating margin rate of 6.6 percent represented an increase of +172 basis points compared to 4.8 percent in 2012 pro forma and resulted from the improvement of the cost base structure of the Group thanks to the TOP<sup>2</sup> program including the resizing of the support functions. The Group benefited as well from the platform transformation activities with Siemens, including revenue during the first half of the year for the transition & transformation phase which was initiated in the second half of 2011.

Total staff stood at 76,417 at the end of 2012, reflecting a net headcount increase of +2,448 during the year, of which +1,165 resulted from entities which entered the scope in 2012.

The Group finalized the acquisition of the following entities, which have been restated in the 2011 pro forma accounts as if Atos owned these entities for the same period in the previous year:

- ▶ Russia, Turkey and China transferred by Siemens
- ▶ E-Utile, an Italian leader in smart energy solutions, 51 percent transferred by Siemens and acquisition of the remaining 49 percent
- ▶ blueKiwi, a social workplace software company located in France
- ▶ MSL, a specialist in major events located in Spain
- ▶ Quality Equipment, a Dutch player in electronic payments
- ▶ DAESA, a small captive of IT to Banco Popular in Spain

End of June 2012, Atos sold its 49 percent stake in the Belgian joint venture SiNSYS to its majority shareholder, the Italian payment processing SIA SSB. In the fourth quarter of 2012, the Group sold its small operations in Greece to Cognity (Cyprus).

The underlying operating performance on the ongoing business is presented within the Operating Margin, while unusual, abnormal and infrequent income or expenses (other operating income/expenses) are separately itemized and presented below the Operating Margin, in line with the CNC (Conseil National de la Comptabilité) recommendation n°2009-R-03 (issued on July 2<sup>nd</sup>, 2009) regarding financial statements presentation.

### D.1.2 Statutory to constant scope and exchange rates reconciliation

In EUR million	FY 2012	FY 2011	% growth
<b>Statutory revenue</b>	<b>8,844</b>	<b>6,812</b>	<b>+29.8%</b>
Scope impact		1,809	
Exchange rates impact		156	
<b>Revenue at constant scope and exchange rates</b>	<b>8,844</b>	<b>8,778</b>	<b>+0.8%</b>
<b>Operating margin</b>	<b>580.0</b>	<b>422.4</b>	<b>+37.3%</b>
Scope impact		-6.5	
Exchange rates impact		91	
<b>Operating margin at constant scope and exchange rates</b>	<b>580.0</b>	<b>425.0</b>	<b>+36.5%</b>



### D.1.2.1 Revenue

Revenue for 2012 amounted to EUR 8,844 million, representing an organic growth of +0.8 percent compared to pro forma revenue of EUR 8,778 million in 2011, including entities which entered or exited the Group scope in 2012.

The following schedule is presenting the impact on pro forma 2011 revenue of exchange rates, impact of the acquisitions and internal transfers reflecting the Group's new organization implemented in two phases, July 1<sup>st</sup>, 2011 and January 1<sup>st</sup>, 2012:

In EUR million	FY 2011 statutory	Internal transfers	Scope	SIS	Exchange rates	Asset deals	FY 2011 CSER*
Managed Services	2,891	-41		1,063	92	34	4,040
Systems Integration	1,771	-114	13	474	25	17	2,186
HTTS & Specialized Businesses	1,562	113	-13	156	39	59	1,917
Consulting & Technology Services	588	41		5	1		635
<b>Total Group</b>	<b>6,812</b>	<b>0</b>	<b>0</b>	<b>1,698</b>	<b>156</b>	<b>111</b>	<b>8,778</b>
Germany	1,100		-12	593	0		1,680
UK & Ireland	1,195			266	101		1,562
France	991			9	0		999
Benelux	942		-1	84	0		1,024
Atos Worldline	913		-8		2		908
North America	304			194	41		540
Central & Eastern Europe	311			216	-1	51	576
North & South Western Europe	224		-5	191	5		414
Iberia	314		3	29	0		345
Other BU's	519		23	119	9	60	730
<b>Total Group</b>	<b>6,812</b>		<b>0</b>	<b>1,698</b>	<b>156</b>	<b>111</b>	<b>8,778</b>

\*Constant scope and exchange rates

The internal changes of scope reflected the following items:

- ▶ The re-allocation of the former Central Europe Middle East Africa (CEMA) Global Business Unit to mainly the new Global Business Units Central & Eastern Europe (CEE) and North & South West Europe (N&SWE);
- ▶ The creation of the Specialized Business Unit Atos Worldgrid (included in Other BUs), regrouping activities around Smart Energy offerings, previously reported in France, Spain and China.

Internal transfers occurred in the four Services Lines.

The impact of the SIS acquisition was EUR 1,698 million and deferred assets contribution (Russia, Turkey, China, and E-Utile) amounted to EUR 111 million for 2011.

Other scope effects are the contribution from the acquisitions of MSL (a specialist in major events located in Spain), Quality Equipment (a Dutch player in electronic payments), Daesa (a small IT captive from Banco Popular in Spain), and blueKiwi (a social workplace software company located in France). It also includes the 49 percent stake in the Belgian joint venture SINSYS that Atos sold in June and the disposal in December of the Group's small operations in Greece.

Finally, exchange rate effects resulted in a positive adjustment of EUR +156 million on a comparable year-on-year basis, mainly from the British pound for EUR +101 million, US dollar and US related currencies for EUR +55 million.

### D1.2.2 Operating margin

Operating margin for 2012 amounted to EUR 580.0 million, representing 6.6 percent of revenue, +172 basis points compared to pro forma operating margin of EUR 425.0 million in 2011, or 4.8 percent. Pro forma figures in 2011 includes SIS related deferred assets contributions (Russia, Turkey, China, E-Utile), contribution from the acquisitions of MSL, Quality Equipment and Daesa, disposal of SiNSYS, as well as a positive exchange rate impact of EUR +91 million.

The following schedule is presenting the impact on pro forma 2011 operating margin of exchange rates, impact of the acquisitions and internal transfers reflecting the Group's new organization implemented in two phases, July 1<sup>st</sup>, 2011 and January 1<sup>st</sup>, 2012:

In EUR million	FY 2011 statutory	Internal transfers	Scope	SIS	Exchange rates	Asset deals	FY 2011 CSER*
Managed Services	221.2	-1.7		8.2	4.5	1.2	233.4
Systems Integration	52.3	-3.2	2.0	5.3	2.0	-0.6	57.8
HTTS & Specialized Businesses	211.5	-1.3	-0.7	3.0	2.7	4.0	219.2
Consulting & Technology Services	27.6	6.3		1.4	-0.1	0.0	35.1
Corporate costs	-90.3			-30.3			-120.6
<b>Total Group</b>	<b>422.4</b>	<b>0.0</b>	<b>1.2</b>	<b>-12.4</b>	<b>9.1</b>	<b>4.6</b>	<b>425.0</b>
Germany	83.1		-3.0	13.4	0.0		93.4
UK & Ireland	79.7			9.0	6.3		95.0
France	19.4			1.0	0.0		20.4
Benelux	70.2			3.8	-0.4		73.6
Atos Worldline	157.0		-0.2		0.7		157.5
North America	31.5			-4.9	2.0		28.6
Central & Eastern Europe	29.1			6.9	0.3	0.9	37.2
North & South Western Europe	16.6		-0.5	-10.4	0.2		5.8
Iberia	4.0			1.9	0.0		5.9
Other BU's	34.3		5.0	3.9	-0.1	3.7	46.7
Global structures	-102.3			-36.8	0.0		-139.2
<b>Total Group</b>	<b>422.4</b>		<b>1.2</b>	<b>-12.4</b>	<b>9.1</b>	<b>4.6</b>	<b>425.0</b>

\* Constant scope and exchange rates

### D1.3 Performance by Service Line

In EUR million	Revenue			Operating Margin		Operating Margin %	
	FY 2012	FY 2011*	% growth	FY 2012	FY 2011*	FY 2012	FY 2011*
Managed Services	4,135	4,040	+2.4%	324.8	233.4	7.9%	5.8%
Systems Integration	2,136	2,186	-2.3%	104.1	57.8	4.9%	2.6%
HTTS & Specialized Businesses	1,969	1,917	+2.7%	232.7	219.2	11.8%	11.4%
Consulting & Technology Services	604	635	-5.0%	24.0	35.1	4.0%	5.5%
Corporate costs**				-105.6	-120.6	-1.2%	-1.4%
<b>Total Group</b>	<b>8,844</b>	<b>8,778</b>	<b>+0.8%</b>	<b>580.0</b>	<b>425.0</b>	<b>6.6%</b>	<b>4.8%</b>

\* Constant scope and exchange rates

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

#### D1.3.1 Managed Services

In EUR million	FY 2012	FY 2011*	Change
Revenue	4,135	4,040	+2.4%
Operating margin	324.8	233.4	+39.2%
Operating margin rate %	7.9%	5.8%	+208bp

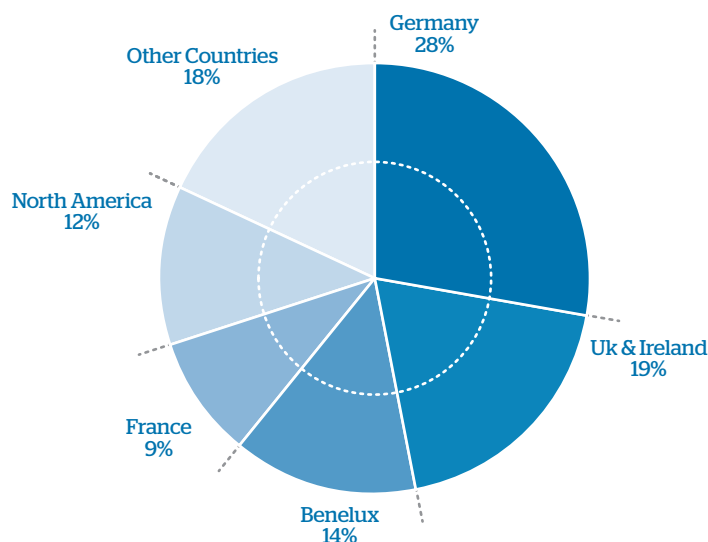
\* Constant scope and exchange rates

Representing 47 percent of the Group, Managed Services **revenue** was **EUR 4,135 million**, up **+2.4 percent** compared to 2011. Growth was driven by North America (+7.7 percent) and United-Kingdom & Ireland (+5.7 percent). In the other geographies, several GBUs reached a growth around 2 percent: Central & Eastern Europe, France, Germany, and North & South West Europe. Revenue in Benelux and Iberia declined respectively by -1.8 and -1.9 percent, which can be considered a better performance compared to the IT industry in those countries. Asia Pacific faced headwind with the ramp-down of the Manulife contract terminated in 2011. The successful completion at the end of the first half of 2012 of the Siemens project to separate and transform the platforms between Siemens and the former SIS scope impacted as expected Managed Services

revenue in the second half of 2012 by EUR -50 million mainly in the GBU Germany; however, this had no effect on the full year growth.

In line with the strategy developed through the acquisition of SIS, Managed Services grew by signing multi-year contracts with new customers. The significant wins which contributed to revenue in 2012 were BASF and Bayer in Germany, McGraw-Hill, and City of San Diego in North America, PostNord in the Nordic countries, and Department of Health, EDF Energy, NHS Scotland and Nuclear Decommissioning Authority in the United-Kingdom.

### Managed Services revenue profile by geographies



**Operating margin** improved by EUR +915 million compared to 2011 to reach **EUR 324.8 million** or **7.9 percent of revenue**, increasing by more than +200 basis points compared to 2011. The improvement came from the industrialization of the activity through Global Delivery Lines and the execution of the TOP<sup>2</sup> program in the geographies such as Germany, North America, Central

& Eastern Europe and North & South West Europe. This resulted in the materialization of back office synergies, restructuring of overcapacities and application of the lean techniques and offshoring to the ex-SIS perimeter. On top of these strong actions on costs, North America benefited of the increased volumes through new business, especially with McGraw-Hill.

### D1.3.2 Systems Integration

In EUR million	FY 2012	FY 2011*	Change
Revenue	2,136	2,186	-2.3%
Operating margin	1041	57.8	+800%
Operating margin rate %	4.9%	2.6%	+223bp

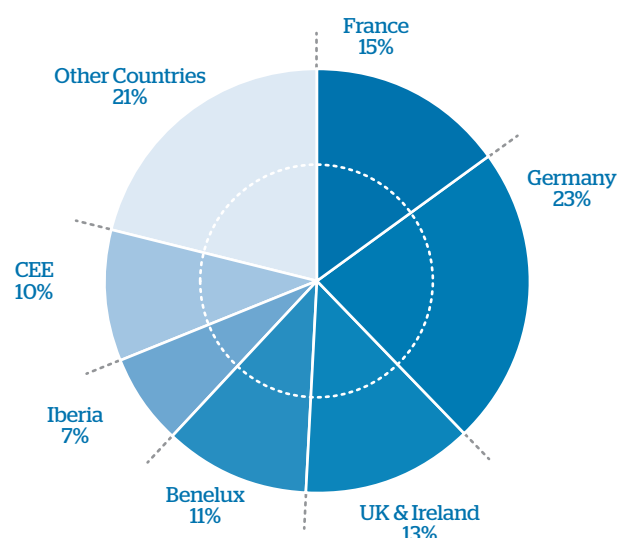
\* Constant scope and exchange rates

System Integration **revenue** landed at **EUR 2,136 million** down **-2.3 percent** year-on-year. The decrease was driven by France especially in Manufacturing, Retail & Services and Public Sector, Healthcare & Transport where contract signatures were delayed from the third quarter to the back end of the fourth quarter, henceforth did not generate the expected revenue in the second half of 2012. In Germany, the activity was impacted by the end of the Commerzbank Application Management contract that took place in June 2011. Central & Eastern Europe had lower activity in the public market in Austria with the start of the ramp-down in AMS, and in Slovakia due to the 2012 parliamentary election. The United-Kingdom and North America

reached a strong growth, respectively +9.7 percent and +14.9 percent. This was achieved thanks to a robust performance in the United-Kingdom in Telecom, Media & Technology and Public Sector, Healthcare & Transport and in North America in Financial Services. Benelux swung to growth in the second semester with +0.7 percent (Manufacturing, Retail & Services). Finally, Iberia was down -7.9 percent with less projects in the Public sector.

Application Management represented one third of total Systems Integration revenue in 2012 and projects, the remaining two third.

#### Systems Integration revenue profile by geographies



**Operating margin** was **EUR 104.1 million**, representing **4.9 percent of revenue**. The strong improvement of +223 basis points compared to prior year was driven by the materialization of the integration and transformation program in Germany and the United-Kingdom. The streamlining of the organization combined to a tight cost control, continued to bring margin improvement in Spain and Benelux. France was still in a recovery plan, which has been reinforced by the new Systems Integration

management appointed in France in September 2012. Global Delivery through offshoring programs in India increased the level of profitability with TOP<sup>2</sup> and Lean. The operating margin included development costs in the New Business Ventures: Canopy, blueKiwi and Yunano.

In Systems Integration, utilization rate was stable compared to 2011 at 78 percent.

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

In EUR million	FY 2012	FY 2011*	Change
Revenue	1,969	1,917	+2.7%
of which HTTS	1,216	1,168	+4.1%
Operating margin	232.7	219.2	+6.1%
of which HTTS	191.1	173.0	+10.5%
Operating margin rate	11.8%	11.4%	+38bp
of which HTTS	15.7%	14.8%	+91bp

\* Constant scope and exchange rates

**Revenue** represented 22 percent of the Group at **EUR 1,969 million**, up **+2.7 percent** year-on-year.

HTTS business grew by +4.1 percent at EUR 1,216 million, mainly driven by e-CS revenues at +9.3 percent. Other Specialized Businesses slightly grew by +0.6 percent at EUR 753 million, BPO activities (Financial and Medical) compensating less business in Smart Energy and Civil & National Security.

**eCS** product line (e-Ticketing, e/m-Commerce, and e-Mobile Technologies) reached +9.3 percent organic growth, driven by Atos Worldline (+8.2 percent), the UK (+11.3 percent), Central & Eastern Europe (+45.9 percent) and France. Atos Worldline benefited from higher sales on the Radar contract and was sustained by the growth of the e-Commerce mainly with Auchan, Carrefour, and Système U. The UK gained volumes in the Transport sector, the Government Gateway contract ramp-up, and Webtis East

Coast. Central & Eastern Europe performance was mainly realized thanks to licenses revenue on the project "digital education content" with the Ministry of Education in Slovakia, and the implementation of mobile PDA delivery to City of Vienna. France posted a strong growth linked to the Renault Telematics contract.

At EUR 662 million, **Payments** increased by +1.7 percent. Acquiring was up by +1.1 percent with growing sale of terminals in Atos Worldline in Belgium and Germany. The Business Unit also benefited from increased volumes in Belgium. UK increased volumes on Government Gateway through SIPS internet payment solutions. Issuing increased by +2.1 percent. Atos Worldline advanced with the newly won Sparda contract and volume increases in European countries. Iberia was lifted by more consumer credit volumes (Finconsum, BS Fincom) and new developments on BBVA account. The UK added revenue on the fuel card business (Morrisons, Sainsburys, Tesco, and BP).

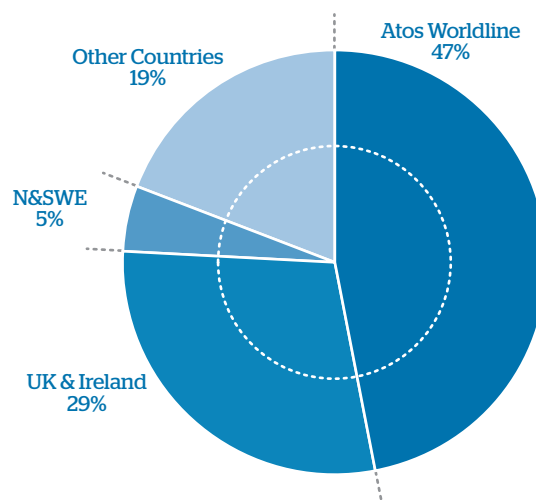
At EUR 80 million, **Financial Markets** decreased by -4.9 percent. The activity declined on the build & run of Equities solutions and a drop of LCH projects.

**Civil & National Security** declined in North & South West Europe, mainly in Switzerland due to the ramp down of the Swiss Nationwide project Polycom (radio communication equipment) and in Italy with the end of passport biometric contract.

In the **Smart Energy** area, Atos Worldgrid decreased by EUR -11 million with the ramp down on three difficult project situations in France in the first half of the year which have resolved or settled in June.

**Business Process Outsourcing (BPO)** at EUR 386 million was up by +7.6 percent year-on-year. Medical BPO grew thanks to higher volumes on DWP contract and benefited from the full year impact in 2012 of the Nissa contract signed in 2011. The Financial Services business increased by +1.8 percent through additional work on the modernization program of N&SI, and more operational activities on the Equitable Life contract.

### HTTS & Specialized Businesses revenue profile by geographies



**Operating margin** reached **EUR 232.7 million**, representing **11.8 percent** compared to 11.4 percent last year.

**HTTS** reported 15.7 percent operating margin compared to 14.8 percent last year (+91 basis points). In the UK, profitability increased thanks to the recovery in the project Government Gateway and with a favorable comparison as in 2011 strong investments in a marketing campaign were launched to support the ticketing website of Redspottedhanky.com.

Operating margin in **BPO** reached EUR 11.5 million, a decrease by EUR -1.8 million. Financial BPO remained a

low margin contributor. In Medical BPO, higher volumes were more than offset by bid costs in light of the tender won on the new DWP PIP contract and transition costs which came in the second half of the year.

In the other **Specialized Businesses**, the operating margin stood at EUR 30.1 million, 8.2 percent of revenue. Three difficult projects hit the profitability of Atos Worldgrid during the first semester of 2012 while they have been resolved or settled in June 2012. This was partially compensated by a solid performance in Switzerland coming from growing revenue in the Civil & National Security (C&NS).

### D.1.3.4 Consulting & Technology Services

In EUR million	FY 2012	FY 2011*	Change
Revenue	604	635	-5.0%
Operating margin	24.0	35.1	-31.7%
Operating margin rate %	4.0%	5.5%	-155bp

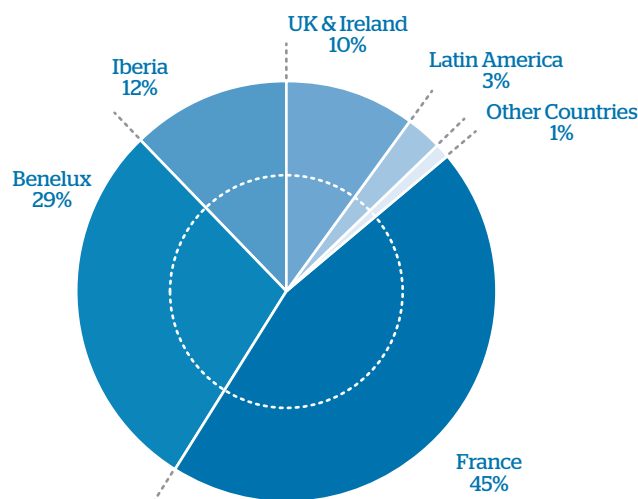
\* Constant scope and exchange rates

**Revenue** in Consulting & Technology Services stood at **EUR 604 million**, decreasing compared to last year by EUR -32 million or **-5.0 percent**.

**Consulting** revenue drop by -7.3 percent in the second semester, while it was flat in the first semester. France and the United-Kingdom have posted significant organic growth which was entailed by onboarding significant new contracts. On the opposite, Benelux and Iberia experienced headwind as a result of difficult economic environments and in particular a lower demand in the Public sector.

**Technology Services** business declined year-on-year by -5.6 percent. France posted organic growth of +2.1 percent mostly coming from an increase in Public sector. The other geographies declined, caused by weak markets in the Netherlands (mostly in Manufacturing and Financial sectors) and Spain (mostly in Public and Financial sectors), while Brazil declined as new business was falling short to compensate for projects completed last year in the Energy sector.

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



**Operating margin** decreased to **EUR 24.0 million**, representing **4.0 percent of revenue** versus 5.5 percent in 2011. After a first semester where operating margin retreated year-on-year from EUR 23.5 million to EUR 11.6 million, Consulting & Technology Services slightly improved its performance during the second half, from EUR 11.6 million to EUR 12.4 million. This improvement came from enhanced workforce management and costs base optimization. Main contributors to operating margin

where the UK in Consulting, and France and Benelux in Technology Services.

In Consulting, utilization rate improved at 72 percent compared to 70 percent in 2011 and slightly decreased at 83 percent for Technology Services compared to 84 percent in 2011.

## D.1.4 Performance by Business Units

In EUR million	Revenue			Operating Margin		Operating Margin %	
	FY 2012	FY 2011*	% growth	FY 2012	FY 2011*	FY 2012	FY 2011*
Germany	1,690	1,680	+0.6%	138.7	93.4	8.2%	5.6%
United-Kingdom & Ireland	1,679	1,562	+7.5%	116.7	95.0	7.0%	6.1%
France	980	999	-2.0%	14.8	20.4	1.5%	2.0%
Benelux	978	1,024	-4.5%	78.4	73.6	8.0%	7.2%
Atos Worldline	927	908	+2.2%	162.1	157.5	17.5%	17.3%
North America	588	540	+8.9%	47.2	28.6	8.0%	5.3%
Central & Eastern Europe	568	576	-1.3%	60.4	37.2	10.6%	6.5%
North & South West Europe	407	414	-1.6%	32.2	5.8	7.9%	1.4%
Iberia	317	345	-8.2%	8.8	5.9	2.8%	1.7%
Other BUs	709	730	-2.8%	45.9	46.7	6.5%	6.4%
Global structures**				-125.0	-139.2	-1.4%	-1.6%
<b>Total Group</b>	<b>8,844</b>	<b>8,778</b>	<b>+0.8%</b>	<b>580.0</b>	<b>425.0</b>	<b>6.6%</b>	<b>4.8%</b>

\* Constant scope and exchange rates

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

**Revenue** growth in 2012 was mostly driven by the United-Kingdom and North America, which both benefited from the contribution of new large contracts signed during the first half of the year. Atos Worldline also added growth. All the other main Business Units had a revenue evolution comprised between -2.0 percent and +1.0 percent, except Iberia and Benelux as a result of a weak macroeconomic environment and a contracted IT market in those two geographies.

**Operating margin** significantly improved compared to pro forma 2011 mainly in Germany, North America, CEE and in North & South West Europe. This improved performance was due notably to the delivery of TOP<sup>2</sup> Program and the restructuring plan on the former SIS scope.



### D1.4.1 Germany

In EUR million	FY 2012	FY 2011*	Change
Revenue	1,690	1,680	+0.6%
Operating margin	138.7	93.4	+48.5%
Operating margin rate %	8.2%	5.6%	+265bp

\* Constant scope and exchange rates

**Revenue** landed at **EUR 1,690 million** which is up by EUR +10.2 million or **+0.6 percent** compared to 2011.

In **Systems Integration**, revenue dropped by EUR -16.0 million or -3.1 percent, caused both by the termination mid-2011 of the Application Management contract with Commerzbank for EUR -18 million, and the reduction in volumes with joint companies between Siemens and its Telco partners (SEN, SEC), representing EUR -25 million. This was in part countered by new business with ThyssenKrupp for EUR +20 million.

In **Managed Services**, revenue advanced by EUR +23.0 million or +2.0 percent compared to 2011. Main increases were due to additional volumes with Siemens for EUR +21 million, and the kick-off of the new contract with Bayer which added a combined revenue in the amount of EUR +40 million compared to last year. These increases were partly offset by less revenue due to price and scope decreases with Nokia Siemens Networks for EUR -13

million, and price and volumes with Talanx for EUR -14 million. Due to the insolvency of Neckermann, that was disclosed early in the second semester, revenue declined by EUR -5 million.

**Operating margin** in Germany was **EUR 138.7 million**, up EUR +45.3 million and representing **8.2 percent of revenue**, a strong improvement compared to 5.6 percent in 2011, coming almost exclusively from Managed Services.

The margin improved on the back of three main elements: Firstly, margin derived from additional revenue linked to the Siemens transition and transformation program. Secondly, the benefits from the cost efficiency measures (TOP<sup>2</sup> program) carried-out across the operations, and the reduction of the indirect cost baseline (G&A) through the reorganization plan initiated mid-2011. Thirdly, the full year effect of the direct staff restructuring completed by SIS at the end of June 2011.

### D1.4.2 United Kingdom & Ireland

In EUR million	FY 2012	FY 2011*	Change
Revenue	1,679	1,562	+7.5%
Operating margin	116.7	95.0	+22.8%
Operating margin rate %	7.0%	6.1%	+87bp

\* Constant scope and exchange rates

**Revenue** climbed by EUR +117 million at **EUR 1,679 million** or **+7.5 percent** year-on-year. This was achieved thanks to new contracts and volume growth in the Public sector, Healthcare & Transport market, and in Energy & Utilities.

In **Consulting & Technology Services**, growth was driven primarily by increasing assignments in the Public, Healthcare & Transport sectors, with respectively the Department for International Development (DiFID) and Rail business.

In **Systems Integration**, revenue increased by EUR +25 million or +9.7 percent, with growth on key accounts

and new business starting in 2012. Sales increased by EUR +13 million with a large media company, fuelled by add-on projects and purchase for resale. The remainder was supported by the new contract with the Nuclear Decommissioning Authority, and application development services delivered in the Public sector.

**Managed Services** was up on prior year by EUR +42 million or +5.7 percent, lifted by the start of new contracts awarded in the first semester of the year. Energy & Utilities increased by EUR +23 million along with the EDF Energy contract, and Public sector, Healthcare & Transport swelled by EUR +20 million with the services provided

to consolidate and modernize the IT infrastructure at the Nuclear Decommissioning Authority, and the contract with the Department of Health. Revenue came higher in the Siemens Account with EUR +4 million due to additional projects and in the Manufacturing, Retail & Services sector with a large producer of soft drinks and project work on London 2012 Olympic & Paralympic Games. The growth was softened by a decrease in Financial Services and in the Telecom sector.

**HTTS** added EUR +19 million or +12.1 percent mainly driven by the transport online business (Public sector, Healthcare & Transport). The Service Line capitalized on the success of e-Ticketing activities (EUR +4 million), and the new contract Transport for Greater Manchester (EUR +2 million). Volumes were up also across payment services (EUR +6 million) with Government Gateway, e-payments, and transaction services.

**Specialized Businesses** grew by EUR +26 million. This was realized thanks to BPO activities which were up by EUR +27 million or +7.6 percent. This was completed by EUR +3 million on one new region of NHS and EUR +1 million with the new win on HMRC & Prison vaccination scheme. Smart Energy activities declined due to the ramp-down of the two year project at British Energy.

In the United Kingdom & Ireland, **operating margin** stood at **EUR 116.7 million**, representing 7.0 percent of revenue compared to 6.1 percent in 2011.

**Consulting** top line growth with new large contracts such as the Department for International Development (DiFID), combined with proactive management of the workforce, led to an improvement of the operating margin.

**Systems Integration** improved its profitability thanks to incremental margin from revenue growth and the impact of operational actions to rationalise the cost base with TOP<sup>2</sup> and Lean measures.

Despite a strong revenue growth, **Managed Services** operating margin remained almost stable. Margin upside coming from the new contracts compensated costs on transition phases with customers such as Department of Health (DoH), and Skills Development Scotland.

**HTTS & Specialized Businesses** strongly contributed to the margin improvement which derived from a higher revenue baseline including strong volumes in transactions during the London 2012 Olympic & Paralympic Games (transportation, e-Ticketing, hospitality...). Lower costs for the marketing campaign launched prior year for the redspottedhanky.com offering also contributed to the margin improvement. BPO margin slightly decreased mainly due to transition costs for the new PIP / DWP project.

### D1.4.3 France

In EUR million	FY 2012	FY 2011*	Change
Revenue	980	999	-2.0%
Operating margin	14.8	20.4	-27.5%
Operating margin rate %	1.5%	2.0%	-53bp

\* Constant scope and exchange rates

**Revenue** in France reached **EUR 980 million**, representing an organic decrease of **-2.0 percent** or EUR -20 million compared to last year, driven by a drop in Systems Integration of EUR -33 million, partly offset by a growth in all other Service Lines.

The drop in revenue in **Systems Integration** owed primarily to weak market conditions in Manufacturing, Retail & Services, which materialized by a decrease of IT spend in the automotive industry and impacted France revenue for EUR -7 million. This could only partly be offset by the ramp-up of new contracts such as L'Oréal. Public sector, Healthcare & Transport faced a decrease in workload coupled with the loss of AESN. Telecoms, Media

& Technology, Financial Services and Energy & Utilities markets suffered also from these tough market conditions in France. These losses of revenue were not globally balanced by enough new businesses, as the new deals won in the fourth quarter of 2012 did not impact the 2012 revenue.

**Managed Services** slightly grew, mainly through Energy & Utilities thanks to the new contract with EDF, leading to a rebound in the second half of the year. The other markets were affected by a lack of new business and fertilization.

**Consulting** achieved to grow in 2012 by +5.5 percent after several years of decline with the gain of new contracts

in each market but Financial Services, thanks to the success of new practices. In Financial Services, the activity was affected by a lack of new assignments in banking institutions such as BNP Paribas and Société Générale. In spite of fewer working days than previous year, **Technology Services** posted a growth of +2.1 percent primarily linked to a higher revenue in the Public sector. The Business Unit improved resource management across the organization which translated into a higher utilization rate together with overall stabilized prices.

The strong increase in **HTTS** was linked to ramp-up of Renault Telematics contract started in July 2011.

In France, **Operating Margin** slightly eroded from 2.0 percent of revenue in 2011 to **1.5 percent** in 2012, to reach **EUR 14.8 million**, in the context of revenue decline. Whilst the first semester of 2012, together with the

second semester of 2011, showed an operating margin at breakeven, the GBU achieved a strong improvement at 3.0 percent in the second half of 2012. This was the first step of the profitability plan initiated early this year, both on productivity improvement and on sales through the Client first Program.

While **Managed Services** remained stable year-on-year, the reduction in the France operating margin was primarily due to the drop of revenue in the **Cyclical Activities**. The full effect on margin has been limited by adjusting the cost base through the optimization of the workforce management particularly on external subcontractors. Non personal costs such as maintenance, telecom and premises have also been reduced as part as TOP<sup>2</sup> Program. Finally, a strong monitoring of indirect costs, more particularly on subcontractors and professional fees also helped to mitigate margin decrease.

### D1.4.4 Benelux

In EUR million	FY 2012	FY 2011*	Change
Revenue	978	1,024	-4.5%
Operating margin	78.4	73.6	+6.5%
Operating margin rate %	8.0%	7.2%	+83bp

\* Constant scope and exchange rates

In both semesters of 2012, almost all Service Lines in Benelux faced tough market conditions. As a result, **revenue** retreated by EUR -46 million or **-4.5 percent** to **EUR 978 million**.

The decrease in cyclical activities, **Systems Integration** and **Consulting & Technology Services**, stemmed from slack demand and tariff pressure in most of the verticals. This was in part softened by new business with Ahold in Manufacturing, Retail & Services and higher volumes with KPN in Telecoms, Media & Technology. Globally, the large customers in the region did not launch new sizeable projects in 2012, more particularly in the Netherlands, where in turn Atos, as most of the IT companies, had to adapt its organization in order to address overcapacity.

In a similarly strained market environment, revenue contracted in **Managed Services** among several customers such as Philips, Akzo, KPN and NXP. Altogether this represented a decrease of EUR -22 million. This was partially counterbalanced by the ramp-up of a new contract in the Public sector with OC&W, and other government institutions, and in Financial Services with additional volumes with ING and Rabobank.

The strong growth in **HTTS** came from new business with Gasterra/Gasunie.

**Operating margin** reached **EUR 78.4 million**, representing **8.0 percent** of revenue, an improvement of **+83 basis points** compared to 2011 despite market conditions that remained difficult.

In **Consulting** severe staff reductions and other costs cuttings have compensated volume decreases. In **Technology Services**, lower volumes and prices have partly been absorbed by adjusting the operating cost base. This enabled the operating margin to remain almost stable in the second half compared to the same period last year.

**Systems Integration** has realized a significant cost base improvement, both in reducing the number of middle management layers and cutting in non-personnel expenses. Improved project execution and intensified controls on pre-sales activities also contributed to the strong improvement in profitability.

**Managed Services** was stable by performing cost optimizations and productivity improvement on a string of contracts such as OC&W, ING, and Akzo Nobel. This allowed compensating for both the decrease of revenue and expenses on transitions.

## D1.4.5 Atos Worldline

In EUR million	FY 2012	FY 2011*	Change
Revenue	927	908	+2.2%
Operating margin	1621	1575	+2.9%
Operating margin rate %	175%	173%	+13bp

\* Constant scope and exchange rates

Atos Worldline reported **revenue of EUR 927 million** with an organic growth of **+2.2 percent**, among most of its geographies.

In EUR million	FY 2012	FY 2011*	Change
Payments	633	626	+1.2%
eCS	231	214	+8.2%
Financial Markets	63	68	-8.0%

\* Constant scope and exchange rates

**Payment** at EUR 633 million, increased by +1.2 percent, of which +2.4 percent in the second semester. The acquiring business, grew by EUR +4.7 million at EUR 383 million thanks to additional volumes in Belgium combined to revenue growth for the terminal business in Germany and Belgium and despite the termination of the B+S contract in Germany in 2011. The issuing part of the payment business reached EUR 221 million, up EUR +2.7 million with growing volumes and project fertilization in France and Germany coupled with the start of the new Sparda contract in the first quarter of 2012. This compensated the absence of new major contracts in India. The Payment related services remained stable at EUR 29.8 million.

**eCS** revenue reached EUR 231 million, an increase by EUR +17 million or +8.2 percent. Transactional web and Loyalty programs edged higher by EUR +8.3 million, mainly sustained by the growth of the e-commerce activities with Auchan, Carrefour, and Système U. The Ticketing activity posted higher revenue with EUR +6 million mainly as a result of new subcontracted activities with Docapost within the speed control contract. Smart Mobility business increased by EUR +1.5 million, fuelled by the new connected cars and trucks business with Renault and Michelin. ehealth was up by EUR +1.2 million and benefitted from the growth of the Personal Health File contract and the INPES contract with the French Department for Health.

**Financial Markets** revenue retreated by EUR -5 million due to the shortfall of new projects in the equity market, and also in the clearing activities with LCH. **Adjusted for the Financial Markets activity, Atos Worldline grew by +3.0 percent in 2012.**

Compared to last year, **operating margin** in 2012 increased by **EUR +4.6 million** and reached EUR 162.1 million, going up from 17.3 percent to **17.5 percent of revenue**.

**France's** margin increased by EUR +12.8 million compared to last year, half of it came from the optimization of the software development investments through Global platforms & solutions. The remaining part was generated by revenue increase and the actions to reduce the cost base, mainly on the Technical Operations unit.

Similar actions have been implemented in **Belgium**, mitigating price reductions granted in the acquiring business.

In **Germany**, the end of the processing contract re-insourced by the acquiring company B+S could not be fully compensated by the increasing revenue in projects.

Finally, **Asia** progressed thanks to an increase in revenue coupled with the successful collection in Thailand of receivables provisioned last year.

## D.1.4.6 North America

In EUR million	FY 2012	FY 2011*	Change
Revenue	588	540	+8.9%
Operating margin	472	28.6	+64.8%
Operating margin rate %	8.0%	5.3%	+272bp

\* Constant scope and exchange rates

North America revenue was **EUR 588 million**, up by EUR +48 million or **+8.9 percent**. This trend was well balanced between Systems Integration with a surge of EUR +14 million representing a growth rate of +14.9 percent and Managed Services which posted a growth of EUR +34 million or +7.7 percent.

**Managed Services** mainly benefited from the impact of the McGraw-Hill contract (IT infrastructure) which added EUR +32 million of revenue compared to 2011.

**Systems Integration** was strengthened by the growth with AIG (EUR +24 million). This strong performance in Financial Services has been partially offset by a decrease of EUR -8 million in the Siemens account due to less large projects compared to last year.

Operating margin reached EUR 472 million or 8.0 percent of revenue, up EUR +18.6 million to last year.

This significant improvement materialized in particular in **Managed Services** pulled by a revenue organic growth and pursuing the productivity improvements in delivery and across the business, such as rent reductions.

**Systems Integration** advanced due to increased volumes coupled with indirect cost efficiencies.

## D1.4.7 Central &amp; Eastern Europe

In EUR million	FY 2012	FY 2011*	Change
Revenue	568	576	-1.3%
Operating margin	60.4	37.2	+62.3%
Operating margin rate %	10.6%	6.5%	+417bp

\* Constant scope and exchange rates

Revenue in Central & Eastern Europe experienced a decrease of **-1.3 percent** at **EUR 568 million**. While all Service Lines increased, Systems Integration was down by -10.6 percent.

**Systems Integration** faced a strong decrease in Public sector, mainly in Austria, with the first phase of the ramp-down of the AMS contract (Ministry of Work & Pensions), and lower volumes with Bundeskanzleramt. In Slovakia, 2012 was an election year, leading to delays in IT public spend (EUR -5.0 million).

**Managed Services** ended the year with a +2.6 percent increase. The growth derived principally from Turkey, with increased business in the Financial Services space and in Telco. The Business Unit generated additional revenue in Russia mainly with Siemens. Public sector, Healthcare & Transport was below last year, impacted by the AMS contract.

**Operating margin** increased by EUR +23.2 million to reach **EUR 60.4 million**, mainly in **Managed Services** with the renegotiation of the Coca Cola contract in Austria, the Siemens transformation activities during the first half of the year, the management of the phase out of the AMS contract in Austria and the positive effects of the TOP<sup>2</sup> transformation Program.

**Systems Integration** closed the year with a significant increase in operating margin coming from revenue with Siemens in Austria, the yearly full effect of the TOP<sup>2</sup> transformation program, and as for Managed Services, the management of the phase out of the AMS contract in Austria. All these elements more than compensated the decrease of revenue in Slovakia and Austria.

## D1.4.8 North &amp; South West Europe

In EUR million	FY 2012	FY 2011*	Change
Revenue	407	414	-1.6%
Operating margin	32.2	5.8	+456.3%
Operating margin rate %	7.9%	1.4%	+650bp

\* Constant scope and exchange rates

**North & South West Europe** registered **EUR 407 million** revenue, showing a decrease by **-1.6 percent** or EUR -6 million compared to 2011. This was mainly driven by Italy and Switzerland while all other countries were growing over the period, Denmark showing the biggest increase (+18.7 percent).

**Systems Integration** was up +1.3 percent (or EUR +1 million) driven by a strong performance in the Public sector, Healthcare & Transport market (EUR +8.2 million) in which the Toll Collection contract in Switzerland played a strong part (EUR +4.2 million). This performance was offset by a decrease of EUR -7.5 million in the Energy & Utilities market that mostly came from the delivery in 2011 of the ENEL contract in Italy (EUR -6 million).

**Managed Services** ended the year on a +1.8 percent increase. The positive impact of the PostNord contract (EUR +5 million) and Novozymes in Denmark (EUR +3 million) explained most of the large increase of the Public sector, Healthcare & Transport market (EUR +12 million). This was partially offset by a decrease of the Telecoms, Media & Technology market (EUR -4 million) mainly due to Telecom Italia (EUR -2 million) and less revenue with Siemens in Switzerland (EUR -3 million).

In **Specialized Businesses**, revenue was down -9.8 percent or EUR -11 million, mainly due to a strong comparative basis in Switzerland with the roll-out in 2011 of the nationwide Security Project, which was not repeated to the same extent this year.

The **operating margin** reached **EUR 32.2 million** or **7.9 percent of revenue**, increasing by EUR +26.4 million compared 2011. This large improvement of operating margin came primarily from **Managed Services**. Finland increased thanks to savings achieved from a higher offshore proportion that translated into lower personal costs, combined with a shy 2011 comparative basis due to several delivery issues in one project. Switzerland improved its profitability after several contracts with negative margin in the first half of 2011. Denmark and Sweden also contributed to the surge with an improvement of the cost base helped by the unfolding of the TOP<sup>2</sup> measures.

**Systems Integration** also closed 2012 with a higher margin coming from additional revenue fall through in Switzerland and higher gross margin combined with indirect costs reduction in Italy.

**Specialized Business** increased its operating margin thanks to a strong improvement in gross margin in most of the contracts in Switzerland and Italy, which more than compensated for the decrease in revenue.

#### D.1.4.9 Iberia

In EUR million	FY 2012	FY 2011*	Change
Revenue	317	345	-8.2%
Operating margin	8.8	5.9	+49.2%
Operating margin rate %	2.8%	1.7%	+106bp

\* Constant scope and exchange rates

In **Iberia**, revenue was **EUR 317 million**, down **-8.2 percent**, primarily driven by the Public sector, still affected by budget restrictions and postponed investment decisions, which posted a decrease of EUR -19 million.

**Consulting & Technology Services** and **Systems Integration** were affected by their high share of business in Financial Services and in Public sector; both markets hit by an increasing spend reduction.

**Managed Services** was almost flat. The business showed a good resilience in an adverse context, with a growth in Energy & Utilities which positively countered lower revenue in Financial Services.

**HTTS** was up by +3.3 percent both in payment and in eCS, while **Specialized Businesses** was impacted by the restrictions in public spend in Defense and Health businesses, representing EUR -4 million.

In **Iberia**, **operating margin** reached **EUR 8.8 million** in 2012 or **2.8 percent of revenue**, compared to 1.7 percent in 2011, an increase by more than +100 basis points. All Service Lines benefited from the actions deployed in 2012.

**Consulting & Technology Services** profitability declined due to the revenue shortfall and an increasing level of bench.

**Systems Integration** improved its profitability primarily thanks to delivery improvements that allowed it to swing to a positive operating margin.

**Managed Services** profitability reached 12.8 percent of revenue, improving by almost 100 basis point compared to last year and pursuing the trend observed in 2011 with actions launched to foster industrialization, lean management and competitiveness.



## D1.4.10 Other Business Units

In EUR million	FY 2012	FY 2011*	Change
Revenue	709	730	-2.8%
Operating margin	45.9	46.7	-1.8%
Operating margin rate %	6.5%	6.4%	+7bp

\* Constant scope and exchange rates

### Major Events

**Revenue** in 2012 gained EUR +8 million or **+22.6 percent** compared to 2011, reflecting the increasing activity around the London Olympic Games (EUR +13 million) and the ramp-up for the Sochi 2014 Winter Olympic & Paralympic Games (EUR +3 million). These good performances have been narrowed down by the MSL revenue (EUR -8 million), in which most of the Olympic services are delivered the year before the event is held.

### Asia Pacific

**Revenue** was **EUR 207 million**, down by EUR -25 million or **-10.6 percent**, mainly in Managed Services for EUR -20 million and principally in Hong Kong. Australia was up EUR +4 million due to increased fertilization with existing customers.

Organic decrease in **Managed Services** was mainly caused by the end of the Manulife contract at the end of 2011 (EUR -11 million), a slowdown of volumes on SCB (EUR -9 million). This was only marginally offset by the win of the new Client Dah Sing Bank with EUR +2 million.

Revenue in **Systems Integration** retreated by EUR -4 million, due to a strong comparative basis in the SAP space in 2011 in Taiwan and fewer projects in the Government area in Singapore. This was partly offset by higher revenues with the Australian Department of Defense.

**Operating margin** decreased in Hong Kong, mainly due to the effect of the termination of the Manulife contract and fewer volumes on SCB. Philippines improved its profitability thanks to the optimization of the Manila factory (Managed Services). Finally, China and Australia benefited from additional revenue generated in Systems Integration.

### Latin America

**Revenue** amounted to **EUR 191 million** in 2012, almost flat compared to 2011.

**Managed Services** closed EUR +3 million over last year (+4.3 percent) based on a strong increase coming from contracts with several customers such as AMIL, Rhodia, and V&M which more than compensated the termination of the contract with Editora Abril.

**Systems Integration** was up EUR +4 million over last year (+7.8 percent) thanks to a stronger activity in the Telecoms, Media & Technology market (EUR +2 million) with TIM Magistracy and Claro and in Public sector, Healthcare & Transport (EUR +2 million).

Primarily due to assignments not renewed (TIM, Philips, Petrobras), **Technology Services** was down by EUR -10 million.

**Operating margin** in 2012 increased by EUR +5.4 million compared to 2011.

**Systems Integration** improved its profitability mainly due to margin catch-up on TIM Magistracy and Claro.

**Managed Services** declined, mainly due to accruals built for Correos and lower results in Argentina.

**HTTS** closed 2012 over last year thanks to Salta contract improvement and better project management for several customer entities such as Farmalink, Cordoba and Misiones.

### South Africa, India, Morocco, UAE

In **South Africa**, **revenue** was slightly down year-on-year due to fewer projects in the Telecoms, Media & Technology market. Thanks to a good level of revenue with Siemens and NSN, **India** remained stable, despite the delivery of major projects (HPCL, Sulzer) in 2011 which were not repeated. In **Morocco**, the revenue was up by +2.4 percent thanks to new projects for insurance companies. Revenue was lifted in the **Middle East** by EUR +6 million, with a good performance in the Telecoms, Media & Technology market, coupled with a high level of hardware resale in Qatar.

**India operating margin** was up year-on-year, mainly in Systems Integration, due to higher activities coming from demanding Group Business Units. The negative variance posted by Morocco mainly derived from managed services, partially compensated by higher local business in Systems Integration. Thanks to a profitable first semester, the **Middle East** business showed an improvement compared to previous year with the fall-through of the hardware sale in Qatar.



#### Atos Worldgrid

Atos Worldgrid **revenue** declined by EUR -11 million, mainly in France with the ramp-down on three difficult projects situations. All of them have been resolved or settled during the first semester. This was partly offset compensated by higher level of resale in the nuclear area.

**Operating margin** of the SBU declined, mainly due to the difficulties encountered in France with the three projects mentioned above. Italy posted good performance compared to last year thanks to a better mix delivery on the A2A contract.

### D.1.5 Global structures costs

Global structures, including the Global Delivery Lines costs not allocated to the Group Business Unit and the Corporate costs (Costs of Global Functions and Equity

based compensation), reached EUR -125.0 million, a cost decrease of EUR +14.1 million compared to 2011.

#### D.1.5.1 Global Delivery Lines

Global Delivery Lines costs (Global Delivery and Global Factory) were almost flat. Strong actions to decrease costs countered the centralization of resources for the global

delivery lines which was implemented in the first half of the year.

#### D.1.5.2 Global Functions

The Global Functions costs contracted by -20 percent, representing EUR +21 million. This decrease primarily came from synergies materializing the SIS integration. The cost of Global Functions benefited as well from the full effects of the TOP<sup>2</sup> program and the implementation of the Activity Value Analysis (AVA) program, in all the

corporate functions. Conversely, during the last 12 months the group has strongly reinforced the Sales Global Market Functions in order to accelerate revenue growth with more dedicated and specialized skills.

#### D.1.5.3 Equity based compensation

Equity based compensation costs (stock options, free shares plan and employee purchase plan) increased by EUR -6.3 million in the first half.

### D1.6 Revenue by market

In 2012, organic growth primarily materialized in Public, Health & Transports with EUR +89 million and in

Manufacturing, Retail & Services, including Siemens, with EUR +30 million.

In EUR million	Revenue		
	FY 2012	FY 2011*	Change
Manufacturing, Retail & Services	2,930	2,900	+1.0%
Public sector, Healthcare & Transport	2,348	2,259	+4.0%
Financial Services	1,666	1,705	-2.3%
Telecoms, Media & Technology	1,265	1,281	-1.2%
Energy & Utilities	635	634	+0.2%
<b>Total Group</b>	<b>8,844</b>	<b>8,778</b>	<b>+0.8%</b>

\* Constant scope and exchange rates

#### D1.6.1 Manufacturing, Retail & Services

Manufacturing, Retail & Services remained the largest Market of the Group in 2012 and represented 33 percent of the Group total revenue. It grew by +1.0 percent over the period to reach EUR 2,930 million.

This growth was mainly driven by Germany where revenue rose by +8.4 percent, following the signature of new contracts with ThyssenKrupp and Bayer. Those large wins were partly offset by lower revenue with Neckermann that went to liquidation, Karstadt, and Fujitsu. On the Siemens account, additional volumes were generated during the year and transformation activities billed in the first half of 2012.

Benelux revenue decreased by -7.8 percent, mainly on traditional customers like Philips, NXP and Akzo Nobel in the Netherlands, partially compensated by increased

business with Ahold. In Belgium, several retail accounts sustained an increase.

In North America, revenue was down -4.8 percent due to contractual price reductions in Managed Services.

Revenue in France declined by -3.2 percent, due to lower volumes, mainly with car manufacturing and retail. Those contract shortfalls were partly offset by new contracts signed with Darty, L'Oréal, and Volkswagen.

In Manufacturing, Retail & Services, revenue with the Top 30 accounts was EUR 1,830 million, representing 62 percent of the market. Main customers in this sector are Siemens, Bayer, BASF in Germany, Renault-Nissan and EADS in France.

#### D1.6.2 Public sector, Healthcare & Transport

Public sector, Healthcare & Transport was the second market of the Group with 27 percent of total revenue. This market stood at EUR 2,348 million, representing the largest market growth (EUR +89 million or +3.9 percent).

The growth was primarily led by the United-Kingdom (+9.9 percent), through the increase of the Public sector but also Transport. The new contract with the Nuclear Decommissioning Authority contributed to the growth and payment services were increasing driven by Government gateway, e-Ticketing and e-Payments.

Atos Worldline was also a contributor of the increase with +15.2 percent, mainly thanks to government related transactional contracts.

Iberia fell short by -19.1 percent as a result of a complicated Public sector market impacted by restrictions and opportunities canceled or postponed.

In Public sector, Healthcare & Transports, revenue from the Top 30 accounts reached EUR 1,349 million, representing 57 percent of the market. Main customers in

this sector are the Department for Work & Pensions, the Ministry of Justice, and the Border Agency in the

United-Kingdom, The European Union Institutions in Benelux and the Ministries in France.

### D.1.6.3 Financial Services

The Financial Services was the third Market of the Group, representing 19 percent of the total Revenue. Revenue stood at EUR 1,666 million, down by EUR -2.3 percent compared to 2011.

North America was the main growing Business Unit in the Financial Services market with +23.6 percent. The increase resulted from larger volumes with JP Morgan & Chase on top of the growth on the AIG contracts.

Germany was down due to the end of the Commerzbank contract and reductions with Talanx.

In Asia-Pacific, the gain on the new contract with Dah Sing Bank compensated only partially the end of the Manulife contract and less volumes on the SCB contract.

In the Netherlands and in France, business declined due to most of the large banks lowering their demand.

In the United-Kingdom, Financial BPO grew thanks to increasing volumes with its main customer NS&I.

Top 30 accounts revenue was EUR 1,176 million, representing 71 percent of the market. Main customers in this sector were National Savings & Investments (NS&I), a major Bank in Germany, BNP Paribas in France, ING and Achmea in Benelux.

### D.1.6.4 Telecoms, Media & Technology

Telecoms, Media & Technology (TMT) represented 14 percent of the total Group revenue. This sector stood at EUR 1,265 million, a -1.2 percent decline in revenue due to high pressure from Telco operators on volumes and prices.

North America grew by +61.1 percent in TMT, primarily thanks to the ramp-up of the McGraw-Hill outsourcing contract and with Microsoft.

In the United-Kingdom, the +3.3 percent recorded came from project activities with a large media company.

Those increases were largely offset by declining businesses, mostly in Germany, where business fell by -12.2 percent, mainly from the Telco JVs of Siemens;

SEN and NSN due to price reduction and less services performed.

In Benelux, revenue decreased by -6.8 percent. KPN and Telegraaf partially compensated less demand from new contract with Wolters Kluwer.

In Telecoms, Media & Technology, revenue from the Top 30 accounts reached EUR 1,144 million, representing 91 percent of the market. Main customers in this sector are a large media company in the United-Kingdom, KPN in the Netherlands, France Telecom - Orange in France, Nokia Siemens Networks (NSN) in Germany and Telecom Italia (TIM).

### D.1.6.5 Energy & Utilities

Energy & Utilities represented 7 percent of the Group total revenue, up by +0.2 percent at EUR 635 million. This slight increase resulted from two opposite flows.

On the one hand, United-Kingdom and France grew thanks to new contracts signed with EDF Energy and EDF. On the other hand, Atos Worldgrid in France faced issues on contracts during the first semester of the year, as explained above.

North & South West Europe declined, primarily as the result of contracts reduction with Enel, ENI and E-Utile.

Top 30 accounts revenue in Energy & Utilities accounted for EUR 522 million and represented 82 percent of the market. Main customers were EDF, EDF Energy, GDF Suez, Schlumberger, A2A and Total.

## D1.7 Portfolio

### D1.7.1 Order entry and book to bill

In 2012, the total Group **order entries** reached **EUR 10 billion**, representing a **book to bill ratio of 113 percent**, well above the level of 103 percent reported in 2011 on a statutory basis.

Order entry included the contract with McGraw-Hill signed in the US for an expected amount above EUR 500 million and the Department of Work & Pensions (DWP). In Systems Integration, the Group won a new significant contract with a large European telecom infrastructures company for application management. The other major wins in 2012 included the Nuclear Decommissioning Authority, the Department of Health, EDF Energy, and the Welsh Government in the United-Kingdom & Ireland. Two contracts were renewed in North America for Siemens Healthcare and Morgan Stanley. The Group signed the

renewal of the outsourcing contract for Atos first German customer with an extension to Postbank and performed a new signature with PostNord in the Nordics.

Excluding the Siemens large account, for which a significant portion of the seven year outsourcing and application management contracts was recorded as opening backlog in July 2011, the book to bill in 2012 reached 118 percent.

Order entry amounted to a full year amount of EUR 10,002 million, representing to a book to bill ratio at 113 percent. The performance was EUR 5,053 million during the second semester, stable compared with the first semester of 2012. For the full year, book to bill ratio increased almost ten basis points compared to 103 percent reached in 2011.

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

In EUR million	Revenue			Book to bill		
	H1	H2	FY 2012	H1	H2	FY 2012
Managed Services	2,705	1,930	4,635	134%	91%	112%
Systems Integration	1,016	1,331	2,348	95%	125%	110%
HTTS & Specialized Businesses	908	1,485	2,393	94%	148%	122%
Consulting & Technology Services	320	306	627	104%	103%	104%
<b>Total Group</b>	<b>4,949</b>	<b>5,053</b>	<b>10,002</b>	<b>113%</b>	<b>113%</b>	<b>113%</b>

In 2012, **Managed Services** reached 112 percent book to bill compared to 106 percent at the end of 2011. This performance is mainly due to the signature of the following contracts: McGraw-Hill (Telecoms, Media & Technology), City of San Diego (Public sector, Healthcare & Transport), and Morgan Stanley in North America, Karstadt (Manufacturing, Retail & Services), Atos first German customer and Postbank (Financial Services), and additional business with Siemens (Manufacturing, Retail & Services) in Germany. The Group also signed in the United-Kingdom with EDF (Energy & Utilities), and in the Public sector, Healthcare & Transport market with the Nuclear Decommissioning Authority, the Department of Health, and the Welsh Government. In France with EDF (Energy & Utilities) and BNP Paribas (Financial Services), in the Benelux with Ministrie van OC&W (Public sector, Healthcare & Transport) and Akzo Nobel (Manufacturing,

Retail & Services) and in North & South West Europe with PostNord (Public sector, Healthcare & Transport).

**Systems Integration** activities reached 110 percent book to bill for the full year 2012, with a strong 125 percent in the second half. Some major contracts have been signed or renewed during the year. The main ones were: a large European telecom infrastructures company (Telecoms, Media & Technology) and Karstadt (Manufacturing, Retail & Services) in Germany, KPN (Telecoms, Media & Technology) in Benelux, Dah Sing Bank (Financial Services) in Asia Pacific, and ENI (Energy & Utilities) in North & South West Europe, as well as the System Integration part of the Nuclear Decommissioning Authority (Public sector, Healthcare & Transport) in the United-Kingdom.

**HTTS & Specialized Businesses** achieved a strong 122 percent book to bill after reaching 94 percent in the first half of 2012. This performance was primarily made of 160 percent book to bill for BPO linked to the signature of a major contract with Department of Work & Pension (Public sector, Healthcare & Transport) in the United-Kingdom.

HTTS itself stood at 111 percent, mainly thanks to France with the renewal of the Banque de France contract and the signature of new contracts with Renault-Nissan and Orange-France Telecom. In the United-Kingdom, HTTS benefited of fertilization on the contract Capita Life & Pension (Financial Services).

Finally, the Specialized Businesses units stood at 115 percent with the renewal of the contract with EnBW Group (Energy & Utilities) in Germany.

In 2012, **Consulting & Technology Services** achieved 104 percent book to bill ratio compared to 94 percent in 2011. Among other, a large new contract in Manufacturing, Retail & Services with Volkswagen in Consulting, and the renewal of the GasTerra contract in Technology Services (Energy & Utilities) in Benelux have been signed in 2012.

Order entry and book to bill by Market was as follows:

In EUR million	Revenue			Book to bill		
	H1	H2	FY 2012	H1	H2	FY 2012
Manufacturing, Retail & Services	1,378	1,401	2,779	95%	94%	95%
Public sector, Healthcare & Transport	1,217	1,691	2,908	105%	143%	124%
Financial Services	950	882	1,832	113%	106%	110%
Telecoms, Media & Technology	940	768	1,708	154%	117%	135%
Energy & Utilities	464	311	775	150%	96%	122%
<b>Total Group</b>	<b>4,949</b>	<b>5,053</b>	<b>10,002</b>	<b>113%</b>	<b>113%</b>	<b>113%</b>

All markets except Manufacturing, Retail & Services (where the Siemens IT contract is already in the backlog for a large majority) reached a book to bill ratio above 110 percent in 2012. This performance was led by a high level of order entry in Telecoms, Media & Technology (book to bill at 135 percent for the full year mainly thanks to the McGraw-Hill contract signed in the first semester and a large European telecom infrastructures company signed

late in the second semester), in Public sector, Healthcare & Transport (book to bill at 124 percent mainly thanks to DWP contract signed in the United-Kingdom in the second half of the year) and in Energy & Utilities (book to bill at 122 percent for the full year mainly thanks to several contracts signed in the first half of the year with EDF in the United-Kingdom and in France).

## D1.7.2 Main contract signatures of the period

In 2012, major wins per Market are described below:

## Manufacturing, Retail &amp; Services

Type	Client	Offering	Business Unit	Service Line	Duration
Fertilization	Siemens Healthcare	Managed Infrastructure Solution	North America	MS	77
Renewal	Karstadt	Managed Infrastructure Solution	Germany	MS/SI	60
New	Siemens	GAIN Voice Fixed US	North America	MS	120
New	Renault Nissan	CRM & e-Services	Atos Worldline	HTTS	60
New	Pfizer, Inc.	Managed Infrastructure Solution	North America	MS	60

## Public, Health &amp; transportation

Type	Client	Offering	Business Unit	Service Line	Duration
New	DWP	Personal Independendant Payments	UK & Ireland	BPO	59
New	Postnord	It Outsourcing	N&SWE	MS	84
New	Nuclear Decom. Agency	Shared Service Alliance	UK & Ireland	MS/SI/CO	60
New	Department of Health	Adaptive Workplace	UK & Ireland	MS	64
Renewal	Welsh Government	Adaptative Workplace & Infra	UK & Ireland	MS	60

## Financial Services

Type	Client	Offering	Business Unit	Service Line	Duration
Fertilization	The largest bank	End to end workplace services	Germany	MS	84
New	Postbank	Managed Infrastructure Solution	Germany	MS	84
Renewal	Morgan Stanley	Managed Infrastructure Solution	North America	MS	60
Renewal	BNP Paribas	Command Center	France	MS	36
Renewal	Equitable Life	IT Re-Hosting	UK & Ireland	MS/SI	120

### Energy & Utilities

Type	Client	Offering	Business Unit	Service Line	Duration
New	EDF Energy	Managed Infrastructure Solution	UK & Ireland	MS	84
New	EDF	ITS - Monde Open & Monde Z	France	MS	42
New	Shell	Extension Mainframe Services	Benelux	MS	72
New	EDF Energy plc (IT)	Hardware Maintenance	UK & Ireland	MS	79
Renewal	GasTerra	ERP Consolidation & Harmonization	UK & Ireland	TS	71

### Telecom Media & Technology

Type	Client	Offering	Business Unit	Service Line	Duration
New	McGraw Hill	IT Outsourcing and Cloud	North America	MS	72
New	Large TMT compagny	Application Management	Germany	SI	36
New	Orange / FT	Cloud Services	Atos Worldline	HTTS	48
New	Large media company	Infrastructure Services	UK & Ireland	MS/SI	31
Fertilization	KPN	Application Operations	Benelux	MS/SI	24

### D.1.7.3 Full backlog

At the end of 2012, the full backlog amounted to EUR 15.6 billion or 1.8 year of revenue, representing an increase of EUR 1.5 billion compared to December 31<sup>st</sup>, 2011.

All Service Lines recorded an increase. Thanks to the signature of the DWP contract (in BPO) and transactional activities (HTTS), the Service Line HTTS & Specialized

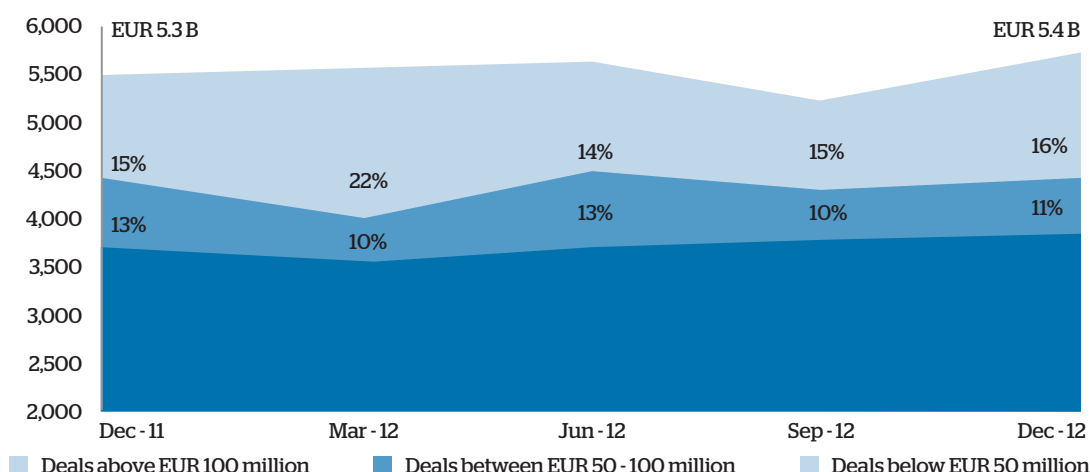
Businesses increased by half a billion. Also Managed Services and System Integration showed a strong improvement led by the signature respectively in the first half of McGraw-Hill in North America, and in the second half of a large European telecom infrastructures company and Postbank in Germany and PostNord in the Nordics.

### D1.74 Full qualified pipeline

The full qualified pipeline at the end of 2012 stood at EUR 5,370 million, representing 7.3 months of revenue compared to 7.4 months of revenue at the end of 2011.

While the Group performed a high level of signatures in 2012, it has also been able to rebuild the pipeline during the year.

The evolution of the full qualified pipeline over 2012 was as follow (at historical exchange rates):



At the end of December 2012, deals above EUR 100 million represented 16 percent of the qualified pipeline and deals between EUR 50 million and EUR 100 million represented 11 percent of the total qualified pipeline. This is close with

the split of deals which were in the pipeline at the end of December 2011, despite as mentioned above, the signature during the first semester of the large deals in North America, in the United-Kingdom and in Germany.

## D1.8 Human Resources

### D1.8.1 Headcount evolution

The **total number of employees** was **76,417** at the end of December 2012 compared with 73,969 at the end of December 2011, representing an increase of +2,448 people over the period.

Excluding entities entering or exiting the scope in 2012, the total number of staff increased by +1,282. It includes a large decrease of indirect headcount of -704 people within

the context of restructuring plan dedicated to former SIS support functions and middle management and AVA (Added-Value Analysis). Direct workforce increased by +3 percent (+1,986) in the meantime, of which +1,229 in the United-Kingdom in line with the revenue growth over the period to serve large contracts.



Movements in headcount over the last two years were the following:

	H1 2011	H2 2011	2011	H1 20012	H2 2012	2012
<b>Opening</b>	<b>48,278</b>	<b>47,826</b>	<b>48,278</b>	<b>73,969</b>	<b>75,329</b>	<b>73,969</b>
Scope		26,895	26,895	928	237	1,165
Hiring	3,105	5,168	8,273	5,977	6,407	12,384
Leavers	-2,656	-4,093	-6,749	-3,879	-3,950	-7,829
Dismissal & restructuring	-902	-1,827	-2,729	-1,666	-1,607	-3,273
<b>Closing</b>	<b>47,826</b>	<b>73,969</b>	<b>73,969</b>	<b>75,329</b>	<b>76,417</b>	<b>76,417</b>

Headcount evolution in 2012 by Business Units and Services Line is the following:

In EUR million	Opening January 2012	"Closing June 2012"	Closing December 2012
Managed Services	25,934	27,362	28,611
Systems Integration	22,270	22,210	21,941
HTTS & Specialized Businesses	10,838	11,796	12,016
Consulting & Technology Services	7,187	6,993	7,186
Corporate functions		216	187
<b>Total Direct</b>	<b>66,228</b>	<b>68,576</b>	<b>69,941</b>
Germany	7,438	7,606	7,672
United-Kingdom & Ireland	8,955	9,673	10,153
France	9,763	9,572	9,157
Benelux	6,271	6,129	6,002
Atos Worldline	5,125	5,302	5,342
North America	3,540	3,609	3,864
Central & Eastern Europe	4,257	5,383	5,713
North & South West Europe	1,417	1,406	1,524
Iberia	4,631	4,575	4,807
Other BUs	14,781	15,267	15,657
Global Structures	50	54	50
<b>Total Direct</b>	<b>66,228</b>	<b>68,576</b>	<b>69,941</b>
<b>Total Indirect</b>	<b>7,741</b>	<b>6,752</b>	<b>6,475</b>
<b>TOTAL GROUP</b>	<b>73,969</b>	<b>75,329</b>	<b>76,417</b>

The number of direct employees at the end of December 2012 was 69,941, representing 91.5 percent of the total headcount, compared to 91 percent at the end of June 2012 and to 89.5 percent at the end of 2011.

Staff in the emerging countries represents more than 25 percent of total staff, with 40 percent of them located in India, the rest in Latin America, Central & Eastern Europe and Asia. The Group offshore capability represented 9,158 people at the end of 2012 compared to 7,819 at the end of 2011, with a majority located in India.

### D1.8.2 Changes in scope

The changes in scope in 2012 were mainly linked to the acquisitions of SIS related deferred assets (E-Utile, Russia), MSL (as of April 1<sup>st</sup>, impact of +123 in Other BUs), blueKiwi (as of April 1<sup>st</sup>, impact of +28 in Other BUs), Quality Equipment (as of June 1<sup>st</sup>, impact of +69 in Atos

Worldline) and DAESA (as of October 1<sup>st</sup>, impact of +288 in Iberia). Alongside with those changes, the Group sold its operations in Greece on December 1<sup>st</sup>, 2012 (impact of -18 in N&SWE) and its stake in the Belgian joint venture SiNSYS (- 74 staff in Atos Worldline).

### D1.8.3 Hiring

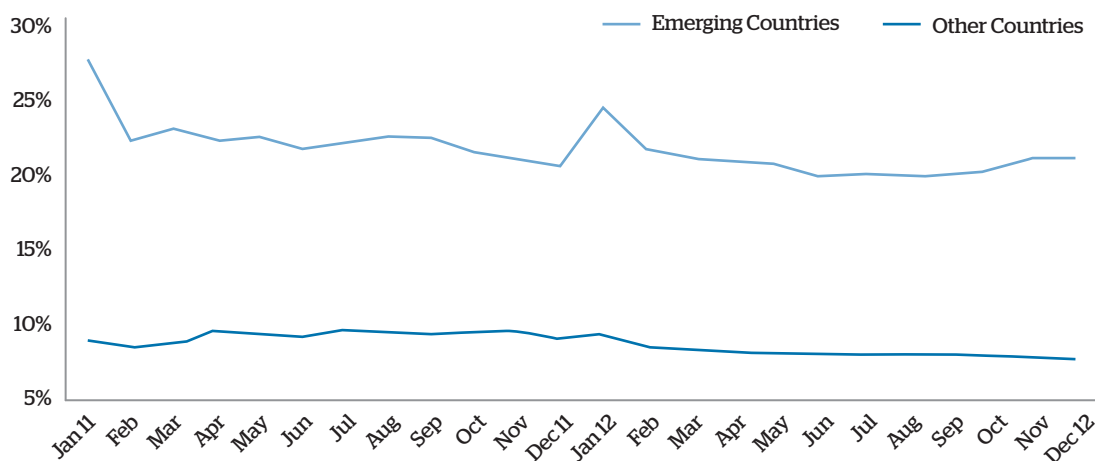
The volume of recruitments reached +12,384 in the total workforce, representing 16 percent of the staff at January 1<sup>st</sup>, 2012. Those hiring were primarily made in Managed Services (+5,734; representing 50 percent of the total) and then Systems Integration (+3,489; representing 30 percent of the total). The level of hiring has been specifically strong

in the United-Kingdom and in North America (respectively +2,115 and +1,030 hired direct people) in order to cope with the growing activity. In Other BUs, the high level of hiring is mostly explained by the will to continuously accelerate the development of the offshore locations (India, Philippines, Brazil).

### D1.8.4 Leavers

Leavers comprise voluntary permanent staff leavers, as permanent staff who have been dismissed are classified under "dismissed". The total number of leavers in 2012 was 7,829 (of which 7,192 in the direct workforce and representing 10.4 percent of the adjusted opening workforce). Those leavers were primarily made in Systems Integration (3,012; representing 42 percent of the total) and then Managed Services (2,509; representing 35 percent of the total).

Attrition on direct staff decreased by -1.0 point to reach 10.8 percent at the end of December 2012 compared with 11.8 percent for the full year 2011. It decreased in all geographies dropping to around 8 percent in the large European countries and remaining at around 21 percent in the emerging countries such as India, Latin America or Asia.



### D.1.8.5 Restructuring & Dismissals

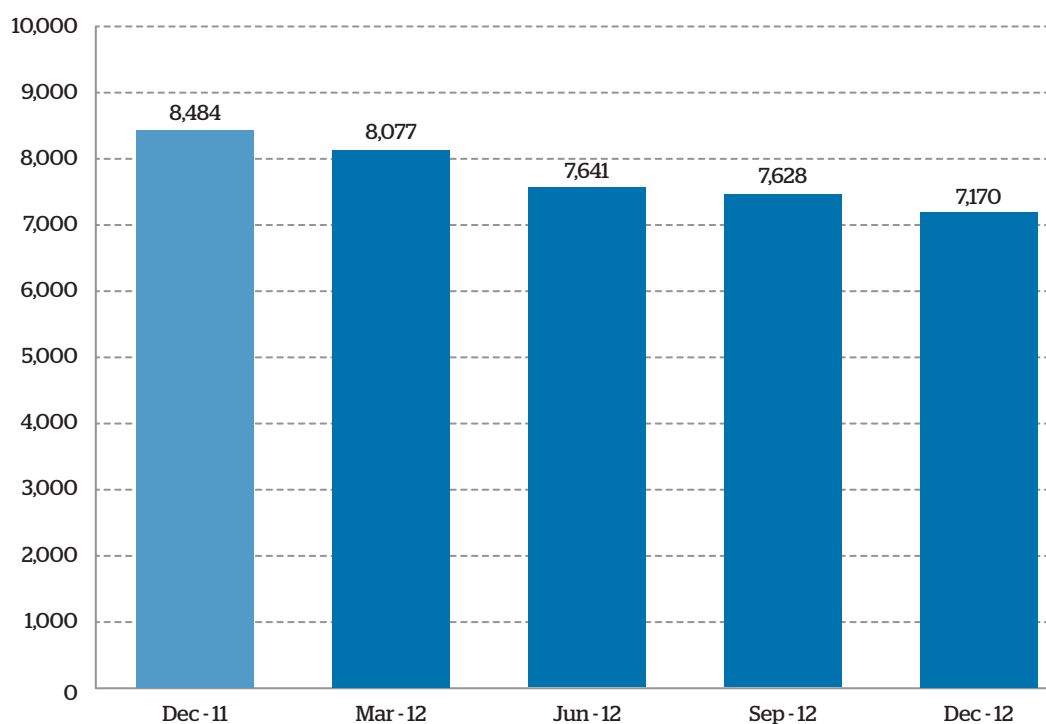
Restructuring efforts were mainly concentrated in Germany, Benelux and Central & Eastern Europe, reflecting both the impact of the SIS integration (Germany, Central & Eastern Europe) and the ongoing resizing plans to cope with difficult business context particularly in Benelux.

As a result of the headcount reorganization program following the SIS integration, circa 1,340 employees left the Group in 2012.

### D.1.8.6 External Subcontractors

The number of external subcontractors decreased to 7,170 at the end of 2012, around 1,300 less compared to the beginning of the year.

Direct External Subcontractors



This level of subcontractors represented 10 percent of productive FTE as of the end December 2012, compared to a level of 11 percent at the end of 2011 (and 5.4 percent at the end of 2010 for the former Atos scope only). This level, derived mainly from the SIS scope, is carefully monitored

by the Group whose objective is mainly to maintain the number of non-critical subcontractors.

### D.2 2013 Objectives

#### Revenue

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

#### Operating margin

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

#### Free cash flow

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

#### Earnings per share (EPS)

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

### D.3.1 Income statement

The Group reported a net income (attributable to owners of the parent) of EUR 223.8 million for 2012, which represented 2.5 percent of Group revenues. The normalized net income before unusual, abnormal and

infrequent items (net of tax) for the period was EUR 355.2 million, representing 4.0 percent of 2012 Group revenues, percentage in line with previous year.

(in EUR million)	12 months ended 31 December 2012	% Margin	12 months ended 31 December 2011	% Margin
<b>Operating margin</b>	<b>580.0</b>	<b>6.6%</b>	<b>422.4</b>	<b>6.2%</b>
Other operating income / (expenses)	(198.6)		(74.7)	
<b>Operating income</b>	<b>381.4</b>	<b>4.3%</b>	<b>347.7</b>	<b>5.1%</b>
Net financial income / (expenses)	(51.8)		(35.4)	
Tax charge	(102.9)		(129.3)	
Non-controlling interests and associates	(2.9)		(1.4)	
<b>Net income - Attributable to owners of the parent</b>	<b>223.8</b>	<b>2.5%</b>	<b>181.6</b>	<b>2.7%</b>
<b>Normalized net income - Attributable to owners of the parent (*)</b>	<b>355.2</b>	<b>4.0%</b>	<b>270.0</b>	<b>4.0%</b>

(\*) Defined hereafter.

#### D.3.1.1 Operating margin

Income and expenses are presented in the Consolidated Income Statement by nature to reflect the specificities of the Group's business more accurately. Below the line item presenting revenues, ordinary operating expenses are broken down into staff expenses and operating expenses.

Operating margin represents the underlying operational performance of the on-going business and is explained in the operational review.

These two items together are deducted from revenues to obtain operating margin, one of the main Group business performance indicators.

### D3.1.2 Other operating income and expenses

Other operating income and expenses relate to income and expenses that are unusual, abnormal and infrequent and represented a net expense of EUR 198.6 million in 2012. A large part of the unfavorable difference compared

to year 2011 is explained by a one-off positive result on pension indexation in the UK for EUR 76.9 million in the prior year. The following table presents this amount by nature:

(in EUR million)	12 months ended 31 December 2012	12 months ended 31 December 2011
Staff reorganization	(62.4)	(56.9)
Rationalization and associated costs	(28.1)	(29.6)
Integration and acquisition costs	(53.3)	(45.5)
Customer relationships amortization (PPA)*	43.2	(18.5)
Change in UK pension indexation	-	76.9
Other items	(11.6)	(1.1)
<b>Total</b>	<b>(198.6)</b>	<b>(74.7)</b>

\*Purchase Price Allocation.

The EUR 62.4 million **staff reorganization** expense represented the non-recurring costs induced by the global transformation program aimed at improving Group efficiency and productivity. The reorganization plans concerning former SIS entities which were fully provided for as of June 30<sup>th</sup>, 2011 were almost completed in all geographies as at end of December 2012 except for Germany where the last departures will occur in the first semester of 2013.

The EUR 28.1 million **rationalization and associated costs** primarily resulted from office premises closures as part of the TOP<sup>2</sup> Program launched in 2011 together with the continuing datacenter consolidation strategy, mainly in Germany for EUR 8.7 million, Benelux for EUR 8.1 million, Latin America for EUR 3.7 million and Central Eastern Europe for EUR 2.5 million.

The **integration and acquisition costs**, mostly resulting from the takeover of Siemens IT Solutions and Services

(SIS), amounted to EUR 53.3 million and primarily consisted of costs of IT infrastructure carve out and harmonization together with the roll out of Group transactional systems and processes in the former SIS entities.

The 2012 **customer relationships amortization** of EUR 43.2 million was mainly composed of the EUR 40.2 million SIS customer relationships (PPA) depreciation expense.

The **other items** amounted to an expense of EUR 11.6 million and are mainly made of:

- ▶ A EUR 13.0 million provision as a consequence of the Neckermann insolvency announced in the second semester of 2012,
- ▶ A loss of EUR 10.2 million resulting from the disposal of the Greek subsidiary,
- ▶ A EUR 4.3 million gain related to the disposal of the 49 percent interest held in the Belgium joint venture Sinsys.

### D3.1.3 Net financial expense

Net financial expense amounted to EUR 51.8 million for the period (compared with EUR 35.4 million last year) and was composed of a net cost of financial debt for EUR 34.2 million and non-operational financial costs for EUR 17.6 million.

Net cost of financial debt was EUR 34.2 million (compared to EUR 27.8 million in 2011), including the following elements:

- ▶ The average gross borrowing of EUR 9576 million bearing an average expense rate of 4.37 percent, of which:
  - The used portion of the syndicated loan for an average of EUR 284.2 million bearing an effective interest rate of 3.95 percent, including commitment fees, and cost of financial instrument.
  - The convertible bonds issued in October 2009 for an outstanding amount of EUR 228.6 million at

December 31<sup>st</sup>, 2012 bearing an effective interest rate of 6.68 percent (as per IFRS),

- The convertible bonds exclusively subscribed by Siemens at the time of the acquisition of Siemens IT Solutions and Services in July 2011 for an outstanding amount of EUR 231.1 million at December 31<sup>st</sup>, 2012 bearing an effective interest rate of 4.35 percent (as per IFRS), and
- Other sources of financing, including securitization, for an average of EUR 223.7 million, bearing an effective interest rate of 3.01 percent.

- And the average net cash of EUR 928.2 million bearing an average income rate of 0.82 percent.

The average expense rate of gross borrowings remained almost stable from 4.34 percent in 2011 to 4.37 percent in 2012.

In the meantime, the average Group cash remuneration varied from 1.03 percent in 2011 to 0.82 percent in 2012.

The net cost of financial debt was covered 17 times by operating margin, which met the requirement defined by the terms of Group syndicated loan contract which states that operating margin amount should be higher than four times the net cost of financial debt.

Non-operational financial costs amounted to EUR 176 million compared to EUR 76 million in 2011 and was mainly composed of pension financial related costs (EUR 6.6 million compared to EUR 11.1 million expense in 2011) and total net foreign exchange charge (EUR 6.2 million).

Pension financial costs represent the difference between interest costs and the expected return on plan assets. Please refer to Note 20 on Pensions for further explanation.

### D.3.14 Corporate tax

The Group effective tax rate was 31.2 percent including French CVAE tax for a gross amount of EUR 20.1 million. Based on normalized net income, the normalized Group

effective tax rate was 32.4 percent. Please refer to Note 7 Income tax for further explanations.

### D.3.15 Non-controlling interests

Non-controlling interests included shareholdings held by joint venture partners and other associates of the Group.

They were mostly located in Austria and reached EUR 4.2 million of profit.

### D.3.16 Normalized net income

The normalized net income excluding unusual, abnormal and infrequent items (net of tax) was EUR 355.2 million,

increasing by 31.6 percent in comparison with previous year.

(in EUR million)	12 months ended 31 December 2012	12 months ended 31 December 2011
<b>Net income - Attributable to owners of the parent</b>	<b>223.8</b>	<b>181.6</b>
Other operating income and expenses	(198.6)	(74.7)
Tax effect on other operating income and expenses	59.8	(25.6)
Other unusual items on tax	7.4	(39.3)
<b>Total unusual items - Net of tax</b>	<b>(131.4)</b>	<b>(88.4)</b>
<b>Normalized net income - Attributable to owners of the parent</b>	<b>355.2</b>	<b>270.0</b>

## D3.17 Earning per share

(in EUR million)	12 months ended 31 December 2012	% Margin	12 months ended 31 December 2011	% Margin
<b>Net income - Attributable to owners of the parent [a]</b>	<b>223.8</b>	<b>2.5%</b>	<b>181.6</b>	<b>2.7%</b>
Impact of dilutive instruments	15.7		12.2	
<b>Net income restated of dilutive instruments - Attributable to owners of the parent [b]</b>	<b>239.5</b>	<b>2.7%</b>	<b>193.8</b>	<b>2.8%</b>
<b>Normalized net income - Attributable to owners of the parent [c]</b>	<b>355.2</b>	<b>4.0%</b>	<b>270.0</b>	<b>4.0%</b>
Impact of dilutive instruments	15.7		12.2	
<b>Normalized net income restated of dilutive instruments - Attributable to owners of the parent [d]</b>	<b>370.9</b>	<b>4.2%</b>	<b>282.2</b>	<b>4.1%</b>
Average number of shares [e]	84,066,299		76,019,755	
Impact of dilutive instruments	12,629,750		12,170,891	
Diluted average number of shares [f]	96,696,049		88,190,646	
(In EUR) <b>Basic EPS [a] / [e]</b>	<b>2.66</b>		<b>2.39</b>	
<b>Diluted EPS [b] / [f]</b>	<b>2.48</b>		<b>2.20</b>	
<b>Normalized basic EPS [c] / [e]</b>	<b>4.23</b>		<b>3.55</b>	
<b>Normalized diluted EPS [d] / [f]</b>	<b>3.84</b>		<b>3.20</b>	

Potential dilutive instruments comprised stock subscription (equivalent to 1,832,848 options) and convertible bonds (equivalent to 10,796,902 shares of which 5,414,771 issued in 2009 and 5,382,131 issued in 2011). The convertible bonds are the only instruments that generate a restatement of net income used for the diluted EPS calculation. The amount restated of EUR 15.7 million corresponded to the interest expenses relating to the liability component net of deferred tax (EUR 9.4 million issued in 2009 and EUR 6.3 million issued in 2011).

**Normalized basic and diluted EPS** reached respectively EUR 4.23 (EUR 3.55 in 2011) and EUR 3.84 (EUR 3.20 in 2011) and grew over the period by respectively +19 percent and +20 percent.

The **adjusted non-diluted EPS** presented here below constitutes a key indicator used by the Group to measure the efficiency of its performance:

(in EUR million)	12 months ended 31 December 2012	12 months ended 31 December 2011
<b>Net income - Attributable to owners of the parent</b>	<b>223.8</b>	<b>181.6</b>
Staff reorganization	(62.4)	(56.9)
Rationalization and associated costs	(28.1)	(29.6)
Customer relationships amortization (PPA)***	(43.2)	(18.5)
Disposal of subsidiaries	(5.9)	-
<b>Subtotal</b>	<b>(139.6)</b>	<b>(105.0)</b>
Tax effect with Effective Tax Rate	43.6	43.5
<b>Total adjustments - Net of tax</b>	<b>(96.0)</b>	<b>(61.5)</b>
<b>Adjusted net income - Attributable to owners of the parent</b>	<b>319.8</b>	<b>243.1</b>
Average number of shares	83,566,768**	76,019,755*
<b>Adjusted non-diluted EPS</b>	<b>3.83</b>	<b>3.20</b>

\* Average number of shares 2011

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

\*\*\* Purchase Price Allocation.



### D.3.2 Cash Flow

The Group net debt stands at a net cash positive of EUR 232.1 million at the end of December 2012, thus representing EUR 373.9 million net cash improvement compared to end of December 2011.

Free cash flow represented by the change in net cash or net debt, excluding equity changes, dividends paid to shareholders and net material acquisitions / disposals, reached EUR 258.6 million versus EUR 194.4 million achieved in 2011.

(in EUR million)	12 months ended 31 December 2012	12 months ended 31 December 2011
<b>Operating Margin before Depreciation and Amortization (OMDA)</b>	<b>793.4</b>	<b>631.5</b>
Capital expenditures	(325.1)	(253.3)
Change in working capital requirement	82.0	98.3
<b>Cash from operation (CFO)</b>	<b>550.3</b>	<b>476.5</b>
Taxes paid	(74.2)	(59.5)
Net cost of financial debt paid	(34.2)	(27.8)
Reorganization in other operating income	(71.9)	(70.2)
Rationalization & associated costs in other operating income	(53.6)	(49.0)
Integration and acquisition costs	(53.3)	(37.3)
Net financial investments (*)	(7.7)	(9.2)
Profit sharing amounts payable transferred to debt	(3.3)	(7.7)
Other changes (**)	6.5	(21.4)
<b>Free Cash Flow</b>	<b>258.6</b>	<b>194.4</b>
Net material (acquisitions) / disposals	96.8	(189.1)
Capital increase / (decrease)	33.4	27.0
Dividends paid to owners of the parent	(14.9)	(34.9)
<b>Change in net debt (cash)</b>	<b>373.9</b>	<b>(2.6)</b>
<b>Opening net debt</b>	<b>141.8</b>	<b>139.2</b>
<b>Closing net debt</b>	<b>(232.1)</b>	<b>141.8</b>

(\*) Net Long term financial investments excluding acquisitions and disposals.

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

**Cash from Operations (CFO)** amounted to EUR 550.3 million and increased by EUR 73.8 million compared to prior year. This increase resulted from the evolution of the three following components:

- OMDA (EUR +161.9 million),
- Higher capital expenditures (EUR -71.8 million),
- Variance in the change in working capital requirement (EUR -16.3 million).

OMDA of EUR 793.4 million represented 9.0 percent of revenue.

(in EUR million)	12 months ended 31 December 2012	12 months ended 31 December 2011
<b>Operating margin</b>	<b>580.0</b>	<b>422.4</b>
+ Depreciation of fixed assets	344.6	280.3
+ Net book value of assets sold / written off	17.8	2.2
+ Charge for equity-based compensation	17.2	10.5
+/- Net charge / (release) of pension provisions	(40.5)	(48.2)
*+/- Net charge / (release) of provisions excluding release provisions from SiS combination*	(11.2)	6.6
- Release of provisions from SiS combination *	(114.5)	(42.3)
<b>OMDA</b>	<b>793.4</b>	<b>631.5</b>

\* Change in provisions on former SiS loss making projects and litigation.

**Capital expenditures** amounted to EUR 325.1 million or 3.7 percent of revenue in line with the percentage of prior year.

The positive **change in working capital** was EUR 82.0 million (compared to EUR 98.3 million in 2011). The DSO ratio improved from 54 days in 2011 to 47 days at the end December 2012, comparable with the level as of December 2010 before the acquisition of SiS. In the meantime, the DPO increased to 69 days in 2012, back to the same level as of December 2010 before the acquisition of SiS.

**Tax paid** at EUR 74.2 million was EUR 14.7 million higher than last year, mainly due to a tax settlement with the tax authorities in Brazil and the tax liabilities inherited from the former SiS perimeter. Tax paid expressed as a percentage of the profit before tax was 22.5 percent in 2012 compared to 19.1 percent in the prior year.

The **cost of net debt** of EUR 34.2 million increased by EUR 6.4 million compared to 2011. This was mainly due to a higher cost of gross debt which increased in average by EUR +212.6 million during the year (EUR 957.6 million in 2012 compared to EUR 745.0 million in 2011). Such an increase came from the EUR 250 million convertible bond issued on July 1<sup>st</sup>, 2011 weighting 12 month in 2012 compared to six months in 2011. This effect was partially

offset by a higher amount of average cash in 2012 at EUR 928.2 million compared to EUR 481.8 million in 2011.

Cash outflow linked to **reorganization and rationalization and associated costs** represented EUR 125.5 million, in line with the plan of the period.

Miscellaneous **net financial investments** amounted to EUR 7.7 million.

**Other changes** of EUR +6.5 million corresponded mainly to:

- ▶ Other operating expenses excluding reorganization, rationalization and associated costs, integration costs and acquisition costs amounted to EUR 24.9 million mainly composed of an exceptional recovery payment to the Dutch pension plan (EUR -18.9 million),
- ▶ Proceeds from the sale of fixed assets in other operating income (EUR +20.8 million),
- ▶ Proceeds from the sale of treasury shares and issuance of common stock (EUR +27.9 million),
- ▶ A negative foreign exchange rate effect (EUR -8.6 million), and
- ▶ Other financial expense (EUR -10.0 million).

As a result, the **Group free cash flow (FCF)** generated during the period 2012 was EUR 258.6 million.

As already disclosed in the first half 2012 results, the Group has decided to exclude all acquisitions and disposals from the Group free cash flow and not only the significant ones, as it was previously the case. Non "Significant" was defined by the rule "which price is below 0.15 percent of Group External Revenue".

The objective of such a change was to provide a more adequate assessment of the Group operational performance as well as to align the Free Cash Flow definition on the market position and main competitors. This change had no effect on the Group free cash flow reported for 2011.

The net debt impact resulting from **net acquisitions/disposals** represented EUR 96.8 million and resulted from the following transactions:

- ▶ Regarding the acquisition of Siemens IT Solutions and Services:
  - Purchase price adjustment resulting from the final settlement agreed by the parties in February 2012 for EUR +160.8 million; and
  - The EUR -38.0 million deferred assets or acquisitions including EUR -22.7 million of net debt (of which E-Utile amounted for EUR -34.1 million);
- ▶ The acquisition of 50 percent of the shares of MSL Technology S.L. for EUR -8.4 million (including EUR +2.6 million of cash) to create a leader in Sports and Major

Events IT industry in combination with the business unit Major Events (MEV);

- ▶ The acquisition of blueKiwi Software SA, for EUR -11.1 million (including EUR -1.1 million of net debt);
- ▶ The acquisition of Quality Equipment BV, for EUR -10.2 million (including EUR -0.7 million of net debt), a Dutch electronic payment player;
- ▶ The acquisition of the remaining 61 percent share of DAESA for EUR -7.8 million (including EUR -1.8 million of net debt), a small captive entity from Banco Popular in Spain;
- ▶ The disposal of the 49 percent share held in the Belgium joint venture Sinsys for EUR +11.5 million (including EUR +0.3 million of cash) to its majority shareholder.

The EUR 33.4 million **capital increase** resulted of the following transactions:

- ▶ A EUR 10.0 million contribution by our partners in Canopy Cloud Limited, a subsidiary dedicated to Cloud computing;
- ▶ A EUR 23.4 million contribution by the employees to the Group shareholding program SPRINT.

As per the resolution approved by the shareholders during the Annual General Meeting held on May 30<sup>th</sup>, 2012, the Group paid cash a **dividend** of EUR 14.9 million to its shareholders, the remaining part of the dividend was distributed in new shares.

### D.3.3 Financing policy

Atos has implemented a strict financing policy which is reviewed by the Group Audit Committee, with the objective to secure and optimize the Group's liquidity management. Each decision regarding external financing is approved by the Board of Directors. Under this policy, all Group treasury activities, including cash management,

short-term investments, hedging and foreign exchange transactions, as well as off-balance sheet financing through operating leases, are centrally managed through the Group Treasury department. Following a cautious short term financial policy, the Group did not make any short term cash investment in risky assets.

#### D.3.3.1 Financing structure

Atos' policy is to fully cover its expected liquidity requirements by long-term committed loans or other appropriate long-term financial instruments. Terms and conditions of these loans include maturity and covenants leaving sufficient flexibility for the Group to finance its operations and expected developments.

On October 29<sup>th</sup>, 2009, Atos issued a convertible bond (OCEANE) of EUR 2500 million maturing on January 1<sup>st</sup>, 2016. Annual coupon paid to the bond holders is 2.50 percent. Effective interest rate calculated based on IAS 39 requirements amounted to 6.68 percent. There is no

financial covenant in respect with the convertible bond.

On July 1<sup>st</sup>, 2011, Atos issued a convertible bond (OCEANE) of EUR 2500 million reserved for Siemens for the acquisition of Siemens IT Solutions and Services with a maturity on July 1<sup>st</sup>, 2016. The annual coupon paid is 1.50 percent and the effective interest rate calculated in accordance with IAS 39 is 4.35 percent. There is no financial covenant in respect with the convertible bond. Siemens sold the convertible bond on March 1<sup>st</sup>, 2013 to other investors.

On April 11th, 2011, Atos signed a new five-year revolving credit facility for an amount of EUR 1.2 billion with an international syndicate of financial institutions. The maturity of the revolving credit facility is until April 2016. The revolving credit facility includes two financial covenants which under the terms are the consolidated leverage ratio (net debt divided by operating margin before depreciation and amortization) which may not be greater than 2.5 times and the consolidated interest cover ratio (Operating Margin divided by the net cost of financial debt) which should not be less than four times.

Atos securitization program of trade receivables has been renewed for five years on March 6<sup>th</sup>, 2009 with a maximum amount of receivables sold of EUR 500.0 million and a maximum amount of financing of EUR 200.0 million. Financial covenants of the Atos securitization program are aligned with the covenants of the EUR 1.2 billion multi-currency revolving credit facility.

### D3.3.2 Bank covenants

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The Group was well within its borrowing covenants, with a consolidated leverage ratio (net debt divided by OMDA) of -0.29 at the end of December 2012 (the ratio is negative due to the net cash position of the Group at the end of December 2012). The consolidated leverage ratio must not be greater than 2.5 times under the terms of the multi-currency revolving credit facility.

The consolidated interest cover ratio (Operating Margin divided by the net cost of financial debt) was 17 times in 2012. This ratio was significantly higher than the bank covenant which should not be less than four times, throughout the term of the multi-currency revolving credit facility.

### D3.3.3 Investment policy

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Atos has a policy to lease its office space and data processing centers. Some fixed assets such as IT equipment and company cars may be financed through

leases. The Group Treasury department evaluates and approves the type of financing for each new investment.

### D3.3.4 Hedging policy

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Atos' objective is also to protect the Group against fluctuations in interest rates by swapping to fixed rate a portion of the existing floating-rate financial debt. Authorized derivative instruments used to hedge the debt are swap contracts, entered into with leading financial institutions and centrally managed by the Group Treasury Department.

In November 2011, the Group has hedged the interest rate exposure on the used portion of the credit facility for an amount of EUR 280.0 million. The instruments used were Swap rates maturing in November 2015.

## D.4.1 Statutory Auditors' report on the consolidated financial statements for the year ended December 31<sup>st</sup>, 2012

*This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in the French language and it is provided solely for the convenience of English speaking users.*

*The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures. This report also includes information relating to the specific verification of information given in the management report and in the document addressed to the shareholders.*

*This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.*

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meetings, we hereby report to you, for the year ended December 31<sup>st</sup>, 2012, on:

- ▶ the audit of the accompanying consolidated financial statements of Atos SE;
- ▶ the justification of our assessments;
- ▶ the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

### I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of

the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31<sup>st</sup>, 2012 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

### II. Justification of our assessments

In accordance with the requirements of Article L.823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

As specified in the "Accounting estimates and judgments" note in section D.4.7.2 to the consolidated financial statements, the preparation of the consolidated financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses in the financial statements and disclosures of contingent assets and liabilities as of the balance sheet date. This note specifies that the estimates, assumptions and judgments, which may result in a significant adjustment to the carrying amounts of assets and liabilities during the next financial year, mainly relate to:

- ▶ Goodwill amounting to EUR 1,942.2 million as of December 31<sup>st</sup>, 2012 was subject to impairment testing by the company as described in the "Business combination and goodwill" note in section D.4.7.2 and in Note 11 to the consolidated financial statements. Based on the information provided to us, our work consisted in assessing the appropriateness of the methodology applied and the data used to determine the values-in-use, especially to review the cash-flow projections for each cash-generating unit ("CGU") and the actual performance against budget, and in verifying the overall consistency of assumptions with forecasts from each CGU's financial business plan approved by Management. We have reviewed the calculations made by your company and verified that Note 11 to the consolidated financial statements provides appropriate disclosure.
- ▶ The "Revenue recognition" note in section D.4.7.2 to the consolidated financial statements outlines the methods applied with respect to revenue recognition. Based on the information provided to us, our work consisted in assessing the appropriateness of the information provided in the note mentioned above and

in ensuring that the accounting methods and principles are correctly applied. In addition, our work consisted in assessing the reasonableness of the accounting estimates used by Management.

- ▶ As specified in the "Pensions and similar benefits" note in section D4.72 to the consolidated financial statements, the company uses actuarial methods and actuarial assumptions to evaluate the pension commitments. The value of plan assets is measured on the basis of valuations performed by external actuaries and these assets are subject to additional verifications by Management if necessary. Based on the information provided to us, our work consisted in examining the data used, evaluating the assumptions made, and verifying that Note 20 to the consolidated financial statements provides appropriate disclosure.
- ▶ The company recognizes deferred tax assets in an amount of EUR 362.5 million in the consolidated statement of financial position, on the basis of projected taxable profits determined from 3-year business plans as described in section D7.4.2 to the consolidated financial statements. Our work consisted in assessing the data and assumptions used by the Management of Atos in order to verify the recoverability of deferred tax assets recognized.

As described in Note 1 to the consolidated financial statements, the acquisition price of Siemens IT Solutions and Services, which occurred on July 1<sup>st</sup>, 2011, was allocated to the identifiable assets and liabilities of the acquired entities, based on their fair value, in the 12 months following the acquisition date (i.e. during the period). Our work mainly consisted in assessing the methodologies implemented and the assumptions used to assess the relevant assets and liabilities and reviewing, on a sampling basis, the calculations performed by the company. Based on these procedures, we assessed the reasonableness of such estimates and the appropriateness of the disclosure in the notes.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

### III. Specific verification

As required by French law, in accordance with professional standards applicable in France, we have also verified the information presented in the Group's management report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris, April 2<sup>nd</sup>, 2013  
The Statutory Auditors

Deloitte & Associés  
Christophe Patrier

Grant Thornton  
*French member of Grant Thornton International*  
Vincent Frambourt

## D.4.2 Consolidated Income Statement

(in EUR million)	Notes	12 months ended 31 December 2012	12 months ended 31 December 2011
<b>Revenue</b>	<b>Note 2</b>	<b>8,844.3</b>	<b>6,812.5</b>
Personnel expenses	Note 3	(4,502.2)	(3,564.2)
Operating expenses	Note 4	(3,762.1)	(2,825.9)
<b>Operating margin</b>		<b>580.0</b>	<b>422.4</b>
<b>% of revenue</b>		<b>6.6%</b>	<b>6.2%</b>
Other operating income and expenses	Note 5	(198.6)	(74.7)
<b>Operating income</b>		<b>381.4</b>	<b>347.7</b>
<b>% of revenue</b>		<b>4.3%</b>	<b>5.1%</b>
Net cost of financial debt		(34.2)	(27.8)
Other financial expenses		(54.7)	(82.3)
Other financial income		37.1	74.7
Net financial income	Note 6	(51.8)	(35.4)
<b>Net income before tax</b>		<b>329.6</b>	<b>312.3</b>
Tax charge	Notes 7-8	(102.9)	(129.3)
Share of net profit/(loss) of associates		1.3	(0.2)
<b>Net income</b>		<b>228.0</b>	<b>182.8</b>
Of which:			
<b>- attributable to owners of the parent</b>		<b>223.8</b>	<b>181.6</b>
- non-controlling interests	Note 9	4.2	1.2

(in EUR and number of shares)

Weighted average number of shares	84,066,299	76,019,755
<b>Basic earnings per share</b>	<b>2.66</b>	<b>2.39</b>
Diluted weighted average number of shares	96,696,049	88,190,646
<b>Diluted earnings per share</b>	<b>2.48</b>	<b>2.20</b>

## D4.3 Consolidated statement of comprehensive income

(in EUR million)	12 months ended 31 December 2012	12 months ended 31 December 2011 restated*	12 months ended 31 December 2011 published
<b>Net income</b>	<b>228.0</b>	<b>185.2</b>	<b>182.8</b>
<b>Other comprehensive income:</b>			
Cash flow hedging	(2.5)	(6.5)	(6.5)
Actuarial gains and losses generated in the period on defined benefit plan	(326.6)	45.6	53.9
Exchange differences on translation of foreign operations	(8.9)	(5.4)	(11.0)
Deferred tax on items recognized directly in equity	84.0	(34.5)	(36.8)
<b>Total other comprehensive income</b>	<b>(254.0)</b>	<b>(0.8)</b>	<b>(0.4)</b>
<b>Total comprehensive income for the period</b>	<b>(26.0)</b>	<b>184.4</b>	<b>182.4</b>
Of which:			
- attributable to owners of the parent	<b>(30.2)</b>	<b>183.7</b>	<b>181.7</b>
- non-controlling interests	4.2	0.7	0.7

\*The consolidated statement of comprehensive income as of December 31<sup>st</sup>, 2011 is restated in order to reflect the impacts of the changes in the purchase price allocation related to the business combination with Siemens IT Solutions and Services described in note 1 Changes of scope of consolidation - business combination.

## D4.4 Consolidated statement of financial position

(in EUR million)	Notes	12 months ended 31 December 2012	12 months ended 31 December 2011 restated*	12 months ended 31 December 2011 published
<b>ASSETS</b>				
Goodwill	Note 11	1,942.2	1,917.6	1,982.2
Intangible assets	Note 12	464.0	466.7	472.1
Tangible assets	Note 13	667.8	696.9	680.2
Non-current financial assets	Note 14	395.2	681.9	580.3
Non-current financial instruments	Note 23	0.6	0.1	0.1
Deferred tax assets	Note 8	362.5	352.7	381.3
<b>Total non-current assets</b>		<b>3,832.3</b>	<b>4,115.9</b>	<b>4,096.2</b>
Trade accounts and notes receivables	Note 15	1,960.0	1,924.5	1,928.3
Current taxes		36.3	17.5	17.5
Other current assets	Note 16	455.9	552.0	557.2
Current financial instruments	Note 23	3.1	1.1	1.1
Cash and cash equivalents	Note 18	1,159.7	766.8	766.8
<b>Total current assets</b>		<b>3,615.0</b>	<b>3,261.9</b>	<b>3,270.9</b>
<b>TOTAL ASSETS</b>		<b>7,447.3</b>	<b>7,377.8</b>	<b>7,367.1</b>



(in EUR million)	Notes	12 months ended 31 December 2012	12 months ended 31 December 2011 restated*	12 months ended 31 December 2011 published
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
Common stock		85.7	83.6	83.6
Additional paid-in capital		1,842.5	1,766.5	1,766.5
Consolidated retained earnings		312.5	397.9	403.9
Translation adjustments		(116.0)	(107.1)	(112.7)
Net income attributable to the owners of the parent		223.8	184.0	181.6
Equity attributable to the owners of the parent		2,348.5	2,324.9	2,322.9
Non-controlling interests		30.8	6.0	6.0
<b>Total shareholders' equity</b>		<b>2,379.3</b>	<b>2,330.9</b>	<b>2,328.9</b>
Provisions for pensions and similar benefits	Note 20	736.3	571.8	571.8
Non-current provisions	Note 21	170.3	167.8	162.3
Borrowings	Note 22	758.2	734.5	734.5
Deferred tax liabilities	Note 8	192.4	237.7	244.6
Non-current financial instruments	Note 23	12.6	5.6	5.6
Other non-current liabilities		10.6	11.8	11.8
<b>Total non-current liabilities</b>		<b>1,880.4</b>	<b>1,729.2</b>	<b>1,730.6</b>
Trade accounts and notes payables	Note 24	1,026.8	925.6	927.2
Current taxes		99.5	76.1	76.4
Current provisions	Note 21	236.7	523.0	509.7
Current financial instruments	Note 23	2.6	6.2	6.2
Current portion of borrowings	Note 22	169.5	174.1	174.1
Other current liabilities	Note 25	1,652.5	1,612.7	1,614.0
<b>Total current liabilities</b>		<b>3,187.6</b>	<b>3,317.7</b>	<b>3,307.6</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>7,447.3</b>	<b>7,377.8</b>	<b>7,367.1</b>

\* The consolidated statement of financial position as of December 31<sup>st</sup>, 2011 is restated in order to reflect the impacts of the changes in the purchase price allocation related to the business combination with Siemens IT Solutions and Services described in note 1 Changes of scope of consolidation - business combination.

**D4.5 Consolidated cash flow statement**

(in EUR million)	Notes	12 months ended 31 December 2012	12 months ended 31 December 2011
<b>Profit before tax</b>		<b>329.6</b>	<b>312.3</b>
Depreciation of assets	Note 4	344.6	280.3
Net charge / (release) to operating provisions		(166.2)	(83.8)
Net charge / (release) to financial provisions		8.3	9.0
Net charge / (release) to other operating provisions		(56.3)	(122.1)
Customer relationships amortization (PPA) *		43.2	18.5
Losses / (gains) on disposals of fixed assets		10.9	(0.4)
Net charge for equity-based compensation		17.2	10.5
Losses / (gains) on financial instruments		(1.9)	4.3
Net cost of financial debt	Note 6	34.2	27.8
<b>Cash from operating activities before change in working capital requirement, financial interest and taxes</b>		<b>563.6</b>	<b>456.4</b>
Taxes paid		(74.2)	(59.5)
Change in working capital requirement		82.0	98.3
<b>Net cash from / (used in) operating activities</b>		<b>571.4</b>	<b>495.2</b>
Payment for tangible and intangible assets		(325.1)	(253.3)
Proceeds from disposals of tangible and intangible assets		35.6	4.3
<b>Net operating investments</b>		<b>(289.5)</b>	<b>(249.0)</b>
Amounts paid for acquisitions and long-term investments		97.4	(187.1)
Cash and cash equivalents of companies purchased during the period		2.2	216.8
Proceeds from disposals of financial investments		18.8	11
Cash and cash equivalents of companies sold during the period		(0.8)	-
Dividend received from entities consolidated by equity method		2.7	1.9

(in EUR million)	Notes	12 months ended 31 December 2012	12 months ended 31 December 2011
<b>Net long-term investments</b>		<b>120.3</b>	<b>32.7</b>
<b>Net cash from / (used in) investing activities</b>		<b>(169.2)</b>	<b>(216.3)</b>
Capital Increase		23.4	27.0
Common stock issues on the exercise of equity-based compensation		27.8	5.3
Purchase and sale of treasury stock		-	0.1
Dividends paid to owners of the parent		(14.9)	(34.9)
Dividends paid to non-controlling interests		(1.4)	(2.2)
Payment for acquisition of non controlling interests		(0.5)	-
New borrowings	Note 22	8.9	18.9
New finance lease	Note 22	0.1	0.2
Repayment of long and medium-term borrowings	Note 22	(43.1)	(19.2)
Net cost of financial debt paid		(18.7)	(15.5)
Other flows related to financing activities		8.7	59.9
<b>Net cash from / (used in) financing activities</b>		<b>(9.7)</b>	<b>39.6</b>
<b>Increase / (decrease) in net cash and cash equivalents</b>		<b>392.5</b>	<b>318.5</b>
<b>Opening net cash and cash equivalents</b>		<b>722.8</b>	<b>416.5</b>
Increase / (decrease) in net cash and cash equivalents	Note 22	392.5	318.5
Impact of exchange rate fluctuations on cash and cash equivalents		(5.7)	(12.2)
<b>Closing net cash and cash equivalents</b>	Note 23	<b>1,109.6</b>	<b>722.8</b>

\* Purchase Price Allocation.

**D4.6 Consolidated statement of changes in shareholders' equity**

(in EUR million)	Number of shares at period-end (thou- sands)	Common Stock	Additional paid-in capital
<b>At January 1<sup>st</sup>, 2011</b>	<b>69,914</b>	<b>69.9</b>	<b>1,333.9</b>
* Common stock issued	13,653	13.7	432.6
* Appropriation of prior period net income			
* Dividends paid to non-controlling interests			
* Equity-based compensation			
* Changes in treasury stock			
* Equity portion of compound instrument			
* Other			
Transactions with owners	13,653	13.7	432.6
* Net income			
* Other comprehensive income			
Total comprehensive income for the period			
<b>At December 31<sup>st</sup>, 2011</b>	<b>83,567</b>	<b>83.6</b>	<b>1,766.5</b>
<b>Changes in SIS business combination at January 1<sup>st</sup>, 2012</b>			
<b>At January 1<sup>st</sup>, 2012 restated</b>	<b>83,567</b>	<b>83.6</b>	<b>1,766.5</b>
* Common stock issued	2,136	2.1	76.0
* Appropriation of prior period net income			
* Dividends paid to non-controlling interests			
* Equity-based compensation			
* Other			
Transactions with owners	2,136	2.1	76.0
* Net income			
* Other comprehensive income			
Total comprehensive income for the period			
<b>At December 31<sup>st</sup>, 2012</b>	<b>85,703</b>	<b>85.7</b>	<b>1,842.5</b>

	Consolidated retained earnings	Translation adjustments	Items recognized directly in equity	Net income	Total	Non controlling interests	Total shareholders' equity
	209.1	(102.2)	(0.7)	116.1	1,626.1	5.4	1,631.5
					446.3		446.3
	116.1			(116.1)	-		-
	(34.9)				(34.9)	(2.4)	(37.3)
	10.5				10.5		10.5
	0.2				0.2		0.2
	20.8				20.8		20.8
	72.2				72.2	2.3	74.5
	184.9	-	-	(116.1)	515.1	(0.1)	515.0
				181.6	181.6	1.2	182.8
	16.5	(10.5)	(5.9)		0.1	(0.5)	(0.4)
	16.5	(10.5)	(5.9)	181.6	181.7	0.7	182.4
	410.5	(112.7)	(6.6)	181.6	2,322.9	6.0	2,328.9
	(6.0)	5.6		2.4	2.0	-	2.0
	404.5	(107.1)	(6.6)	184.0	2,324.9	6.0	2,330.9
	(26.9)				51.2	11.3	62.5
	184.0			(184.0)	-		-
	(14.9)				(14.9)	(1.4)	(16.3)
	17.2				17.2		17.2
	0.3				0.3	10.7	11.0
	159.7	-	-	(184.0)	53.8	20.6	74.4
				223.8	223.8	4.2	228.0
	(241.6)	(8.9)	(3.5)		(254.0)		(254.0)
	(241.6)	(8.9)	(3.5)	223.8	(30.2)	4.2	(26.0)
	322.6	(116.0)	(10.1)	223.8	2,348.5	30.8	2,379.3

### D4.7 Appendices to the consolidated financial statements

#### D4.7.1 General information

Atos SE, the Group's parent company, is a société européenne (public limited company) incorporated under French law, whose registered office is located at 80, Quai Voltaire, 95870 Bezons, France. It is registered with the Registry of Commerce and Companies of Pontoise under the reference 323 623 603. Atos SE shares are traded on the NYSE Euronext Paris market under ISIN code FROOOO051732. The shares are not listed on any other stock exchange and Atos SE is the only listed company in the Group. The Company is administrated by a Board of Directors.

The consolidated financial statements of the Group for the twelve months ended December 31<sup>st</sup>, 2012 comprise the Group and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and jointly controlled entities.

These consolidated financial statements were approved by the Board of Directors on February 20<sup>th</sup>, 2013.

These consolidated financial statements will become definitive following their adoption by the Annual General Shareholders' Meeting planned in May 2013.

#### D4.7.2 Basis of preparation and significant accounting policies

##### Basis of preparation

Pursuant to European Regulation No. 1606/2002 of July 19<sup>th</sup>, 2002, the consolidated financial statements for the twelve months ended December 31<sup>st</sup>, 2012 have been prepared in accordance with the applicable international accounting standards, as endorsed by the European Union as at December 31<sup>st</sup>, 2012. 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).

Accounting policies applied by the Group comply with those standards and interpretations, which can be found at: [http://ec.europa.eu/internal\\_market/accounting/ias/index\\_en.htm](http://ec.europa.eu/internal_market/accounting/ias/index_en.htm)

As of December 31<sup>st</sup>, 2012, the accounting standards and interpretations endorsed by the European Union are similar to the compulsory standards and interpretations published by the International Accounting Standards Board (IASB) with the exception of certain of IAS 39's hedge accounting requirements have not been endorsed, which has no effect on the Group consolidated financial statements. Consequently, the Group's consolidated financial statements are prepared in accordance with the IFRS standards and interpretations, as published by the IASB.

The following standards, interpretations and amendments to existing standards that have been published are mandatory for the Group's accounting period beginning on or after January 1<sup>st</sup>, 2012:

- ▶ IFRS 7 - Disclosures: Transfers of Financial Assets.

The following standards, interpretations and amendments to existing standards that have been published are not mandatory for the Group's accounting period beginning on or after January 1<sup>st</sup>, 2012:

- ▶ Amendments to IFRS 1 - Severe Hyperinflation;
- ▶ IFRS 9 - Financial Instruments (replacement of IAS 39);
- ▶ IFRS 10 - Consolidated Financial Statements;
- ▶ IFRS 11 - Joint Arrangements;
- ▶ IFRS 12 - Disclosure of Interests in Other Entities;
- ▶ IFRS 13 - Fair Value Measurement;
- ▶ Amendments to IAS 1 - Presentation of Items of Other Comprehensive Income;
- ▶ Amendments to IAS 12 - Deferred Taxes: Recovery of Underlying Assets;
- ▶ Amendments to IAS 19 - Employee Benefits;
- ▶ IFRIC 20 - Stripping costs in the production phase of a surface mine;
- ▶ IAS 32 (revised) - Offsetting Financial Assets and Financial Liabilities;
- ▶ IAS 27 (revised) - Separate Financial Statements;
- ▶ IAS 28 (revised) - Investments in Associates and Joint Ventures.

The impact of those changes in standards and interpretations on the Group's consolidated financial statements is limited.

The consolidated financial statements do not take into account:

- ▶ Draft standards that are still at the exposure draft stage at the International Accounting Standards Board (IASB);
- ▶ New standards, interpretations and amendments to existing standards and interpretations not yet approved by the European Union. This notably concerns:
  - IFRS 9 - Financial Instruments (replacement of IAS 39);
  - Annual Improvements to IFRSs 2010–2012 Cycle;
  - Amendments to IFRS 1 - Governments loans;
  - Amendments IFRS 10, 11, 12 - Transition Guidance;
  - Amendments IFRS 10, 12 and IAS 27 - Investment Entities.

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

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

The policies set out below have been applied in consistency with all years presented.

#### Accounting estimates and judgments

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expense in the financial statements and disclosures of contingent assets and liabilities at the closing date. The estimates, assumptions and judgments that may result in a significant adjustment to the carrying amounts of assets and liabilities are essentially related to:

#### Goodwill impairment tests

The Group tests at least annually whether goodwill has suffered any impairment, in accordance with the accounting policies stated below. The recoverable amounts of cash generating units are determined based on value-in-use calculations or on their fair value reduced by the costs of sales. These calculations require the use of estimates as described in Note 11 Goodwill.

#### Measurement of recognized tax loss carry-forwards

Deferred tax assets are recognized on tax loss carry-forwards when it is probable that taxable profit will be available against which the tax loss carry-forwards can be utilized. Estimates of taxable profits and utilizations of tax loss carry-forwards were prepared on the basis of profit and loss forecasts as included in the 3-year business plans.

#### Revenue recognition and associated costs on long-term contracts

Revenue recognition and associated costs, including forecast losses on completion are measured according to policies stated below. Total projected contract costs are based on various operational assumptions such as forecast volume or variance in the delivery costs that have a direct influence on the level of revenue and possible forecast losses on completion that are recognized.

#### Pensions

The Group uses actuarial assumptions and methods to measure pension costs and provisions. The value of plan assets is determined based on valuations provided by the external custodians of pension funds and following complementary investigations carried-out when appropriate. The estimation of pension liabilities, as well as valuations of plan assets requires the use of estimates and assumptions.

#### Customer relationships

An intangible asset related to the customer relationships and backlog brought during a business combination is recognized as Customer Relationships. The value of this asset is based on assumptions of renewal conditions of contract and on the discounted flows of these contracts. This asset is amortized on an estimation of its average life.

### Consolidation methods

#### Subsidiaries

Subsidiaries are entities controlled directly or indirectly by the Group. Control is defined by the ability to govern the financial and operating policies generally, but not systematically, combined with a shareholding of more than 50 percent of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible, the power to appoint the majority of the members of the governing bodies and the existence of veto rights are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

#### Joint ventures

The Group's interests in jointly controlled entities are accounted for by proportionate method. Operating and shareholders' agreements are considered when assessing the joint control.

#### Associates

Associates are entities over which the Group has significant influence but not control or joint control, generally, but not systematically, accompanying a shareholding of between 20 and 50 percent of the voting rights. Investments in associates are accounted for by the equity method.

### Segment reporting

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

The internal management reporting is designed on two axes: Global Business Units and Service Lines (Consulting, Systems Integration, Managed Services, HTTS and Business Process Outsourcing). Global Business Units have been determined by the Group as key indicators by the Chief operating decision maker. As a result and for IFRS 8 requirements, the Group discloses Global Business Units as operating segments.

A GBU is defined as a geographical area or the aggregation of several geographical areas - except for the Worldline activities which contains one or several countries, without taking into consideration the activities exercised within each country. Each GBU is managed by dedicated members of the Executive Committee.

The measurement policies that the Group uses for segments reporting under IFRS 8 are the same as those used in its financial statements. Corporate entities are not presented as an operating segment. Therefore, their financial statements are used as a reconciling item (refer Note 2 of the financial statements). Corporate assets which are not directly attributable to the business activities of any operating segments are not allocated to a segment, which primarily applies to the Group's headquarters. Shared assets such as the European mainframe are allocated to the GBU where they are physically located even though they are used by several GBUs.

### Presentation rules

#### Current and non-current assets and liabilities

Assets and liabilities classified as current are expected to be realised, used or settled during the normal cycle of operations, which can extend beyond 12 months following period-end. All other assets and liabilities are classified as non-current. Current assets and liabilities, excluding the current portion of borrowings, financial receivables and provisions represent the Group's working capital requirement.

#### Assets and liabilities held for sale or discontinued operations

Should there be assets and liabilities held for sale or discontinued operations, they would be presented on separate lines in the Group's balance sheet, without restatements for previous periods. They are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and liabilities are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the assets and liabilities are available for immediate sale in their present condition.

Should these assets and liabilities represent either a complete business line or a GBU, the profit or loss from these activities are presented on a separate line of the income statement, and is restated in the cash flow statement and the income statement over all published periods.



### Translation of financial statements denominated in foreign currencies

The balance sheets of companies based outside the euro zone are translated at closing exchange rates. Income statement items are translated based on average exchange rate for the period. Balance sheet and income statement translation adjustments arising from a change in exchange rates are recognized as a separate component of equity under "Translation adjustments".

Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of that foreign entity and translated into euro at the closing date.

The Group does not consolidate any entity operating in a hyperinflationary economy.

### Translation of transactions denominated in foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement under the heading "Other financial income and expenses", except where hedging accounting is applied as explained in the paragraph "Financial assets - Derivative financial instruments".

### Business combination and goodwill

A business combination may involve the purchase of another entity, the purchase of all the net assets of another entity or the purchase of some of the net assets of another entity that together form one or more businesses.

Major services contracts involving staff and asset transfers that enable the Group to develop or significantly improve its competitive position within a business or a geographical sector are accounted for as business combinations.

### Valuation of assets acquired and liabilities assumed of newly acquired subsidiaries

Business combinations are accounted for according to the acquisition method. The consideration transferred in exchange for control of the acquired entity is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree.

Direct transaction costs related to a business combination are charged in the income statement when incurred.

Non-controlling interests may, on the acquisition date, be measured either at fair value or based on their stake in the fair value of the identifiable assets and liabilities of the acquired entity. The choice of measurement basis is made on a transaction-by-transaction basis.

During the first consolidation, all the assets, liabilities and contingent liabilities of the subsidiary acquired are measured at their fair value.

In step acquisitions, any equity interest held previously by the Group is remeasured at fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss is recognized through the net income.

### Purchase of non-controlling interests and sale of interests in a controlled subsidiary

Purchase of non-controlling interests and sale transactions of interests in a controlled subsidiary that do not change the status of control are recorded through shareholders' equity (including direct acquisition costs).

If control in a subsidiary is lost, any gain or loss is recognized in net income. Furthermore, if an investment in the entity is retained by the Group, it is re-measured to its fair value and any gain or loss is also recognized in net income.

### Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, of the amount of any non-controlling interests in the acquiree and of the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Goodwill is allocated to Cash Generating Units (CGU) for the purpose of impairment testing. Goodwill is allocated to those CGU that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. CGUs correspond to geographical areas where the Group has operations - except for the Worldline activities.

The recoverable value of a CGU is based on the higher of its fair value less costs to sell and its value in use determined using the discounted cash-flows method. When this value is less than its carrying amount, an impairment loss is recognized in the operating income.

The impairment loss is first recorded as an adjustment of the carrying amount of the goodwill allocated to the CGU and the remainder of the loss, if any, is allocated pro rata to the other long term assets of the unit.

The Cash Generating Units used for the impairment test are not larger than operating segments determined in accordance with IFRS 8 Operating segments.

Goodwill is not amortized and is subject to an impairment test performed at least annually by comparing its carrying amount to its recoverable amount at the closing date based on December actuals and latest three year plan, or more often whenever events or circumstances indicate that the carrying amount could not be recoverable.

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.

### Intangible assets other than goodwill

Intangible assets other than goodwill consist primarily of software and user rights acquired directly by the Group, software and customer relationships acquired in relation with a business combination as well as internally developed IT solutions.

To assess whether an internally generated intangible asset meets the criteria for recognition, the Group classifies the generation of the asset into:

- ▶ a research phase, and
- ▶ a development phase.

Under IAS 38, no intangible asset arising from research (or from the research phase of an internal project) shall be recognized. Expenditure on research (or on the research phase of an internal project) shall be recognized as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) shall be recognized if, and only if, an entity can demonstrate all of the following:

- ▶ the technical feasibility of completing the intangible asset so that it will be available for use or sale,
- ▶ its intention to complete the intangible asset and to use or sell it,
- ▶ its ability to use or sell the intangible asset,
- ▶ how the intangible asset will generate probable future economic benefits,
- ▶ the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and
- ▶ its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The customer relationships are valued as per the multi-period excess earning method that consists in summing future operating margins attributable to contracts, after tax and capital employed.

Intangible assets are amortized on a straight-line basis over their expected useful life, generally not exceeding five to seven years for internally developed IT solutions and ten years for customer relationships acquired in a business combination; their related depreciation are recorded in other operating expenses.

### Tangible assets

Tangible assets are recorded at acquisition cost. They are depreciated on a straight-line basis over the following expected useful lives:

▶ Buildings	20 years
▶ Fixtures and fittings	5 to 10 years
▶ Computer hardware	3 to 5 years
▶ Vehicles	4 years
▶ Office furniture and equipment	5 to 10 years

Although some outsourcing contracts may involve the transfer of computing equipment, the control of the asset usually remains with the customer as he generally retains the property. When the ownership of the computing equipment is transferred to Atos, this transfer is generally paid, at the beginning of the contract. Therefore IFRIC 18 does not have a significant impact on the Group accounts.

### Leases

Asset leases where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Assets acquired under finance lease are depreciated over the shorter of the assets' useful life and the lease term.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases.

### Impairment of assets other than goodwill

Assets that are subject to amortization are tested for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying value exceeds its recoverable value.

### Financial assets

Financial assets are accounted for at trade date.

### Investments in non-consolidated companies

The Group holds shares in companies without exercising significant influence or control. Investments in non-consolidated companies are treated as assets available for sale and recognized at their fair value. For listed shares, fair value corresponds to the share price at closing date. In the absence of an active market for the shares, the investments in non-consolidated companies are carried at historical cost. An impairment charge is recognized when there is objective evidence of a permanent or significant impairment in value. The most common financial criteria used to determine fair value are equity and earnings outlooks. Gains and losses arising from variation in the fair value of available for sale assets are recognized as "items recognized directly in equity". If there is evidence that an asset is permanently impaired, the cumulative loss is written off in the income statement under "other financial income and expense".

### Loans, trade accounts and notes receivable

Loans are part of non-current financial assets. Loans, trade accounts and notes receivable are recorded initially at their fair value and subsequently at their amortized value. The nominal value represents usually the initial fair value for trade accounts and notes receivable. In case of deferred payment over one year, where the effect is significant on fair value, trade accounts and notes receivables are discounted. Where appropriate, a provision is raised on an individual basis to take likely recovery problems into account.

Certain service arrangements might qualify for treatment as lease contracts if they convey a right to use an asset in return for payments included in the overall contract remuneration. If service arrangements contain a lease, the Group is considered to be the lessor regarding its customers. Where the lease transfers the risks and rewards of ownership of the asset to its customers, the Group recognizes assets held under finance lease and presents them as "Trade accounts and notes receivable" for the part that will be settled within 12 months, and "Non-current financial assets" for the part beyond 12 months.

### Assets securitization

Assets securitization programs, in which the Group retains substantially all the risks and rewards of ownership of the transferred assets, do not qualify for de-recognition. A financial liability for the consideration received is recognized. The transferred assets and the financial liability are valued at their amortized costs.

### Derivative financial instruments

Derivative instruments are recognized as financial assets or liabilities at their fair value. Any change in the fair value of these derivatives is recorded in the income statement as a financial income or expense, except when they are eligible for hedge accounting, whereupon:

- ▶ For fair value hedging of existing assets or liabilities, the hedged portion of an instrument is measured on the balance sheet at its fair value. Any change in fair value is recorded as a corresponding entry in the income statement, where it is offset simultaneously against changes in the fair value of hedging instruments;
- ▶ For cash flow hedging, the effective portion of the change in fair value of the hedging instrument is directly offset in shareholders' equity as "items recognized directly in equity". The change in value of the ineffective portion is recognized in "Other financial income and expenses". The amounts recorded in net equity are transferred to the income statement simultaneously to the recognition of the hedged items.

### Cash and cash equivalents

Cash and cash equivalent include cash at bank and financial instruments such as money market securities. Such financial instruments are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. They are held for the purpose of meeting short-term cash commitments and have a short maturity, in general three months or less from the date of acquisition. Some instruments, such as term deposits, that have at inception a longer maturity but provide for early withdrawal and a capital guarantee may also be classified as cash equivalents under certain circumstances. Money market securities are recognized at their fair value. Changes in fair value are recorded in the income statement under "Other financial income and expenses".

Cash and cash equivalents are measured at their fair value through profit and loss.

### Treasury stock

Atos shares held by the parent company are recorded at their acquired cost as a deduction from consolidated shareholders' equity. In the event of a disposal, the gain or loss and the related tax impacts are recorded as a change in consolidated shareholders' equity.

### Pensions and similar benefits

Employee benefits are granted by the Group through defined contribution and defined benefit plans. Costs relating to defined contribution costs are recognized in the income statement based on contributions paid or due in respect of the accounting period when the related services have been accomplished by beneficiaries.

The valuation of Group defined benefit obligation is based on a single actuarial method known as the "projected unit credit method". This method relies in particular on projections of future benefits to be paid to Group employees, by anticipating the effects of future salary increases. Its implementation further includes the formulation of specific assumptions, detailed in Note 20, which are periodically updated, in close liaison with external actuaries used by the Group.

Plan assets usually held in separate legal entities are measured at their fair value, determined at closing.

The fair value of plan assets is determined based on valuations provided by the external custodians of pension funds and following complementary investigations carried-out when appropriate.

From one accounting period to the other, any difference between the projected and actual pension plan obligation and their related assets is cumulated at each benefit plan's level to form actuarial differences. These actuarial differences may result either from changes in actuarial assumptions used, or from experience adjustments generated by actual developments differing, in the accounting period, from assumptions determined at the end of the previous accounting period. All actuarial gains and losses generated in the period are recognized in "other comprehensive income".

Benefit plans costs are recognized in the Group's operating income, except for interest costs on obligations, net of expected returns on plans assets, which are recognized in "other financial income and expenses".

### Provisions

Provisions are recognized when:

- ▶ The Group has a present legal, regulatory, contractual or constructive obligation as a result of past events,
- ▶ It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and
- ▶ The amount has been reliably quantified.

Provisions are discounted when the time value effect is material. Changes in discounting effects at each accounting period are recognized in financial expenses.

### Borrowings

Borrowings are recognized initially at fair value, net of debt issuance costs. Borrowings are subsequently stated at amortized costs. The calculation of the effective interest rate takes into account interest payments and the amortization of the debt issuance costs.

Debt issuance costs are amortized in financial expenses over the life of the loan. The residual value of issuance costs for loans repaid in advance is expensed in the year of repayment.

Bank overdrafts are recorded in the current portion of borrowings.

### Convertible bonds OCEANE (bonds convertible into and/or exchangeable for new or existing shares of Atos)

OCEANE are financial instruments defined as compound financial instruments composed of both a liability and an equity component, which have to be valued and recorded separately.

In order to evaluate the split between the liability and an equity component, the carrying amount of the liability component is first determined by measuring the fair value of a similar liability (including any embedded non-equity derivative features) that does not have an associated equity component. The carrying amount of the equity instrument represented by the option to convert the instrument into ordinary shares is then determined by deducting the fair value of the financial liability from the fair value of the compound financial instrument as a whole.

### Non-controlling interests purchase commitments

Firm or conditional commitments under certain conditions to purchase non-controlling interests are similar to a purchase of shares and are recorded in borrowings with an offsetting reduction of non-controlling interests.

For puts existing before January 1<sup>st</sup>, 2010, when the cost of the purchase exceeds the amount of non-controlling interests, the Group chooses to recognize the balance as goodwill. Any further change in the fair value of the non-controlling interests purchase commitment will also be recorded in goodwill.

For puts granted after January 1<sup>st</sup>, 2010, when the cost of the purchase exceeds the amount of non-controlling interests, the Group chooses to recognize the balance in equity (attributable to owners of the parent). Any further change in the fair value of the non-controlling interests purchase commitment will also be recorded in equity (attributable to owners of the parent).

### Revenue Recognition

The Group provides Information Technology (IT) and Business Process Outsourcing (BPO) services. Depending on the structure of the contract, revenue is recognized accordingly to the following principles:

#### Variable or fixed price contracts considerations

Revenue based on variable IT work units is recognized as the services are rendered.

Where the outcome of fixed price contracts can be estimated reliably, revenue is recognized using the percentage-of-completion (POC) method. Under the POC method, revenue is recognized based on the costs incurred to date as a percentage of the total estimated costs to fulfil the contract. Revenue relating to these contracts is recorded in the consolidated balance sheet under "Trade accounts and notes receivable" for services rendered in excess of billing, while billing exceeding services rendered is recorded as deferred income under "Other current liabilities". Where the outcome of a fixed price contract cannot be estimated reliably, contract revenue is recognized to the extent of contracts costs incurred that are likely to be recoverable.

Revenue for long-term fixed price is recognized when services are rendered.

If circumstances arise, that change the original estimates of revenues, costs, or extent of progress toward completion, then revisions to the estimates are made. The Group performs ongoing profitability analyses of its services contracts in order to determine whether the latest estimates of revenue, costs and profits, require updating. If, at any time, these estimates indicate that the contract will be unprofitable, the entire estimated loss for the remainder of the contract is recorded immediately through a provision for estimated losses on completion.

### Principal and agent considerations

Revenue is reported net of supplier costs when the Group is acting as an agent between the client and the supplier. Factors generally considered to determine whether the Group is a principal or an agent, are most notably whether it is the primary obligor to the client, it assumes credit and delivery risks, or it adds meaningful value to the supplier's product or service.

### Multiple-element arrangements considerations

The Group may enter into multiple-element arrangements, which may include combinations of different services. Revenue is recognized for the separate elements when these elements are separately identifiable. A group of contracts is combined and treated as a single contract when that group of contracts is negotiated as a single package and the contracts are so closely interrelated that they are, in effect, part of a single project with an overall profit margin, and the contracts are performed concurrently or in a continuous sequence.

### Upfront payments considerations

Upfront payments to clients incurred at contract inception are recorded in "Other current assets" and spread as a reduction of revenue over the term of the contract. Upfront payments received from clients at contract inception are recorded in "Other current liabilities" and spread as an increase in revenue over the term of the contract.

### Transition costs

Transitions costs are either expensed as incurred or recognized in revenue on a POC basis over the transition phase. Only in rare instances where the services rendered during the transition phase cannot be separately identified, costs can be deferred and expensed over the contract term if it can be demonstrated that there are recoverable. Capitalized transition costs are classified in "Trade accounts and notes receivable" of the consolidated balance sheet and amortization expense is recorded in "Operating expenses" in the consolidated income statement.

In case the contract turns out to be loss-making, capitalized transition costs are impaired for the related forecasted loss, before recognizing an additional provision for estimated losses on completion when necessary.

### Operating margin

The underlying operating performance on the ongoing business is presented within operating margin, while unusual operating income/expenses are separately itemised and presented below the operating margin, in line with the CNC (Conseil National de la Comptabilité) recommendation n°2009-R-03 (issued on July 2<sup>nd</sup>, 2009) regarding the financial statements presentation.

### Other operating income and expenses

"Other operating income and expenses" covers income or expense items that are unusual, abnormal and infrequent. They are presented below the operating margin.

Classification of charges to (or release from) restructuring and rationalization and associated costs provisions in the income statement depends on the nature of the plan:

- ▶ Plans directly in relation with operations are classified within the Operating margin;
- ▶ Plans related to business combinations or qualified as unusual, infrequent and abnormal are classified in the Operating income;
- ▶ If a restructuring plan qualifies for Operating income, the related real estate rationalization & associated costs expenses regarding premises and buildings is also presented in Operating income.

When accounting for business combinations, the Group may record provisions for risks, litigations, etc. in the opening balance sheet for a period of 12 months beyond the business combination date. After the 12-month period, unused provisions arising from changes in circumstances are released through the income statement under "Other operating income and expenses".

"Other operating income and expenses" also include major litigations, and non-recurrent capital gains and losses on the disposal of tangible and intangible assets, significant impairment losses on assets other than financial assets, the amortization of the Customer Relationships, or any other item that is infrequent, unusual and abnormal.

### Equity-based compensation

Stocks options are granted to management and certain employees at regular intervals. These equity-based compensations are measured at fair value at the grant date using the binomial option-pricing model. Changes in the fair value of options after the grant date have no impact on the initial valuation. The fair value of share options is recognized in "Personnel expenses" on a straight-line basis over the period during which those rights vest, using the straight-line method, with the offsetting credit recognized directly in equity.

In some tax jurisdictions, Group's entities receive a tax deduction when stock options are exercised, based on the Group share price at the date of exercise. In those instances, a deferred tax asset is recorded for the difference between the tax base of the employee services received to date (being the future tax deduction allowed by local tax authorities) and the current carrying amount of this deduction, being nil by definition. Deferred tax assets are estimated based on the Group's share price at each closing date, and are recorded in income tax provided that the amount of tax deduction does not exceed the amount of the related cumulative stock option expenses to date. The excess, if any, is recorded directly in the equity.

Employee Share Purchase Plans offer employees the opportunity to invest in Group's shares at a discounted price. Shares are subject to a five-year lock-up period restriction. Fair values of such plans are measured taking into account:

- ▶ The exercise price based on the average opening share prices quoted over the 20 trading days preceding the date of grant;
- ▶ The 20 percent discount granted to employees;
- ▶ The consideration of the five-year lock-up restriction to the extent it affects the price that a knowledgeable, willing market participant would pay for that share; and
- ▶ The grant date: date on which the plan and its term and conditions, including the exercise price, is announced to employees.

Fair values of such plans are fully recognized in "Personnel expenses" at the end of the subscription period.

The Group has also granted to management and certain employees' free shares plans. The fair value of those plans corresponds to the value of the shares at the grant date and takes into account the employee turnover during the vesting period as well as the value of the lock-up period restriction when applicable. Free share plans result in the recognition of a personal expense spread over the rights vesting period.

### Corporate income tax

The income tax charge includes current and deferred tax expenses. Deferred tax is calculated wherever temporary differences occur between the tax base and the consolidated base of assets and liabilities, using the liability method. Deferred tax is valued using the enacted tax rate at the closing date that will be in force when the temporary differences reverse.

Deferred tax assets and liabilities are netted off at the taxable entity level, when there is a legal right to offset. Deferred tax assets corresponding to temporary differences and tax losses carried forward are recognized when they are considered to be recoverable during their validity period, based on historical and forecast information.

Deferred tax liabilities for taxable temporary differences relating to goodwill are recognized, to the extent they do not arise from the initial recognition of goodwill.

Deferred tax assets are tested for impairment at least annually at the closing date based on December actuals, business plans and impairment test data.

### Earnings per share

Basic earnings per share are calculated by dividing the net income (attributable to owners of the parent) by the weighted average number of ordinary shares outstanding during the period. Treasury shares deducted from consolidated equity are not taken into account in the calculation of basic or diluted earnings per share.

Diluted earnings per share are calculated by dividing the net income (attributable to owners of the parent), adjusted for the financial cost (net of tax) of dilutive debt instruments, by the weighted average number of ordinary shares outstanding during the period, plus the average number of shares which, according to the share buyback method, would have been outstanding had all the issued dilutive instruments been converted (stock options and convertible debt).

The dilutive impact of each convertible instrument is determined in order to maximize the dilution of basic earnings per share. The dilutive impact of stock options is assessed based on the average price of Atos shares over the period.



### Related party transactions

Related party transactions include in particular transactions with:

- ▶ Persons or a close member of that person's family if that person is a member of the key management personnel of the Group as defined as persons who have the authority and responsibility for planning, directing and controlling the activity of the Group, including members of the Board of Directors, Supervisory Board and Management Board, as well as the Executive Senior Vice

Presidents.

- ▶ Entities if one of the following conditions apply:
  - The entity is a member of the Group;
  - The entity is a joint venture in which the Group is participating;
  - The entity is a post-employment benefit plan for the benefit of employees of the Group;
  - The entity is controlled or jointly controlled by a person belonging to the key management.

### D4.7.3 Financial risk management

The Group's activities expose it to a variety of financial risks including liquidity risk, interest rate risk, credit risk and currency risk. Financial risk management is carried out by the Global Treasury Department and involves minimizing potential adverse effects on the Group's financial performance.

#### Liquidity risk

Liquidity risk management involves maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities.

Atos's policy is to cover fully its expected liquidity requirements by long-term committed loans or other appropriate long-term financial instruments. Terms and conditions of these loans include maturity and covenants leaving sufficient flexibility for the Group to finance its operations and expected developments.

Credit facilities are subject to financial covenants that are carefully followed by Group Treasury Department.

Maturity analysis of financial liabilities is disclosed in Note 22.

#### Interest rate risk

Interest rate risk arises mainly from borrowings.

The management of exposure to interest rate risk encompasses two types:

- ▶ A price risk on fixed-rate financial assets and liabilities. For example, by contracting a fixed-rate liability, the Group is exposed to potential opportunity losses should interest rates fall. A change in interest rates would impact the market value of fixed-rate financial assets and liabilities. However, this loss of opportunity would not impact financial income and expenses as reported in the consolidated income statement and, as such, future net income of the Group up to maturity of these assets.
- ▶ A risk on floating-rate financial assets and liabilities should interest rates increase.

The main objective of managing overall interest rate on the Group's debt is to minimize the cost of debt and to protect the Group against fluctuations in interest rates by swapping to fixed rate a portion of the floating-rate financial debt. Authorized derivative instruments used to hedge the debt are swap contracts entered with leading financial institutions.



**Credit risk**

The Group has no significant concentrations of credit risk. The client selection process and related credit risk analysis is fully integrated within the global risk assessment project conducted throughout the life cycle of a project. Derivative counterparties and cash transactions are limited to high-credit quality financial institutions.

**Currency risk**

The Group's financial performance is not materially influenced by fluctuations in exchange rate since a significant portion of the business takes place within the Eurozone and costs and revenues are generally denominated in the same currency.

The Group has established a policy for managing foreign exchange positions resulting from commercial and financial transactions denominated in currencies different from the local currency of the relevant entity. According to this policy, any material exposure must be hedged as soon as it occurs. In order to hedge its foreign exchange rate exposure, the Group uses a variety of financial instruments, mainly forward contracts and foreign currency swaps.

**Price risk**

The Group has no material exposure to the price of equity securities, nor is it exposed to commodity price risks.

## D.4.74 Notes to the consolidated financial statements

**Note 1 Changes in the scope of consolidation****Business combination**

As of July 1<sup>st</sup>, 2011, Atos acquired from Siemens 100 percent of Siemens IT Solutions and Services, European based leading IT services provider which offers IT expertise and delivers industry focused end-to-end IT solutions.

The deal has created a new company ranked in the top ten global IT services providers, the new company is a powerful combination of two highly complementary organizations in matters of geography, business and industry.

Following this acquisition, Siemens became the largest customer of Atos. The following summarizes the major classes of consideration transferred, and the recognized amounts of assets acquired and liabilities assumed at the acquisition.

The 2011 pro forma revenue at constant scope and exchange rates (12 months Atos and 12 months Siemens IT Solutions and Services) was EUR 8,778 million. The corresponding operating margin was EUR 425.0 million representing 4.8 percent of revenue.

**Consideration transferred**

(in EUR million)	Amount
Initial consideration paid in cash	176.6
Price adjustments	(145.4)
Convertible bonds issued to Siemens	250.0
Atos' shares issued to Siemens	482.4
<b>Total consideration transferred</b>	<b>763.6</b>

### *Convertible bonds*

Siemens has received EUR 5.4 million bonds convertible into new or existing shares of Atos representing a nominal amount of EUR 250.0 million.

### *Atos Shares*

As part of the transaction Atos also issued EUR 12.5 million new ordinary shares in Atos representing 15 percent of the share capital of Atos, fully paid-up, with a par value of one euro.

The fair value of ordinary shares issued was based on the listed share price of the Company at July 1<sup>st</sup>, 2011 of EUR 38.65.

### *Price adjustments*

A Price adjustment of EUR 160.8 million in favor of Atos resulting from the application of the deal terms have been agreed by the parties in February 2012 and was settled in cash in the first quarter of 2012.

In addition, additional consideration for EUR 15.4 million had to be transferred in 2012 for assets and liabilities for which acquisition was deferred for regulatory or contractual reasons.

Those price adjustments include EUR 30.0 million of contingent consideration corresponding to doubtful receivables and loss making contract provision which would be reimbursed to Siemens in the unlikely situation where such losses would not occur.

### **Indemnification of Atos for certain specific risks**

Siemens has agreed to indemnify Atos in respect of certain risks and/or costs, including those specifically described hereafter.

### *Siemens activities outside the scope of the SIS business*

Siemens has agreed to indemnify Atos for all costs or risks relating to the activities of Siemens which are not part of the SIS Business acquired by Atos.

### *Identified contracts at risk – Projects risks*

Siemens has agreed to compensate, subject to certain limitations, Atos for certain risks and losses incurred in respect of four specific commercial contracts entered into by SIS.

### *Risks arising from other commercial contracts*

Siemens has agreed to partially indemnify Atos, subject to certain limitations, in respect of certain commercial contracts that are considered at risk of generating losses and are identified within a period of two years following the closing date as either not having been or not having been properly accounted for in the determination of the cash adjustment agreed on February 23rd, 2012.

Siemens' residual liability in respect of this indemnity is capped at EUR 114 million.

### *Certain commercial disputes and risks*

Siemens has also given a specific indemnity for the costs to be incurred in respect of certain ongoing commercial disputes and risks of SIS.

Identifiable assets acquired and liabilities assumed at the date of acquisition

(in EUR million)	Initial assets acquired and liability assumed	Deferred asset and liabilities	Other Adjustment	Assets acquired and liability assumed at the end of the measurement period
Intangible assets	396.5	11.2	(5.4)	402.3
Tangible assets	309.4	16.7	16.7	342.8
Non-current financial assets	4.5	-	-	4.5
Deferred tax assets	138.8	0.5	(27.8)	111.5
Other non current assets	-	-	98.9	98.9
Total non-current assets	849.2	28.5	82.5	960.1
Trade accounts and notes receivables	741.5	43.1	(3.8)	780.7
Current taxes	14.5	0.3	-	14.9
Other current assets	412.9	1.7	(5.2)	409.4
Current financial instruments	31.8	-	-	31.8
Cash and cash equivalents	248.9	3.0	-	251.9
Total current assets	1,449.6	48.1	(9.0)	1,488.7
<b>Total assets (A)</b>	<b>2,298.8</b>	<b>76.5</b>	<b>73.5</b>	<b>2,448.8</b>
Provision for pensions and similar benefits	78.8	4.2	-	83.0
Provisions	621.9	2.2	18.8	642.9
Non-current portion of borrowings	0.7	15.7	-	16.4
Deferred tax liabilities	165.8	0.7	(6.9)	159.5
Other non-current liabilities	26.1	-	-	26.1
Total non-current assets	893.3	22.8	11.9	928.0
Trade accounts and notes payables	387.7	19.1	(1.6)	405.2
Current taxes	5.4	0.3	(0.3)	5.4
Current financial instruments	0.3	-	-	0.3
Current portion of borrowings	42.2	10.0	-	52.2
Other current liabilities	595.1	10.8	(1.3)	604.6
Current liabilities	1,030.7	40.2	(3.2)	1,067.7
<b>Total liabilities (B)</b>	<b>1,924.0</b>	<b>62.9</b>	<b>8.8</b>	<b>1,995.7</b>
<b>Fair value of identifiable net asset (A)-(B)</b>	<b>374.8</b>	<b>13.6</b>	<b>64.7</b>	<b>453.1</b>

The valuation of assets acquired and liability assumed at their fair value has resulted in the recognition of new intangible assets, EUR 333.3 million of customer relationships and backlog determined by an independent expert, and the re-measurement of tangible assets and

liabilities. This amount is being amortized on a straight line basis over a period of 8.75 years. The 2012 customer relationships depreciation expense amounts to EUR 40.2 million and includes EUR 2.2 million of foreign exchange impact.

### Goodwill

Goodwill recognized as a result of the acquisition is detailed as follows:

(in EUR million)	Amount
Total consideration transferred	763.6
Fair value of identifiable net assets	453.1
<b>Goodwill</b>	<b>310.5</b>

The residual goodwill is attributable mainly to the balanced geographical position, Siemens IT Solutions and Services' highly skilled workforce and some know-how. It also reflects the synergies expected to be achieved from integrating into the Group.

Goodwill arising from this acquisition is not tax deductible.

### Net cash outflow on acquisition of subsidiaries

Part of the consideration transferred has been paid in cash and amounted to EUR 176.6 million. On July 1<sup>st</sup>, 2011, at the end of the transaction, the net cash and cash equivalents brought by SIS were EUR 361.0 million. This amount includes an EUR 155.0 million amount reflected in the acquisition price in order to compensate for the negative impact of the new payment term applied to former SIS contracts with the Siemens Group (from zero to 45 days) from July 1<sup>st</sup>, 2011. Consequently, the net impact of the net cash and cash equivalents of the acquisition of SIS is a positive result of EUR 29.4 million.

### Other acquisitions and disposals

The Group has invested EUR 36.5 million into the acquisition of controlling interests in the four following companies:

- ▶ blueKiwi Software SA, a social workplace software company located in France;
- ▶ MSL Technology S.L. in Spain, a provider of real-time results and information systems for major sports events;
- ▶ Quality Equipment BV, a Dutch player in electronic payments;
- ▶ DAESA, a small captive of Banco Popular in Spain.

The Group has sold its 49 percent stake in the Belgium joint-venture Sinsys in June 2012 and its small operation in Greece in December 2012 for a total consideration of EUR 12.2 million.

### 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 acquisition of SIS, the chief operating maker decided to reorganize as per the operating segments detailed here below:

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

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties.

The revenues from each external contract amounted to less than 10 percent of the Group's revenue.

The changes compared to 2011 segments organization are the following:

Operating segments in 2011	Bridge	Operating segments in 2012
Germany	Atos Worldgrid Germany	Other countries

The change in internal management reporting is applied retrospectively and comparative figures are restated.

The operating segment information for the periods is as follows:

(in EUR million)	Germany	France	United Kingdom and Ireland	Benelux	Atos Worldline
<b>12 months ended 31 December 2012</b>					
<b>External revenue by segment</b>	<b>1,690.5</b>	<b>979.9</b>	<b>1,678.9</b>	<b>978.3</b>	<b>927.4</b>
%	19.1%	11.1%	19.0%	11.1%	10.5%
Inter-segment revenue	164.5	90.2	33.2	70.4	27.2
Total revenue	1,855.0	1,070.1	1,712.1	1,048.7	954.6
<b>Segment operating margin</b>	<b>138.7</b>	<b>14.8</b>	<b>116.7</b>	<b>78.4</b>	<b>162.1</b>
%	8.2%	1.5%	7.0%	8.0%	17.5%
<b>Total segment assets</b>	<b>963.4</b>	<b>594.1</b>	<b>1,044.7</b>	<b>835.0</b>	<b>712.0</b>
<b>Other information on income statement</b>					
Depreciation of assets	(80.2)	(24.8)	(57.2)	(38.1)	(31.7)
Impairment losses for fixed assets	(2.4)				
Reversal of impairment losses for fixed assets					
<b>Other informations</b>					
Year end headcount	8,641	9,837	10,927	6,708	5,909
Capital expenditure	57.9	19.8	41.6	37.9	42.3
Net debt	(478.5)	(5.9)	213.9	83.7	(100.7)
<b>12 months ended 31 December 2011</b>					
<b>External revenue by segment</b>	<b>1,099.6</b>	<b>991.0</b>	<b>1,194.9</b>	<b>942.2</b>	<b>913.1</b>
%	16.1%	14.5%	17.5%	13.8%	13.4%
Inter-segment revenue	74.5	83.2	15.3	43.6	19.8
Total revenue	1,174.1	1,074.2	1,210.2	985.8	932.9
<b>Segment operating margin</b>	<b>83.1</b>	<b>19.3</b>	<b>79.7</b>	<b>70.2</b>	<b>157.0</b>
%	7.6%	1.9%	6.7%	7.4%	17.2%
<b>Total segment assets</b>	<b>990.7</b>	<b>625.9</b>	<b>1,003.6</b>	<b>997.5</b>	<b>691.5</b>
<b>Other information on income statement</b>					
Depreciation of assets	(56.6)	(24.6)	(42.1)	(40.6)	(41.1)
Impairment losses for fixed assets	(0.1)				
Reversal of impairment losses for fixed assets	1.0				0.3
<b>Other informations</b>					
Year end headcount	9,164	10,576	9,667	7,132	5,849
Capital expenditure	59.0	14.9	37.9	31.8	39.3
Net debt	(1,053.4)	67.6	245.7	68.9	(43.3)

Central and Eastern Europe	North America	North and South West Europe	Iberia	Other countries	Total Operating segments	Global Delivery Lines	Other Global Structures	Elimination	Total Group
<b>568.2</b>	<b>588.0</b>	<b>407.2</b>	<b>317.0</b>	<b>708.9</b>	<b>8,844.3</b>				<b>8,844.3</b>
6.4%	6.6%	4.6%	3.6%	8.0%	100.0%				100.0%
103.2	38.0	15.7	13.1	205.4	760.9		120.6	(881.5)	-
671.4	626.0	422.9	330.1	914.3	9,605.2	-	120.6	(881.5)	8,844.3
<b>60.4</b>	<b>47.2</b>	<b>32.2</b>	<b>8.8</b>	<b>45.9</b>	<b>705.2</b>		<b>(125.2)</b>		<b>580.0</b>
10.6%	8.0%	7.9%	2.8%	6.5%	8.0%				6.6%
<b>339.9</b>	<b>207.1</b>	<b>238.1</b>	<b>208.1</b>	<b>626.8</b>	<b>5,769.2</b>	<b>-</b>	<b>119.6</b>	<b>-</b>	<b>5,888.8</b>
(28.9)	(15.3)	(16.4)	(3.4)	(32.8)	(328.8)		(15.8)		(344.6)
					(2.4)				(2.4)
					-				-
6,210	4,106	1,723	5,149	16,573	75,783		634		76,417
35.0	16.2	17.2	2.9	40.1	310.9		14.2		325.1
(62.6)	(64.0)	(65.9)	58.4	(143.9)	(565.5)		333.4		(232.1)
<b>310.6</b>	<b>304.0</b>	<b>223.5</b>	<b>314.3</b>	<b>518.9</b>	<b>6,812.1</b>		<b>0.4</b>		<b>6,812.5</b>
4.6%	4.5%	3.3%	4.6%	7.6%	100.0%				100.0%
54.2	13.4	9.8	9.4	145.3	468.5		(9.1)	(459.4)	-
364.8	317.4	233.3	323.7	664.2	7,280.6	-	(8.7)	(459.4)	6,812.5
<b>29.1</b>	<b>31.5</b>	<b>16.6</b>	<b>3.9</b>	<b>34.3</b>	<b>524.7</b>		<b>(102.3)</b>		<b>422.4</b>
9.4%	10.4%	7.4%	1.2%	6.6%	7.7%				6.2%
<b>338.1</b>	<b>212.9</b>	<b>243.5</b>	<b>204.1</b>	<b>520.8</b>	<b>5,828.6</b>	<b>-</b>	<b>372.9</b>	<b>-</b>	<b>6,201.5</b>
(16.0)	(11.5)	(9.1)	(3.2)	(24.8)	(269.6)		(10.6)		(280.2)
				(0.8)	(0.9)				(0.9)
					1.3				1.3
4,814	3,810	1,681	5,004	15,597	73,294		675		73,969
10.8	7.4	8.7	2.6	22.2	234.6		18.7		253.3
(30.2)	(24.0)	(53.1)	31.9	34.1	(755.8)		897.6		141.8

The assets detailed above by segment are reconciled to total assets as follows:

(in EUR million)	12 months ended 31 December 2012	12 months ended 31 December 2011
<b>Total segment assets</b>	<b>5,888.8</b>	<b>6,201.5</b>
Tax Assets	398.8	398.8
Cash & Cash Equivalents	1,159.7	766.8
<b>Total Assets</b>	<b>7,447.3</b>	<b>7,367.1</b>

The Group's revenues from external customers are split into the following service lines:

(in EUR million)	Consulting & Technology Services	Systems Integration	Managed Services	HTTS (*) & Specialized Businesses	Unallocated	Total Group
<b>12 months ended 31 December 2012</b>						
<b>External revenue by segment</b>	<b>603.6</b>	<b>2,136.4</b>	<b>4,135.2</b>	<b>1,969.1</b>	<b>-</b>	<b>8,844.3</b>
%	6.8%	24.2%	46.8%	22.3%	0.0%	100.0%
<b>12 months ended 31 December 2011</b>						
<b>External revenue by segment</b>	<b>587.7</b>	<b>1,770.5</b>	<b>2,891.4</b>	<b>1,562.5</b>	<b>0.4</b>	<b>6,812.5</b>
%	8.6%	26.0%	42.4%	22.9%	0.0%	100.0%

(\*) Hi-Tech Transactional Services.

### Note 3 Personnel expenses

(in EUR million)	12 months ended 31 December 2012	% Revenue	12 months ended 31 December 2011	% Revenue
Wages and salaries	(3,526.1)	39.9%	(2,772.0)	40.7%
Social security charges	(939.7)	10.6%	(766.7)	11.3%
Tax, training, profit-sharing	(60.8)	0.7%	(66.5)	1.0%
Equity-based compensation	(172)	0.2%	(10.5)	0.2%
Net (charge) /release to provisions for staff expenses	11	0.0%	3.3	0.0%
Difference between pension contributions and net pension expense (*)	40.5	-0.5%	48.2	-0.7%
<b>Total</b>	<b>(4,502.2)</b>	<b>50.9%</b>	<b>(3,564.2)</b>	<b>52.3%</b>

(\*) Difference between total cash contributions made to the pensions funds and the net pension expense under IAS19.



### Equity-based compensation

The EUR 172 million charges recorded within operating margin for equity based compensation (EUR 10.5 million in 2011) is made of:

- ▶ EUR 11.3 million related to a new share grant plan set-up on December 22<sup>nd</sup>, 2011 and on March 29<sup>th</sup>, 2012,
- ▶ EUR 4.1 million related to the Group shareholding program SPRINT implemented in November 2012,
- ▶ EUR 1.7 million related to the stock option plans granted in previous years, and of,
- ▶ EUR 0.1 million related to the ended Management Incentive Plans (MIP) and Long-Term Incentive plans (LTI) implemented in 2008 and in 2007.

### Free Share plans

Total expense in operating margin related to free share plans during the year was the following:

(in EUR million)	12 months ended 31 December 2012	12 months ended 31 December 2011
Plan 2012	0.2	-
Plan 2011	11.1	0.3
LTI/MIP set-up in 2007 and 2008	0.1	0.6
<b>Total</b>	<b>11.4</b>	<b>0.9</b>

### Employee Share Purchase Plan (SPRINT)

A new Employee Share Purchase Plan called SPRINT 2012 was open to employees throughout the Group. Following the same pattern of the Sprint 2011 plan issued in the prior year, this new plan offered eligible employees two formulas:

- ▶ the SPRINT dynamic formula: purchase of shares at a 20 percent discount with a five-year lock-up period restriction. The initial investment is not protected, and
- ▶ the SPRINT secure formula: the leveraged structure implemented with a bank allows the employee to receive after the five-year lock-up period the highest of the initial investment increased by a 3 percent of interest and ten times the average share price increase. The initial employee investment and this increase are guaranteed by the bank which benefits from the 20 percent discount on the 10 shares.

As a consequence of the SPRINT 2012 plan, the Group issued 570,510 shares at a reference share price of EUR 51.35 (before the 20 percent discount application).

The cost related to SPRINT 2012 takes into account the effect of the five-year lock-up period restriction calculated based on the following parameters:

- ▶ Risk free interest rate: 1.0 percent
- ▶ Credit spread: 4.9 percent
- ▶ Borrowing-lending spread: 1.5 percent

### Stock option plans

The Group recognized a total expense of EUR 1.7 million on stock options (EUR 5.3 million in 2011) detailed as follows:

Date of grant	Number of shares initially granted	2012 expens (in EUR million)
23 December 2008	1,378,000	0.1
26 March 2009	1,850,000	0.5
3 July 2009	1,443,500	0.4
4 September 2009	259,000	0.1
31 December 2010	374,500	0.6
<b>TOTAL</b>	<b>5,305,000</b>	<b>1.7</b>

Breakdown of the share options outstanding at the end of year was the following:

	12 months ended 31 December 2012		12 months ended 31 December 2011	
	Number of share	Weighted average strike price (in EUR)	Number of share	Weighted average strike price (in EUR)
<b>Outstanding at the beginning of the year</b>	<b>8,531,235</b>	<b>39.5</b>	<b>9,477,800</b>	<b>41.3</b>
Granted during the year	-	-	-	-
Forfeited during the year	(28,330)	41.8	(162,445)	31.2
Exercised during the year	(860,045)	30.8	(219,070)	23.9
Expired during the year	(100,680)	58.7	(565,050)	79.1
<b>Outstanding at the end of the year</b>	<b>7,542,180</b>	<b>40.2</b>	<b>8,531,235</b>	<b>39.5</b>
<b>Exercisable at the end of the year, below year-end stock price (*)</b>	<b>4,981,018</b>	<b>31.8</b>	<b>2,860,202</b>	<b>23.6</b>

(\*) Year-end stock price: EUR 52.86 at 31 December 2012 and EUR 33.91 at 31 December 2011.

Options outstanding at the end of the year have a weighted average remaining contractual life of 4.3 years (2011: 5.2 years).

### Note 4 Operating expenses

(in EUR million)	12 months ended 31 December 2012	% Revenue	12 months ended 31 December 2011	% Revenue
Subcontracting costs direct	(1,387.0)	15.7%	(974.1)	14.3%
Purchase hardware and software	(442.8)	5.0%	(334.9)	4.9%
Maintenance costs	(401.7)	4.5%	(302.7)	4.4%
Rent & Lease expenses	(301.1)	3.4%	(248.2)	3.6%
Telecom costs	(299.0)	3.4%	(197.4)	2.9%
Travelling expenses	(204.9)	2.3%	(147.4)	2.2%
Company cars	(101.1)	1.1%	(89.6)	1.3%
Professional fees	(210.6)	2.4%	(150.5)	2.2%
Taxes & Similar expenses	(40.3)	0.5%	(19.9)	0.3%
Others expenses	(177.7)	2.0%	(136.7)	2.0%
<b>Subtotal expenses</b>	<b>(3,566.2)</b>	<b>40.3%</b>	<b>(2,601.4)</b>	<b>38.2%</b>
Depreciation of assets	(344.6)	3.9%	(280.3)	4.1%
Net (charge) / release to provisions	124.5	-1.4%	49.3	-0.7%
Gains / (Losses) on disposal of assets	(2.9)	0.0%	(0.8)	0.0%
Trade Receivables write-off	(15.2)	0.2%	(15.9)	0.2%
Capitalized Production	42.3	-0.5%	23.2	-0.3%
<b>Subtotal other expenses</b>	<b>(195.9)</b>	<b>2.2%</b>	<b>(224.5)</b>	<b>3.3%</b>
<b>Total</b>	<b>(3,762.1)</b>	<b>42.5%</b>	<b>(2,825.9)</b>	<b>41.5%</b>

#### Note 5 Other operating income and expenses

Other operating income and expenses relate to income and expenses that are unusual, abnormal and infrequent and represented a net expense of EUR 198.6 million in 2012. A large part of the unfavorable difference compared to year 2011 is explained by a one-off positive result on

pension indexation in the UK for EUR 76.9 million in the prior year. The following table presents this amount by nature:

(in EUR million)	12 months ended 31 December 2012	12 months ended 31 December 2011
Staff reorganization	(62.4)	(56.9)
Rationalization and associated costs	(28.1)	(29.6)
Integration and acquisition costs	(53.3)	(45.5)
Customer relationships amortization (PPA) *	(43.2)	(18.5)
Change in UK pension indexation	-	76.9
Other items	(11.6)	(1.1)
<b>Total</b>	<b>(198.6)</b>	<b>(74.7)</b>

\* Purchase Price Allocation.

The EUR 62.4 million **staff reorganization** expense represented the non-recurring costs induced by the global transformation program aimed at improving Group efficiency and productivity. The reorganization plans concerning former SIS entities which were fully provided for as of June 30<sup>th</sup>, 2011 were almost completed in all geographies as at end of December 2012 except for Germany where the last departures will occur in the first semester of 2013.

The EUR 28.1 million **rationalization and associated costs** primarily resulted from office premises closures as part of the TOP<sup>2</sup> Program launched in 2011 together with the continuing datacenter consolidation strategy, mainly in Germany for EUR 8.7 million, Benelux for EUR 8.1 million, Latin America for EUR 3.7 million and Central Eastern Europe for EUR 2.5 million.

The **integration and acquisition costs**, mostly resulting from the takeover of Siemens IT Solutions and Services (SIS), amounted to EUR 53.3 million and primarily consisted of costs of IT infrastructure carve out and harmonization together with the roll out of Group

transactional systems and processes in the former SIS entities.

The 2012 **customer relationships amortization** of EUR 43.2 million was mainly composed of the EUR 40.2 million SIS customer relationships (PPA) depreciation expense.

The **other items** amounted to an expense of EUR 11.6 million and are mainly made of:

- ▶ A EUR 13.0 million provision as a consequence of the Neckermann insolvency announced in the second semester of 2012,
- ▶ A loss of EUR 10.2 million resulting from the disposal of the Greek subsidiary,
- ▶ A EUR 4.3 million gain related to the disposal of the 49 percent interest held in the Belgium joint venture Sinsys.

#### Note 6 Net financial result

Net financial expense amounted to EUR 51.8 million for the period (compared with EUR 35.4 million last year) and was composed of a net cost of financial debt of EUR 34.2 million and non-operational financial costs of EUR 17.6 million.

#### Net cost of financial debt

(in EUR million)	12 months ended 31 December 2012	12 months ended 31 December 2011
<b>Net interest expenses</b>	<b>(30.3)</b>	<b>(29.1)</b>
Interest on obligations under finance leases	(1.1)	(0.2)
Gain/(loss) on disposal of cash equivalents	0.2	1.5
Gain/(loss) on interest rate hedges of financial debt	(3.0)	-
<b>Net cost of financial debt</b>	<b>(34.2)</b>	<b>(27.8)</b>

Net cost of financial debt was EUR 34.2 million (compared to EUR 27.8 million in 2011), including the following elements:

- ▶ The average gross borrowings of EUR 957.6 million bearing an average expense rate of 4.37 percent, of which:
  - The used portion of the syndicated loan for an average of EUR 284.2 million bearing an effective interest rate of 3.95 percent, including commitment fees, and cost of financial instrument.
  - The convertible bonds issued in October 2009 for an outstanding amount of EUR 228.6 million at December 31<sup>st</sup>, 2012 bearing an effective interest rate of 6.68 percent (under IFRS),
  - The convertible bonds exclusively subscribed by Siemens at the time of the acquisition of Siemens IT Solutions and Services in July 2011 for an outstanding amount of EUR 231.1 million at December 31<sup>st</sup>, 2012 bearing an effective interest rate of 4.35 percent (under IFRS), and
  - Other sources of financing, including securitization,

for an average of EUR 223.7 million, bearing an effective interest rate of 3.01 percent.

- ▶ And the average net cash of EUR 928.2 million bearing an average income rate of 0.82 percent.

The average expense rate of gross borrowings remained almost stable from 4.34 percent in 2011 to 4.37 percent in 2012.

In the meantime, the average Group cash remuneration varied from 1.03 percent in 2011 to 0.82 percent in 2012.

The net cost of financial debt was covered 17 times by operating margin, which met the requirement defined under the terms of Group syndicated loan contract: operating margin amount should be higher than four times the net cost of financial debt.

### Other financial income and expenses

(in EUR million)	12 months ended 31 December 2012	12 months ended 31 December 2011
Foreign exchange income / (expenses)	(8.1)	8.1
Fair value gain/(loss) on forward exchange contracts held for trading	1.9	(0.1)
Discounting financial income / (expenses)	(0.3)	(0.5)
Other income / (expenses)	(11.1)	(15.1)
<b>Other financial income and expenses</b>	<b>(17.6)</b>	<b>(7.6)</b>
Of which:		
- other financial expenses	(54.7)	(82.3)
- other financial income	37.1	74.7

Non-operational financial costs amounted to EUR 17.6 million compared to EUR 7.6 million in 2011 and mainly composed of pension financial related costs (EUR 6.6 million compared to EUR 11.1 million expense in 2011) and the total net foreign exchange charge (EUR 6.2 million).

The pension financial costs represent the difference between the interests cost and the expected return on plan assets. Please refer to Note 20 Pensions for further explanation.

#### Note 7 Income tax expenses

##### Current and deferred taxes

(in EUR million)	12 months ended 31 December 2012	12 months ended 31 December 2011
Current taxes	(75.3)	(112.8)
Deferred taxes	(27.6)	(16.5)
<b>Total</b>	<b>(102.9)</b>	<b>(129.3)</b>

##### Effective tax rate

The difference between the French standard tax rate and the Effective Tax Rate (ETR) is explained as follows:

(in EUR million)	12 months ended 31 December 2012	12 months ended 31 December 2011
Profit before tax	329.6	312.3
French standard tax rate	36.1%	36.1%
<b>Theoretical tax charge at French standard rate</b>	<b>(119.0)</b>	<b>(112.7)</b>
Impact of permanent differences	(21.2)	(3.4)
Differences in foreign tax rates	27.9	35.6
Unrecognized tax assets	33.8	(26.6)
Change in deferred tax rates	(6.1)	(9.9)
Withholding taxes	(6.9)	(10.6)
CVAE net of tax	(13.2)	(12.7)
French Tax credit	4.2	8.5
Other	(2.4)	2.5
<b>Group tax expense</b>	<b>(102.9)</b>	<b>(129.3)</b>
<b>Effective tax rate</b>	<b>31.2%</b>	<b>41.4%</b>

The 2012 Group effective tax rate was 31.2 percent, which included the French CVAE for a gross amount of EUR 20.1 million or EUR 13.2 million after tax.

##### Restated effective tax rate

(in EUR million)	12 months ended 31 December 2012	12 months ended 31 December 2011
<b>Profit before tax</b>	<b>329.6</b>	<b>312.3</b>
Other operating income and expenses	(198.6)	(74.7)
<b>Profit before tax excluding unusual items</b>	<b>528.2</b>	<b>387.0</b>
Tax effect on other operating income and expenses	59.8	25.6
Other unusual items on tax	7.4	(39.3)
Group tax expense	(102.9)	(129.3)
<b>Total of tax excluding unusual items</b>	<b>(170.1)</b>	<b>(115.6)</b>
<b>Restated effective tax rate</b>	<b>32.2%</b>	<b>29.9%</b>

After restating the unusual items, the restated profit before tax was EUR 528.2 million, restated tax charge EUR 170.1 million and the restated effective tax rate was 32.2 percent.

### Note 8 Deferred taxes

(in EUR million)	12 months ended 31 December 2012	12 months ended 31 December 2011 Restated	12 months ended 31 December 2011 Published
Deferred tax assets	362.5	352.7	381.3
Deferred tax liabilities	192.4	237.7	244.6
<b>Net deferred tax</b>	<b>170.1</b>	<b>115.0</b>	<b>136.7</b>

### Breakdown of deferred tax assets and liabilities by nature

(in EUR million)	Tax losses carry forward	Customer relation-ships	Fixed assets	Pensions	Other	Total
<b>At 1 January 2011</b>	<b>74.7</b>	<b>-</b>	<b>47.4</b>	<b>63.8</b>	<b>37.4</b>	<b>223.3</b>
Charge to profit or loss for the year	(70)	5.7	6.0	(26.3)	5.1	(16.5)
Charge to goodwill	74.8	(99.2)	3.5	25.2	(31.5)	(27.2)
Charge to equity	(0.1)	-	-	(37.7)	(10.4)	(48.2)
Reclassification	6.9	-	-	0.7	(8.0)	(0.4)
Exchange differences	4.4	0.4	2.9	0.1	(2.0)	5.7
<b>At 31 December 2011</b>	<b>153.7</b>	<b>(93.1)</b>	<b>59.8</b>	<b>25.8</b>	<b>(9.4)</b>	<b>136.7</b>
Changes in SIS business combination at January 1 <sup>st</sup> , 2012	(0.1)	-	(5.3)	(33.2)	16.9	(21.7)
<b>At 1 January 2012 Restated</b>	<b>153.6</b>	<b>(93.1)</b>	<b>54.5</b>	<b>(7.4)</b>	<b>7.5</b>	<b>115.0</b>
Charge to profit or loss for the year	11.1	12.1	10.9	3.3	(64.8*)	(27.4)
Charge to goodwill	5.9	(4.9)	0.3	2.2	0.3	3.8
Charge to equity	-	-	-	83.2	(1.0)	82.2
Reclassification	(7.1)	-	2.8	2.7	(4.6)	(6.2)
Exchange differences	-	0.7	1.5	2.3	(1.8)	2.7
<b>At 31 December 2012</b>	<b>163.5</b>	<b>(85.2)</b>	<b>70.0</b>	<b>86.3</b>	<b>(64.4)</b>	<b>170.1</b>

\* Of which EUR 279 million of timing differences on provisions.

Tax losses carry forward schedule (basis)

(in EUR million)	12 months ended 31 December 2012			12 months ended 31 December 2011		
	Recognized	Unrecog- nized	Total	Recognized	Unrecog- nized	Total
2012	-	-	-	09	84	93
2013	99	14	113	28	25	53
2014	396	130	526	450	142	592
2015	12	22	34	19	26	45
2016	61	20	81	-	-	-
Tax losses available for carry forward more than five years	190.3	83.8	274.1	167.8	231.9	399.7
<b>Ordinary tax losses carry forward</b>	<b>247.1</b>	<b>102.4</b>	<b>349.5</b>	<b>218.3</b>	<b>259.6</b>	<b>477.9</b>
<b>Evergreen tax losses carry forward</b>	<b>319.6</b>	<b>497.6</b>	<b>817.2</b>	<b>298.0</b>	<b>512.0</b>	<b>810.0</b>
<b>Total tax losses carry forward</b>	<b>566.7</b>	<b>600.0</b>	<b>1,166.7</b>	<b>516.3</b>	<b>771.6</b>	<b>1,287.9</b>

The countries with the largest tax losses available for carry forward were France (EUR 269.2 million), The Netherlands (EUR 118.6 million), the United Kingdom (EUR 141.2 million), Spain (EUR 89.3 million), the United States

(EUR 71.7 million), Brazil (EUR 64.3 million), Austria (EUR 53.7 million), Italy (EUR 53.6 million), Switzerland (EUR 28.8 million) and Hong Kong (EUR 24.4 million).

Deferred tax assets not recognized by the Group

(in EUR million)	12 months ended 31 December 2012	12 months ended 31 December 2011
Tax losses carry forward	179.3	232.6
Temporary differences	42.7	65.5
<b>Total</b>	<b>222.0</b>	<b>298.1</b>

### Note 9 Non-controlling Interests

(in EUR million)	31 December 2011 restated	31 December 2011 published	2012 Income	Dividends	Scope Changes	Other	31 December 2012
Canopy The Open Cloud Company Limited	-	-	(0.7)	-	10.0	-	9.3
Arbeitsmarktservice BetriebsgmBH & Co KG	2.2	2.2	6.3	(1.3)	-	-	7.2
MSL Technology SL	-	-	(1.0)	-	11.0	-	10.0
Diamis	15	15	0.1	-	-	-	16
Yunano	-	-	(0.4)	-	1.3	-	0.9
Atos Pty Ltd	11	11	(0.8)	-	-	-	0.3
Other	12	12	0.7	(0.1)	-	(0.3)	15
<b>Total</b>	<b>6.0</b>	<b>6.0</b>	<b>4.2</b>	<b>(1.4)</b>	<b>22.3</b>	<b>(0.3)</b>	<b>30.8</b>

(in EUR million)	31 December 2010	2011 Income	Dividends	Impact of business combination	Other	31 December 2011 published
Arbeitsmarkt-service BetriebsgmBH & Co KG	-	2.5	(2.0)	1.7	-	2.2
Diamis	1.3	0.2	-	-	-	1.5
Atos Pty Ltd	2.6	(1.1)	-	-	(0.4)	1.1
Other	1.5	(0.4)	(0.4)	0.6	(0.1)	1.2
<b>Total</b>	<b>5.4</b>	<b>1.2</b>	<b>(2.4)</b>	<b>2.3</b>	<b>(0.5)</b>	<b>6.0</b>

### Note 10 Earnings per share

Basic and diluted earnings per share are reconciled in the table below.

Potential dilutive instruments comprised stock subscription (equivalent to 1,832,848 options) and convertible bonds (equivalent to 10,796,902 shares of which 5,414,771 issued in 2009 and 5,382,131 issued in 2011). The convertible bonds are the only instruments that

generate a restatement of net income used for the diluted EPS calculation. The amount restated of EUR 15.7 million corresponded to the interest expenses relating to the liability component net of deferred tax (EUR 9.4 million issued in 2009 and EUR 6.3 million issued in 2011).

The average number of stock options not exercised in 2012 amounted to 8,195,301 shares.

(in EUR million and shares)	12 months ended 31 December 2012	12 months ended 31 December 2011
<b>Net income - Attributable to owners of the parent [a]</b>	<b>223.8</b>	<b>181.6</b>
Impact of dilutive instruments	15.7	12.2
<b>Net income restated of dilutive instruments - Attributable to owners of the parent [b]</b>	<b>239.5</b>	<b>193.8</b>
Average number of shares outstanding [c]	84,066,299	76,019,755
Impact of dilutive instruments [d]	12,629,750	12,170,891
Diluted average number of shares [e]=[c]+[d]	96,696,049	88,190,646
<b>Earnings per share in EUR [a]/[c]</b>	<b>2.66</b>	<b>2.39</b>
Diluted earnings per share in EUR [b]/[e]	2.48	2.20

No significant shares' transactions occurred subsequently to the closing that could have a dilutive impact on earnings per share calculation.



Note 11 Goodwill

(in EUR million)	31 December 2011 Published	31 December 2011 Restated	Disposals Deprecia- tions	Impact of business combi- nation	Other	Exchange rate fluctuations	31 December 2012
Gross value	2,564.4	2,499.8	(15.9)	33.1	-	4.4	<b>2,521.4</b>
Impairment loss	(582.2)	(582.2)	5.4	-	-	(2.4)	<b>(579.2)</b>
<b>Carrying amount</b>	<b>1,982.2</b>	<b>1,917.6</b>	<b>(10.5)</b>	<b>33.1</b>	<b>-</b>	<b>2.0</b>	<b>1,942.2</b>

(in EUR million)	31 December 2010	Disposals Deprecia- tions	Impact of business combi- nation	Other	Exchange rate fluctuations	31 December 2011
Gross value	2,187.5	-	373.4	0.3	3.2	<b>2,564.4</b>
Impairment loss	(577.6)	-	-	-	(4.6)	<b>(582.2)</b>
<b>Carrying amount</b>	<b>1,609.9</b>	<b>-</b>	<b>373.4</b>	<b>0.3</b>	<b>(1.4)</b>	<b>1,982.2</b>

Goodwill is allocated to Cash Generating Units (CGUs) that are then part of one of the operating segments disclosed in Note 2 Segment information as per IFRS 8 requirements.

goodwill increased from EUR 1,917.6 million to EUR 1,942.2 million mainly due to various acquisitions detailed in the Note 1 in the Business combination section.

A summary of the carrying values of goodwill allocated by CGUs or grouping of CGUs is presented hereafter. Overall,

(in EUR million)	31 December 2012	12 months ended 31 December 2011 Restated	12 months ended 31 December 2011 Published
Germany	215.1	215.1	213.9
France	183.4	183.4	183.4
UK/Ireland	454.2	445.1	520.0
Benelux	311.6	311.6	311.6
AWL	366.4	367.7	367.7
CEE	71.3	72.1	63.7
NAM	32.5	32.5	31.8
N&SWE	43.6	51.3	48.5
Iberia	95.4	77.6	76.7
Other countries	168.7	161.2	164.9
<b>Total</b>	<b>1,942.2</b>	<b>1,917.6</b>	<b>1,982.2</b>

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial business plans approved by management, covering a three-year period. They are also based on the following assumptions:

- ▶ Terminal value is calculated after the three-year period, using an estimated perpetuity growth rate of 2.0 percent (compared to 2.5 percent in 2011). Although exceeding the long term average growth rate for the countries in which the Group operated, this rate reflects specifics

perspectives of the IT sector, and

- ▶ Discount rates are applied by CGU based on the Group's weighted average cost of capital and adjusted to take into account specific tax rates and country risks relating to each geographical area. The Group considers that the weighted average cost of capital should be determined based on an historical equity risk premium of 6.0 percent (compared to 5.8 percent in 2011), in order to reflect the long-term assumptions factored in the impairment tests.

As a result, the discount rates used by CGUs are presented hereafter:

	2012 Discount rate	2011 Discount rate
Germany	9.9%	10.0%
France	9.8%	9.9%
UK/Ireland	9.9%	10.0%
Benelux	9.9%	10.0%
AWL	9.9%	10.0%
CEE	10.0%	10.0%
NAM	9.8%	9.9%
N&SWE	9.9%	10.0%
Iberia	9.9%	10.0%
Other countries	between 9.9% to 10.7%	between 10.0% and 11.5%

Based on the 2012 goodwill impairment test, which was carried out at year-end, no impairment losses were recognized at December 31<sup>st</sup>, 2012.

An analysis of the calculation's sensitivity to a combined change in the key parameters (operating margin, discount rate and perpetuity growth rate) based on reasonably probable assumptions of variations of +/- 50bp for each of these parameters was performed.

As regards to Iberia and France CGUs, the 2012 test resulted in a value in use close to the carrying amount. A 50bp increase in the discount rate or a 50bp decrease in the perpetual growth rate used to calculate terminal value or a 50bp decrease in the operating margin for the cash flow projection used to calculate the terminal value would have led to the recognition of:

- ▶ an impairment loss of between EUR 4.8 million and EUR 10.7 million for Iberia and,
- ▶ an impairment loss of between EUR 0.0 million and EUR 15.7 million for France.

Note 12 Intangible assets

(in EUR million)	Gross value	Amortization	Net value
<b>At January 1<sup>st</sup>, 2011</b>	<b>370.8</b>	<b>(294.8)</b>	<b>76.0</b>
Additions / charges	58.6	(49.6)	9.0
Disposals / reversals	(27.0)	27.0	0.0
Impact of business combination	72.4	-	72.4
Customer Relationships (PPA) *	324.1	(18.5)	305.6
Exchange differences	13.0	(5.6)	7.4
Other	4.9	(3.2)	1.7
<b>At December 31<sup>st</sup>, 2011</b>	<b>816.8</b>	<b>(344.7)</b>	<b>472.1</b>
Changes in SIS business combination at January 1 <sup>st</sup> , 2012	(5.4)	-	(5.4)
<b>At January 1<sup>st</sup>, 2012 restated</b>	<b>811.4</b>	<b>(344.7)</b>	<b>466.7</b>
Additions / charges	69.2	(51.6)	17.6
Disposals / reversals	(21.7)	21.1	(0.6)
Impact of business combination	6.5	-	6.5
Customer Relationships (PPA) *	172	(43.2)	(26.0)
Disposal of subsidiaries	(8.7)	4.7	(4.0)
Exchange differences	0.1	0.2	0.3
Other	18.1	(14.6)	3.5
<b>At December 31<sup>st</sup>, 2012</b>	<b>892.1</b>	<b>(428.1)</b>	<b>464.0</b>

\* Purchase Price Allocation.

An amount of EUR 333.3 million, composed of EUR 324.1 million recorded in 2011 and EUR 9.2 million recorded in 2012, was recognized as Customer Relationships related to the value of the customer relationships and backlog brought by SIS which was part of the purchase price at acquisition date (PPA: Purchase Price Allocation). The Customer Relationships was valued as per the multi-period excess earning method (income approach) applied

to a contracts base representing 80 percent of the SIS annual turnover and assuming the same average renewal conditions as obtained by Atos Origin in the past for each type of contract. This amount is being amortized on a straight line basis over a period of 8.75 years. The 2012 customer relationships depreciation expense amounts to EUR 40.2 million and includes EUR 2.2 million of foreign exchange impact.

### Note 13 Tangible assets

(in EUR million)	Land and buildings	IT equipments	Other assets	Total
<b>Gross value</b>				
<b>At January 1<sup>st</sup>, 2012 published</b>	<b>365.6</b>	<b>1,064.6</b>	<b>105.9</b>	<b>1,536.1</b>
Changes in SIS business combination at January 1 <sup>st</sup> , 2012	16.7	-	-	16.7
<b>At January 1<sup>st</sup>, 2012 restated</b>	<b>382.3</b>	<b>1,064.6</b>	<b>105.9</b>	<b>1,552.8</b>
Additions	26.3	181.6	71.0	278.9
Impact of business combination	0.4	19.9	0.4	20.7
Disposals	(59.6)	(101.9)	(26.3)	(187.8)
Exchange differences	1.5	(3.2)	(1.7)	(3.4)
Other	45.1	(114.3)	49.7	(19.5)
<b>At December 31<sup>st</sup>, 2012</b>	<b>396.0</b>	<b>1,046.7</b>	<b>199.0</b>	<b>1,641.7</b>
<b>Accumulated depreciation</b>				
<b>At January 1<sup>st</sup>, 2012 published</b>	<b>(191.0)</b>	<b>(619.4)</b>	<b>(45.5)</b>	<b>(855.9)</b>
Depreciation charge for the year	(39.3)	(214.0)	(32.1)	(285.4)
Eliminated on disposal	35.1	85.3	27.8	148.2
Exchange differences	(0.7)	3.1	1.3	3.7
Impairment	-	(2.1)	(0.3)	(2.4)
Other	(37.1)	101.0	(46.0)	17.9
<b>At December 31<sup>st</sup>, 2012</b>	<b>(233.0)</b>	<b>(646.1)</b>	<b>(94.8)</b>	<b>(973.9)</b>
<b>Net value</b>				
<b>At January 1<sup>st</sup>, 2012 published</b>	<b>174.6</b>	<b>445.2</b>	<b>60.4</b>	<b>680.2</b>
<b>At January 1<sup>st</sup>, 2012 restated</b>	<b>191.3</b>	<b>445.2</b>	<b>60.4</b>	<b>696.9</b>
<b>At December 31<sup>st</sup>, 2012</b>	<b>163.0</b>	<b>400.6</b>	<b>104.2</b>	<b>667.8</b>

(in EUR million)	Land and buildings	IT equipments	Other assets	Total
<b>Gross value</b>				
<b>At January 1<sup>st</sup>, 2011</b>	<b>318.5</b>	<b>817.9</b>	<b>90.4</b>	<b>1,226.8</b>
Additions	17.0	137.6	41.7	196.3
Impact of business combination	36.3	241.8	31.3	309.4
Disposals	(13.2)	(183.0)	(16.4)	(212.6)
Exchange differences	3.9	20.4	(1.8)	22.5
Other	3.1	29.9	(39.3)	(6.3)
<b>At December 31<sup>st</sup>, 2011</b>	<b>365.6</b>	<b>1,064.6</b>	<b>105.9</b>	<b>1,536.1</b>
<b>Accumulated depreciation</b>				
<b>At January 1<sup>st</sup>, 2011</b>	<b>(168.9)</b>	<b>(608.5)</b>	<b>(53.0)</b>	<b>(830.4)</b>
Depreciation charge for the year	(33.5)	(171.4)	(12.9)	(217.8)
Eliminated on disposal	12.5	177.1	15.9	205.5
Exchange differences	(2.0)	(17.1)	1.8	(17.3)
Impairment	0.2	-	0.2	0.4
Other	0.7	0.5	2.5	3.7
<b>At December 31<sup>st</sup>, 2011</b>	<b>(191.0)</b>	<b>(619.4)</b>	<b>(45.5)</b>	<b>(855.9)</b>
<b>Net value</b>				
<b>At January 1<sup>st</sup>, 2011</b>	<b>149.6</b>	<b>209.4</b>	<b>37.4</b>	<b>396.4</b>
<b>At December 31<sup>st</sup>, 2011</b>	<b>174.6</b>	<b>445.2</b>	<b>60.4</b>	<b>680.2</b>

The tangible assets of the Group include mainly IT equipment used in the production centers, in particular the datacenters and the software factories. Moreover, Atos' policy is to rent its premises. Therefore, the land and buildings items include mainly technical infrastructure of our datacenters.

#### Finance leases

Tangible assets held under finance leases had a net carrying value of EUR 12.9 million. Future minimum lease payments under non-cancellable leases amounted to EUR 16.2 million at year-end.

(in EUR million)	31 December 2012			31 December 2011		
	Minimum lease payments	Interest	Principal	Minimum lease payments	Interest	Principal
Less than one year	6.9	(0.7)	6.2	0.7	(0.1)	0.6
Between one and five years	9.3	(0.9)	8.4	0.7	(0.1)	0.6
More than five years	-	-	-	-	-	-
<b>Total</b>	<b>16.2</b>	<b>(1.6)</b>	<b>14.6</b>	<b>1.4</b>	<b>(0.2)</b>	<b>1.2</b>

### Note 14 Non-current financial assets

(in EUR million)		31 December 2012	31 December 2011 Restated	31 December 2011 Published
Pension prepayments	Note 20	340.8	473.8	372.2
Other (*)		54.4	208.1	208.1
<b>Total</b>		<b>395.2</b>	<b>681.9</b>	<b>580.3</b>

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

The decrease of EUR 153.7 million shown in the other non-current asset primarily results from the settlement

by Siemens of the SIS acquisition price adjustment paid in February 2012 (EUR 160.8 million).

### Note 15 Trade accounts and notes receivable

(in EUR million)	31 December 2012	31 December 2011 Restated	31 December 2011 Published
Gross value	2,051.7	2,010.5	2,013.4
Transition costs	12.6	21.1	21.1
Provision for doubtful debt	(104.3)	(107.1)	(106.3)
<b>Net asset value</b>	<b>1,960.0</b>	<b>1,924.5</b>	<b>1,928.3</b>
Prepayments	(69.9)	(26.3)	(26.3)
Deferred income and upfront payments received	(483.8)	(391.1)	(391.8)
<b>Net accounts receivable</b>	<b>1,406.3</b>	<b>1,507.1</b>	<b>1,510.2</b>
<b>Number of days' sales outstanding (DSO)</b>	<b>47</b>	<b>54</b>	<b>54</b>

The average credit period on sale of services is between 30 and 60 days depending on the countries.

For balances outstanding for more than 60 days as compared to agreed payment terms, the Group considers the need for -depreciation on a case-by-case basis through a quarterly review of its balances.

Atos securitization program of trade receivables has been renewed for five years on March 6<sup>th</sup>, 2009 with a maximum amount of receivables sold of EUR 500.0 million and a maximum amount of financing of EUR 200.0 million. As of December 31<sup>st</sup>, 2012, the Group has sold EUR 348.0 million receivables for which EUR 70.0 million were received in cash. The sale is with recourse, thus re-consolidated in the balance sheet.

### Ageing of net receivables past due

(in EUR million)	31 December 2012	31 December 2011
0-30 days overdues	117.2	93.4
30-60 days overdues	24.1	25.9
Beyond 60 days overdues	39.6	52.1
<b>Total</b>	<b>180.9</b>	<b>171.4</b>

#### Movement in provisions for doubtful debt

(in EUR million)	31 December 2012	31 December 2011 Restated	31 December 2011 Published
<b>Balance at beginning of the year</b>	<b>(106.3)</b>	<b>(53.2)</b>	<b>(53.2)</b>
Impairment losses recognized	(20.5)	(19.6)	(19.6)
Amounts written off as uncollectible	15.2	15.9	15.9
Impairment losses reversed	10.9	9.0	9.0
Impact of business combination	(1.8)	(56.7)	(56.7)
Other (*)	(1.8)	(1.7)	(1.7)
<b>Balance at end of the year</b>	<b>(104.3)</b>	<b>(106.3)</b>	<b>(106.3)</b>

(\*) Reclassification and exchange difference.

#### Note 16 Other current assets

(in EUR million)	31 December 2012	31 December 2011 Restated	31 December 2011 Published
Inventories	16.6	25.1	25.1
State - VAT receivables	77.8	83.9	83.9
Prepaid expenses	145.7	131.0	131.0
Other receivables & current assets	175.4	255.8	261.0
Advance payment	40.4	56.2	56.2
<b>Total</b>	<b>455.9</b>	<b>552.0</b>	<b>557.2</b>

#### Note 17 Breakdown of assets and liabilities by financial categories

The book value of financial assets corresponds to their fair value.

As of December 31<sup>st</sup>, 2012 the analysis of assets was the following:

(in EUR million)	Loans and receivables	Available-for-sale financial assets	Financial assets held for trading (carried at fair value through profit or loss)	Derivatives related assets
Non-current financial assets (excluding investments in associates accounted for under the equity method)	-	391.9	-	-
Non-current financial instruments	-	-	-	0.6
Trade accounts and notes receivables	1,960.0	-	-	-
Other current assets	455.9	-	-	-
Current financial instruments	-	-	-	3.1
Cash and cash equivalents	493.8	-	665.9	-
<b>Total</b>	<b>2,909.7</b>	<b>391.9</b>	<b>665.9</b>	<b>3.7</b>

# Financials

## D4 Consolidated financial statements

As of December 31<sup>st</sup>, 2011, the analysis of assets was the following:

(in EUR million)	Loans and receivables	Available-for-sale financial assets	Financial assets held for trading (carried at fair value through profit or loss)	Derivatives related assets
Non-current financial assets (excluding investments in associates accounted for under the equity method)	-	577.2	-	-
Non-current financial instruments	-	-	-	0.0
Trade accounts and notes receivables	1,928.3	-	-	-
Other current assets	557.2	-	-	-
Current financial instruments	-	-	-	11
Cash and cash equivalents	678.2	-	88.6	-
<b>Total</b>	<b>3,163.7</b>	<b>577.2</b>	<b>88.6</b>	<b>11</b>

As of December 31<sup>st</sup>, 2012, the analysis of liabilities was the following:

(in EUR million)	Financial Liabilities designated at fair value through profit or loss	Financial Liabilities - Measurement at amortized cost	Derivatives related liabilities
Borrowings	-	758.2	-
Non-current financial instruments	-	-	12.6
Trade accounts and notes payables	1026.8	-	-
Current portion of borrowings	-	169.5	-
Current financial instruments	0.9	-	17
<b>Total</b>	<b>1,027.7</b>	<b>927.7</b>	<b>14.3</b>

As of December 31<sup>st</sup>, 2011, the analysis of liabilities was the following:

(in EUR million)	Financial Liabilities designated at fair value through profit or loss	Financial Liabilities - Measurement at amortized cost	Derivatives related liabilities
Borrowings	-	734.5	-
Non-current financial instruments	-	-	5.6
Trade accounts and notes payables	927.2	-	-
Current portion of borrowings	-	174.1	-
Current financial instruments	0.2	-	6.0
<b>Total</b>	<b>927.4</b>	<b>908.6</b>	<b>11.6</b>



#### Note 18 Cash and cash equivalents

(in EUR million)	31 December 2012	31 December 2011 Restated	31 December 2011 Published
Cash in hand and short-term bank deposit	493.8	678.2	678.2
Money market funds	665.9	88.6	88.6
<b>Total</b>	<b>1,159.7</b>	<b>766.8</b>	<b>766.8</b>

Depending on market conditions and short-term cash flow expectations, Atos from time to time invests in money market funds or bank deposits with a maturity period not exceeding three months.

#### Note 19 Equity attributable to the owners of the parent

##### Capital increase

In 2012, Atos SE increased its common stock by issuing new shares and incorporating additional paid-in-capital for EUR 78.1 million, resulting in the creation of 2,136,662 new shares composed of:

- ▶ the distribution of dividends paid in shares for 676,014 new shares,
- ▶ the attribution of new free shares resulting from the subscription by employees to SPRINT, the Group shareholding program, for 570,510 free shares,
- ▶ the exercise during the year 2012 of 30,093 share purchase warrants, and
- ▶ the exercise during the year 2012 of 860,045 share options.

At December 31<sup>st</sup>, 2012, Atos SE common stock consisted of 85,703,430 shares with a nominal value of one euro per share.

#### Note 20 Pensions

The total amount recognized in the Group balance sheet in respect of pension plans and associated benefits was EUR 395.5 million at December 31<sup>st</sup>, 2012. It was EUR 199.6 million at December 31<sup>st</sup>, 2011.

The Group's commitments are located predominantly in the United Kingdom (42 percent of Group total obligations), The Netherlands (33 percent), Germany (14 percent), Switzerland (3 percent) and France (3 percent). In the United Kingdom, these commitments are generated by legacy defined benefit plans, the majority of which have been closed to further accrual in 2008. Defined benefit arrangements have been maintained only for the purpose of complying with outsourcing requirements in the public sector in which case appropriate financial compensation is sought with customers. In The Netherlands, the pension plan is a hybrid defined contribution/defined benefit plan. Only the defined benefit component (capped at a certain level of salary) gives rise to a valuation of long term

commitments for the Group, after deduction of applicable limitations and ceilings. These plans are externally funded through separate and independent legal entities, which receive employer and employee contributions.

Group commitments are also generated, but to a lesser extent, by legal or collectively bargained end of service or end of career benefit plans. Group commitments in respect of post-employment healthcare benefits are not significant.

Atos recognizes all asset ceiling effects and actuarial gains and losses generated in the period in other comprehensive income.

##### Events in 2012

During the first half of 2012, in the UK, the bulk transfer from the Siemens pension fund to the Atos 2011 pension scheme was finalized. Negotiations with Trustees and Siemens around transfer conditions were finalized in February 2012. Employee consultations took place in April 2012, based on which 87 percent of former SIS employees did not object to the transfer of their past service liabilities. Actual transfer payments were made on June 1<sup>st</sup>, 2012 to the Atos 2011 pension fund. As a result per June 30<sup>th</sup>, 2012, the plan liabilities increased with GBP 228.6 million (EUR 284.8 million) and the plan assets with GBP 315.7 million (EUR 393.4 million). Corresponding numbers per June 30<sup>th</sup>, 2011 are: plan liabilities GBP 211.7 million (EUR 234.6 million) and plan assets GBP 300.7 million (EUR 333.2 million). Balance sheet, and profit loss ending per December 31<sup>st</sup>, 2011 have been restated to reflect the impact of this bulk transfer.

Further events in 2012 include the finalization of the acquisition of E-Utile in Italy (EUR 4.2 million), staff transfer and incoming pension entitlements related to major outsourcing deals in Germany (EUR 7.8 million) and the curtailment of Jubilee plans in former Siemens entities in Germany (EUR 2.4 million). Finally a plan for "Altersteilzeit" in Austria was reclassified into the pension scope (EUR 8.4 million)

The amounts recognized in the balance sheet as at December 31<sup>st</sup>, 2012 rely on the following components, determined at each benefit plan's level:

(in EUR million)	31 December 2012	31 December 2011 Restated	31 December 2011 Published
<b>Amounts recognized in financial statements consist of:</b>			
Prepaid pension asset - post employment plans	340.8	473.8	372.2
Accrued liability - post employment plans	(682.1)	(526.5)	(526.5)
Accrued liability - other long term benefits	(54.2)	(45.3)	(45.3)
<b>Net amounts recognized - Total</b>	<b>(395.5)</b>	<b>(98.0)</b>	<b>(199.6)</b>
<b>Components of net periodic cost</b>			
Service cost (net of employees' contributions)	69.0	48.2	48.2
Interest Cost	167.5	143.6	137.1
Expected return on plan assets	(160.9)	(135.9)	(126.1)
Amortization of prior service cost	0.8	(76.8)	(76.8)
Amortization of actuarial (gain) / loss	6.5	(0.5)	(0.5)
Effect of asset ceiling	-	-	-
Curtailment (gain) / loss	(3.2)	(6.0)	(6.0)
Settlement (gain) / loss	-	(2.4)	(2.4)
<b>Net periodic pension cost - Total expense/(profit)</b>	<b>79.7</b>	<b>(29.8)</b>	<b>(26.5)</b>
<i>Of which, net periodic pension cost - post employment plans</i>	<i>66.1</i>	<i>(30.6)</i>	<i>(27.3)</i>
<i>Of which, net periodic pension cost - other long term benefits</i>	<i>13.6</i>	<i>0.8</i>	<i>0.8</i>
<b>Change in defined benefit obligation</b>			
Defined benefit obligation - post employment plans at 1 January	3,500.0	2,489.9	2,489.9
Defined benefit obligation - other long term benefits at 1 January	54.1	13.6	13.6
<b>Total Defined Benefit Obligation at 1 January</b>	<b>3,554.1</b>	<b>2,503.5</b>	<b>2,503.5</b>
Reclassification of other non-current financial liabilities	8.7	1.9	1.9
Exchange rate impact	30.1	48.6	28.6
Service cost (net of employees' contributions)	69.0	48.2	48.2
Interest cost	167.5	143.6	137.1
Employees' contributions	27.9	24.6	24.6
Plan amendments	0.2	(77.0)	(77.0)
Curtailment	(3.2)	(6.0)	(6.0)
Settlement	-	(3.2)	(3.2)
Business combinations / (disposals) - post employment plans	11.8	741.2	506.6
Business combinations / (disposals) - other long term benefits	-	46.4	46.4
Benefits paid	(114.0)	(90.0)	(89.3)
Actuarial (gain) / loss	556.8	172.3	164.0
<b>Defined benefit obligation at 31 December</b>	<b>4,308.9</b>	<b>3,554.1</b>	<b>3,285.4</b>
<b>Experience adjustments generated in current year on DBO</b>	<b>(16.1)</b>	<b>(14.3)</b>	<b>(14.3)</b>

(in EUR million)	31 December 2012	31 December 2011 Restated	31 December 2011 Published
<b>Change in plan assets</b>			
<b>Fair value of plan assets at 1 January</b>	<b>3,451.9</b>	<b>2,200.6</b>	<b>2,200.6</b>
Exchange rate impact	25.6	51.5	23.6
Reclassification of plan assets	-	-	-
Actual return on plan assets	383.2	355.1	345.3
Employer contributions (incl. admin charges)	103.1	83.1	83.1
Employees' contributions	27.9	24.6	24.6
Benefits paid by the fund	(83.4)	(70.4)	(69.7)
Settlements	-	(0.8)	(0.8)
Business combinations / (disposals) - post employment plans	-	801.0	467.7
Business combinations / (disposals) - other long term benefits	-	7.2	7.2
<b>Fair value of plan assets at 31 December</b>	<b>3,908.3</b>	<b>3,451.9</b>	<b>3,081.6</b>
<b>Reconciliation of prepaid/(accrued) Benefit cost (all plans)</b>			
Funded status-post employment plans	(346.4)	(56.9)	(158.5)
Funded status-other long term benefit plans	(54.2)	(45.3)	(45.3)
Unrecognized actuarial (gain)/loss	-	-	-
Unrecognized past service cost	8.9	9.4	9.4
Any other amount not recognized (asset ceiling limitation)	(3.8)	(5.2)	(5.2)
<b>Prepaid/(accrued) pension cost</b>	<b>(395.5)</b>	<b>(98.0)</b>	<b>(199.6)</b>
<i>Of which provision for pension and similar benefits</i>	<i>(736.3)</i>	<i>(571.8)</i>	<i>(571.8)</i>
<i>Of which non-current financial assets</i>	<i>340.8</i>	<i>473.8</i>	<i>372.2</i>
<b>Reconciliation of net amount recognized (all plans)</b>			
<b>Net amount recognized at beginning of year</b>	<b>(98.0)</b>	<b>(297.4)</b>	<b>(297.4)</b>
Reclassification other current liabilities	(9.0)	(1.9)	(1.9)
Net periodic pension cost - post employment plans	(66.1)	30.6	27.3
Benefits paid by employer - post employment plans	18.1	12.0	12.0
Employer contributions - post employment plans	101.9	81.1	81.1
Business combinations / (disposals) - post employment plans	(11.8)	58.8	(39.9)
Business combinations / (disposals) - other long term benefits	-	(39.2)	(39.2)
Amounts recognized in Other Comprehensive Income	(326.6)	45.6	53.9
Other (other long-term benefit, exchange rate)	(4.0)	12.4	4.5
<b>Net amount recognized at end of year</b>	<b>(395.5)</b>	<b>(98.0)</b>	<b>(199.6)</b>

The obligations in respect of benefit plans which are partially or totally funded through external funds (pension funds) were EUR 4,039.9 million at December 31<sup>st</sup>, 2012 and EUR 3,073.1 million at December 31<sup>st</sup>, 2011, representing more than 93 percent of Group total obligations.

Sensitivity analysis shows that the defined benefit obligation at the end of the year would increase by 6 percent as a result of a 30bp decrease in discount rate.

### Plan assets

Plan assets, which do not include Atos securities or any assets used by the Group, were invested as follows:

	31 December 2012	31 December 2011
Equity	18%	19%
Bonds / Interest Rate Swaps	73%	63%
Real Estate	2%	2%
Cash and Cash equivalent	4%	14%
Other	3%	2%

### Prepaid pension situations on balance sheet

The net asset of EUR 2244 million in respect of the Dutch pension scheme is supported by appropriate refund expectations, as requested by IFRIC 14.

### Actuarial assumptions

Group obligations are valued by independent actuaries, based on assumptions that are periodically updated.

These assumptions are set out in the table below:

	United Kingdom		Eurozone	
	2012	2011	2012	2011
Discount rate as at December 31 <sup>st</sup>	4.50%	4.70%	3.00% - 3.65%	4.50% - 4.95%
Long-term expected return on plan assets as at January 1 <sup>st</sup>	-	5.50% - 6.50%	-	5.25%
Salary increase assumption as at December 31 <sup>st</sup>	2.90%	2.90%	2.00% - 3.50%	2.00% - 3.50%

The expected long-term investment return assumption on plan assets no longer applies under IAS19 revised.

### Summary net impacts on 2012 financials

The net impact of defined benefits plans on Group financial statements can be summarized as follows:

### Profit and loss

(in EUR million)	31 December 2012			31 December 2011		
	Post-employment	Other LT benefit	Total	Post-employment	Other LT benefit	Total
Operating margin	(62.3)	(10.8)	(73.1)	(40.1)	11	(39.0)
Other operating items	0.8	(0.8)	0.0	77.0	(0.5)	76.5
Financial result	(4.6)	(2.0)	(6.6)	(9.6)	(1.4)	(11.0)
<b>Total (expense)/profit</b>	<b>(66.1)</b>	<b>(13.6)</b>	<b>(79.7)</b>	<b>27.3</b>	<b>(0.8)</b>	<b>26.5</b>

#### Cash impacts of pensions in 2012

The cash impact of pensions is mainly composed of cash contributions to the pension funds for EUR 103.1 million, the remaining part being benefit payments directly made by the Group to the beneficiaries.

The cash contributions to the pension funds are made of on-going contributions in respect of services rendered in the year (usually expressed as a percentage of salary), as well as past deficits repayment contributions spread over a 10 to 15 years period as agreed with the respective trustees (fixed yearly amount).

#### Situation of the UK pension funds and impact on contributions for 2013

The Group expects to contribute EUR 59.4 million to its United Kingdom schemes next year versus EUR 51.6 million in 2012.

#### Situation of the Dutch pension fund and impact on contributions for 2013

Atos is executing a five year recovery plan with its Dutch Pension Fund, an independent legal entity managing the assets segregated from the company's assets to secure the provision of future pensions as requested by legislation.

Previous contractual agreement committed Atos to ensure a permanent 110 percent funding of local pension obligations, as appreciated under local solvency rules.

Under the agreement signed on July 15<sup>th</sup>, 2009, the 110 percent clause is suspended for five years, and Atos has committed to the following recovery payments:

- ▶ Contributions (currently shared 55 percent-45 percent between Atos and its employees) will be increased from 23 percent to 26 percent between 2010 and 2013,
- ▶ Two cash injections of EUR 100 million will be made by Atos in 2012 and 2013, and
- ▶ Atos has started and will continue to grant a loan to the Pension Fund in three installments of EUR 7.5 million

each, payable in 2011, 2012 and 2013, its reimbursement being subordinated to a recovery of the funding ratio of the Pension Fund.

If the funding ratio was to fall below a trajectory leading to a 105 percent funding ratio at December 31<sup>st</sup>, 2013, then payments would be increased by up to a maximum of EUR 90 million per year between 2010 and 2013. Similarly, these payments (except EUR 15.0 million of cash injections) can be reduced if the funding ratio follows a trajectory leading to a funding ratio above 117.5 percent at December 31<sup>st</sup>, 2013.

Based on the final funding ratio of the Dutch pension fund per December 31<sup>st</sup>, 2011, additional recovery payments triggered in 2012 for an amount of EUR 5.8 million. During 2012, Atos and its Pension Fund had divergent interpretations of certain aspects of the recovery agreement. As a result, Atos has stopped contributing recovery payments pending the outcome of an arbitration process decided with the Pension Fund.

At December 31<sup>st</sup>, 2012, the indicative funding ratio of the Dutch Pension Fund was 100.3 percent. This ratio is exactly equal to milestone as at December 31<sup>st</sup>, 2012 of the 105 percent trajectory agreed between Sponsor (Atos Netherlands) and its Dutch Pension Fund. If the final funding ratio does not deviate for the indicative funding ratio, no further recovery payments will trigger in 2013.

Contribution for the Dutch pension fund shall depend on the outcome of the arbitration procedure. The expected regular contribution is EUR 19.9 million in 2013 compared to EUR 39.7 million total contributions in 2012.

The below table shows the historic development of the defined benefit obligation, the fair value of plan assets, the funded status and the experience adjustments:

(in EUR million)	31 December 2012	31 December 2011	31 December 2010	31 December 2009	31 December 2008
DBO	4,309	3,285	2,504	2,122	1,791
Fair Value of Plan Assets	3,908	3,082	2,201	1,872	1,546
Funded Status	(401)	(203)	(303)	(250)	(245)
Experience Adjustments on DBO	(16)	(14)	(38)	(5)	5

### Note 21 Provisions

(in EUR million)	31 December 2011 Published	31 December 2011 Restated	Charge	Release used	Release unused	Business Combination	Other (*)	31 December 2012	Current	Non-current
Reorganization	258.1	258.2	35.7	(124.3)	(28.6)	-	(17.4)	123.6	123.6	-
Rationalization	75.4	70.8	9.7	(28.2)	(4.8)	-	11	48.6	20.7	27.9
Project commitments	232.4	230.1	36.2	(98.1)	(35.7)	0.9	(3.3)	130.1	92.4	37.7
Litigations and contingencies	106.1	131.7	20.8	(23.0)	(16.5)	15	(9.8)	104.7	-	104.7
<b>Total provisions</b>	<b>672.0</b>	<b>690.8</b>	<b>102.4</b>	<b>(273.6)</b>	<b>(85.6)</b>	<b>2.4</b>	<b>(29.4)</b>	<b>407.0</b>	<b>236.7</b>	<b>170.3</b>

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

(in EUR million)	31 December 2010	Charge	Release used	Release unused	Business Combination	Other (*)	31 December 2011	Current	Non-current
Reorganization	35.6	21.5	(79.1)	(16.9)	299.3	(2.3)	258.1	258.1	-
Rationalization	65.0	10.2	(34.3)	(5.1)	36.6	3.0	75.4	19.2	56.2
Project commitments	24.6	34.1	(53.6)	(13.2)	245.1	(4.6)	232.4	232.4	-
Litigations and contingencies	76.0	26.6	(22.1)	(13.5)	40.9	(1.8)	106.1	-	106.1
<b>Total provisions</b>	<b>201.2</b>	<b>92.4</b>	<b>(189.1)</b>	<b>(48.7)</b>	<b>621.9</b>	<b>(5.7)</b>	<b>672.0</b>	<b>509.7</b>	<b>162.3</b>

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

#### Reorganization

New reorganization provisions were posted for EUR 35.7 million over the year mainly in The Netherlands (EUR 14.8 million) and Germany (EUR 7.7 million) driven by new plans aimed at improving Group efficiency and productivity.

The EUR 124.3 million consumptions primarily corresponded to the reorganization plans in former SIS entities which were fully provided for as of June 30<sup>th</sup>, 2011 and were almost completed in all geographies at end of December 2012 except for Germany where large departures will still occur in the first semester of 2013. The main contributors were Germany (EUR 82.5 million), Benelux (EUR 13.0 million), Central Eastern and Europe (EUR 5.8 million) and the United Kingdom (EUR 5.6 million).

The unused provisions released for EUR 28.6 million were mainly in Central Eastern and Europe (EUR 9.1 million), Germany (EUR 8.7 million) and Benelux (EUR 4.8 million) due to a higher than expected attrition.

#### Rationalization

The new provisions of EUR 9.7 million mainly came from office premises rationalization in Benelux (EUR 6.0 million).

The EUR 28.2 million rationalization provisions were used against offices onerous leases and dilapidation costs in France (EUR 8.9 million), mainly related to the consolidation of Paris' offices executed in 2010, and rationalization in the United Kingdom (EUR 9.7 million) and in Benelux (EUR 4.1 million) in 2012.

The EUR 4.8 million rationalization unused provisions mainly came from France (EUR 2.5 million) as a consequence of more favorable settlement of the Paris' offices rationalization.

#### Projects commitments

The projects commitments provisions consumed for EUR 98.1 million were primarily related to former SIS customer contract losses which were recorded in the opening balance sheet on July 1<sup>st</sup>, 2011.

The EUR 35.7 million project commitments unused provisions primarily reflected the reduction of former SIS contracts losses thanks to proactive project management or early settlements.

contingencies and social disputes, guarantees given on disposals and other disputes with clients and suppliers. The legal department closely monitors these situations with a view to minimize the ultimate liability.

#### Litigations and contingencies

Contingency provisions of EUR 104.7 million included a number of long-term litigation issues, such as tax

#### Note 22 Borrowings

(in EUR million)	31 December 2012			31 December 2011		
	Current	Non-current	Total	Current	Non-current	Total
Finance leases	6.2	8.4	14.6	0.5	0.7	1.2
Bank loans	1.0	291.0	292.0	0.4	283.5	283.9
Securitization	70.0	-	70.0	69.8	-	69.8
Convertible bonds	10.0	449.7	459.7	8.1	435.8	443.9
Other borrowings	82.3	9.1	91.4	95.3	14.5	109.8
<b>Total borrowings</b>	<b>169.5</b>	<b>758.2</b>	<b>927.7</b>	<b>174.1</b>	<b>734.5</b>	<b>908.6</b>

#### Borrowings in currencies

The carrying amounts of the Group's borrowings were denominated in the following currencies:

(in EUR million)	EUR	Other currencies	Total
31 December 2012	884.9	42.8	<b>927.7</b>
31 December 2011	780.8	127.8	<b>908.6</b>

#### Value and effective interest rate of financial debt

The value of bank loans, which are primarily composed of variable interest rate loans, are considered as being the same as their carrying value. For other elements of borrowings, carrying value is considered the best estimate of fair value, the difference between the fair value and the carrying value being not material.

On October 29<sup>th</sup>, 2009 the Group issued EUR 250.0 million of bonds convertible into and/or exchangeable for new or existing shares (OCEANE) of Atos maturing on January 1<sup>st</sup>, 2016. The OCEANE is considered as a compound instrument and contains both a liability and an equity component, which should be classified separately in the

balance sheet.

On initial recognition, the financial instrument (net of fees for EUR 3.8 million) is split between financial liability for EUR 198.4 million and equity for EUR 47.8 million. Consequently, the effective interest rate of the convertible bonds (6.68 percent) differs from the annual coupon paid in cash to the bond holders (2.50 percent).

At the end of December 2012, the value of the liability component (measured at amortized cost) is EUR 228.6 million (coupon included).

On July 1<sup>st</sup>, 2011 at the closing date of SIS acquisition, the Group issued a convertible bond of EUR 250.0 million reserved to Siemens with a maturity at July 1<sup>st</sup>, 2016. Siemens sold the convertible bond on March 1<sup>st</sup>, 2013 to other investors. The OCEANE is considered as a compound instrument and contains both a liability and an equity component, which should be classified separately in the balance sheet.

On initial recognition, the financial instrument is split between financial liability for EUR 218.5 million and equity for EUR 31.5 million. Consequently, the effective interest rate of the convertible bonds (4.35 percent) differs from the annual coupon paid in cash to Siemens (1.50 percent).

At the end of December 2012, the value of the liability component (measured at amortized cost) is EUR 231.1 million (coupon included).

### Non-current borrowings maturity

(in EUR million)	2014	2015	2016	2017	>2017	Total
Finance leases	6.0	2.4	-	-	-	8.4
Bank loans	0.9	1.2	280.6	11	7.2	291.0
Convertible bonds	-	-	449.7	-	-	449.7
Other borrowings	0.5	1.5	4.8	2.3	-	9.1
<b>As at 31 December 2012 long-term debt</b>	<b>7.4</b>	<b>5.1</b>	<b>735.1</b>	<b>3.4</b>	<b>7.2</b>	<b>758.2</b>

(in EUR million)	2013	2014	2015	2016	>2016	Total
Finance leases	0.3	0.2	-	-	0.2	0.7
Bank loans	1.1	0.7	1.1	273.3	7.3	283.5
Convertible bonds	-	-	-	435.8	-	435.8
Other borrowings	3.3	2.5	3.6	5.1	-	14.5
<b>As at 31 December 2011 long-term debt</b>	<b>4.7</b>	<b>3.4</b>	<b>4.7</b>	<b>714.2</b>	<b>7.5</b>	<b>734.5</b>

### Hypothesis retained regarding the presentation of the maturity of non-current borrowings

The evaluation of financial liabilities has been conducted based on:

- exchange rates prevailing as at December 31<sup>st</sup>, 2012, and
- interest rates presented hereafter.



The effective interest rates in 2012 were as follows:

(in EUR million)	Carrying value	Fair value	Effective interest rate
Finance leases	146	146	12.00%
Bank loans	292.0	292.0	2.74%
Securitization	70.0	70.0	2.71%
Convertible bonds issued in 2009	228.6	228.6	6.68%
Convertible bonds issued in 2011	231.1	231.1	4.35%
Other borrowings	91.4	91.4	-
<b>Total borrowings</b>	<b>927.7</b>	<b>927.7</b>	

#### Change in net debt over the period

(in EUR million)	31 December 2012	31 December 2011
<b>Opening net debt</b>	<b>141.8</b>	<b>139.2</b>
New borrowings	8.9	18.9
Convertible bonds	15.8	230.9
Repayment of long and medium-term borrowings	(43.1)	(19.2)
Variance in net cash and cash equivalents	(392.5)	(318.5)
New finance leases	0.1	0.2
Long and medium-term debt of companies sold during the period	0.8	-
Long and medium-term debt of companies acquired during the period	25.8	9.5
Impact of exchange rate fluctuations on net long and medium-term debt	8.6	13.2
Profit-sharing amounts payable to French employees transferred to debt	3.3	7.7
Other flows related to financing activities	(1.6)	59.9
<b>Closing net debt</b>	<b>(232.1)</b>	<b>141.8</b>

## Note 23 Fair value and characteristics of financial instruments

(in EUR million)	31 December 2012		31 December 2011	
	Assets	Liabilities	Assets	Liabilities
Forward foreign exchange contracts	37	(47)	12	(76)
Forward interest rate contracts	-	(105)	-	(42)
Analysed as :				
Non-current	0.6	(126)	0.1	(56)
Current	31	(26)	11	(62)

The fair value of financial instruments is provided by banking counterparties.

**Interest rate risk**

Bank loans of EUR 292.0 million (EUR 283.9 million in 2011) are arranged at floating rates, thus exposing the Group to cash flow interest rate risk. The Group may mitigate its interest rate exposure using interest rates swap contracts with financial institutions in order to fix the rate of a portion of the floating-rate financial debt. The fair value of the financial instruments used to hedge the floating-rate financial qualifies for cash flow hedge accounting.

At December 31<sup>st</sup>, 2012, the Group held swap rates contracts for the hedging of interest rate exposure. The swap rates

contracts have been used on a part of the revolving credit facility for an amount of EUR 280.0 million. The instruments used have a maturity in November 2015.

**Exposure to interest rate risk**

The table below presents the interest rate risk exposure of the Group based on future debt commitments. The exposure at floating rate after hedging risk management is approximately EUR 986.3 million at December 31<sup>st</sup>, 2012. A 1 percent rise in 1-month Euribor would impact positively the financial expense by EUR 9.9 million assuming the structure (cash/floating debt/hedges) remains stable for the full period of the year.

(in EUR million)	Notes	Exposure		Total
		Less than 1 year	More than 1 year	
Bank loans	Note 22	(10)	(291.0)	(292.0)
Securitization	Note 22	(70.0)	-	(70.0)
Other		(32.2)	(9.1)	(41.3)
<b>Total liabilities</b>		<b>(103.2)</b>	<b>(300.1)</b>	<b>(403.3)</b>
Cash and cash equivalents	Note 18	1,159.7	-	1,159.7
Overdrafts		(50.1)	-	(50.1)
<b>Total net cash and cash equivalents (*)</b>		<b>1,109.6</b>	<b>-</b>	<b>1,109.6</b>
Net position before risk management		1,006.4	(300.1)	706.3
Hedging instruments		-	280.0	280.0
<b>Net position after risk management</b>		<b>1,006.4</b>	<b>(20.1)</b>	<b>986.3</b>
Convertible bonds (**)	Note 22	(10.0)	(449.7)	(459.7)
Finance Leases	Note 22	(6.2)	(8.4)	(14.6)
<b>Total net debt after risk management</b>				<b>512.0</b>

(\*) Overnight deposits (deposit certificate) and money market securities and overdrafts.

(\*\*) At fixed rate

### Liquidity risk

In April 2011, the Group signed a new five-year revolving credit facility for an amount of EUR 1.2 billion. The revolving credit facility includes two financial covenants which under the terms are the consolidated leverage ratio may not be greater than 2.5 times and the interest cover ratio (Operating Margin divided by the net cost of financial debt) which should not be less than four times.

Atos securitization program of trade receivables has been renewed for five years on March 6<sup>th</sup>, 2009 with a maximum amount of receivables sold of EUR 500.0 million and a limit of maximum amount of financing of EUR 200.0 million. Financial covenants of the Atos securitization program are aligned with the covenants of the revolving credit facility.

The calculation of the above-mentioned ratios as of December 31<sup>st</sup>, 2012 is provided below:

	Covenants	Group ratios at 31 December 2012	Group ratios at 31 December 2011
Leverage ratio (net debt/OMDA (*))	<i>not greater than 2.5</i>	-0.29	0.22
Interest cover ratio (operating margin/net cost of financial debt)	<i>not lower than 4.0</i>	16.96	15.19

(\*) OMDA = Operating margin before non cash items.

### Currency exchange risk

Atos operates in 47 countries. However, in most cases, Atos invoices in the country where the Group renders the service, thus limiting the foreign exchange risk. Where this is not the case, the Group generally uses hedging instruments such as forward contracts or foreign currency swaps to minimize the risk.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	2012	2011	2012	2011	2012	2011
(in EUR million)	EUR		GBP		USD	
Assets	34.9	40.3	3.2	5.3	51.9	42.0
Liabilities	33.0	19.3	3.0	0.6	17.3	14.1
Foreign exchange impact before hedging	1.9	21.0	0.2	4.7	34.6	27.9
Hedged amounts	(1.4)	(0.4)	0.0	(0.6)	(4.6)	(5.9)
<b>Foreign exchange impact after hedging</b>	<b>0.5</b>	<b>20.6</b>	<b>0.2</b>	<b>4.1</b>	<b>30.0</b>	<b>22.0</b>

### Foreign currency sensitivity analysis

The Group is mainly exposed to the EUR, GBP and the USD.

The following table details the Group's sensitivity to a 5 percent increase and decrease of the sensitive

currency against the relevant functional currency of each subsidiary. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5 percent increase in foreign currency rates.

	2012	2011	2012	2011	2012	2011
(in EUR million)	EUR		GBP		USD	
Income Statement	0.0	1.0	0.0	0.2	1.5	1.1

### Hedge accounting

There is no material deviation between the maturity of the financial instruments and the period in which the cash flows are expected to occur.

currency risks). From an accounting point of view, most of the derivatives were considered as cash flow hedge instruments.

At December 2012, derivatives are all allocated to the hedge of some transactional risks (foreign exchange

Breakdown of the designation of the instruments per currency is as follows:

(in EUR million)	31 December 2012		31 December 2011	
Instruments	Fair value	Notional	Fair value	Notional
<b>Cash flow hedge</b>				
<b>Interest rate</b>				
SWAP	(10.5)	280.0	(4.2)	280.0
<b>Foreign exchange</b>				
Forward contracts USD	0.4	33.3	0.2	47.7
Forward contracts GBP	(0.1)	2.3	(0.6)	17.5
Option contracts GBP	-	-	0.0	6.6
Forward contracts INR	(1.1)	71.8	(3.0)	84.5
Forward contracts HKD	0.3	4.2	(0.4)	6.1
Forward contracts THB	(0.0)	0.2	-	-
Forward contracts MYR	0.0	3.5	0.0	2.6
Forward contracts PLN	1.1	23.5	(1.4)	20.0
Forward contracts PHP	0.6	20.9	0.1	18.5
Forward contracts RUB	0.2	15.5	(1.0)	15.6
Forward contracts MAD	-	-	(0.0)	0.2
Forward contracts CNY	(0.1)	1.7	(0.1)	3.1
Forward contracts DKK	(1.6)	98.6	-	-
Forward contracts RON	0.2	18.5	-	-
Forward contracts CHF	(0.0)	1.3	-	-
<b>Trading</b>				
<b>Foreign exchange</b>				
Forward contracts USD	0.0	1.4	0.0	2.5
Forward contracts INR	(0.9)	13.6	(0.2)	2.0
Forward contracts THB	(0.0)	1.2	-	-

The net amount of cash flow hedge reserve at December 31<sup>st</sup>, 2012 was EUR -10.1 million (net of tax), with a variation of EUR -3.5 million (net of tax) over the year.

**Note 24 Trade accounts and notes payable**

(in EUR million)	31 December 2012	31 December 2011 Restated	31 December 2011 Published
Trade payables and notes payable	1,021.3	923.1	924.7
Amounts payable on tangible assets	5.5	2.5	2.5
<b>Trade payables and notes payable</b>	<b>1,026.8</b>	<b>925.6</b>	<b>927.2</b>
Net advance payments	(40.4)	(56.2)	(56.2)
Prepaid expenses	(145.7)	(131.0)	(131.0)
<b>Net accounts payable</b>	<b>840.7</b>	<b>738.4</b>	<b>740.0</b>
<b>Number of days' payable outstanding (DPO)</b>	<b>69</b>	<b>58</b>	<b>58</b>

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

**Note 25 Other current liabilities**

(in EUR million)	31 December 2012	31 December 2011 Restated	31 December 2011 Published
Advances and down payments received on client orders	69.9	26.3	26.3
Employee-related liabilities	539.9	577.3	577.7
Social security and other employee welfare liabilities	182.8	190.3	190.7
VAT payable	254.1	287.9	287.9
Deferred income	413.3	333.3	333.3
Other operating liabilities	192.5	197.6	198.1
<b>Total</b>	<b>1,652.5</b>	<b>1,612.7</b>	<b>1,614.0</b>

Other current liabilities are expected to be settled within one year, except for deferred income that is released over the particular arrangement of the corresponding contract.

### Note 26 Off-balance sheet commitments

#### Contractual commitments

The table below illustrates the minimum future payments for firm obligations and commitments over the coming

years. Amounts indicated under the long-term borrowings and finance leases are posted on the Group balance sheet.

	31 December 2012	Maturing			31 December 2011 Published
		Up to 1 year	1 to 5 years	Over 5 years	
Convertible bonds	459.7	10.0	449.7	-	443.9
Bank loans	292.0	1.0	283.8	7.2	283.8
Finance leases	14.6	6.2	8.4	-	1.4
<b>Recorded on the balance sheet</b>	<b>766.3</b>	<b>17.2</b>	<b>741.9</b>	<b>7.2</b>	<b>729.1</b>
Operating leases: land, buildings, fittings	879.7	155.7	460.5	263.5	818.1
Operating leases: IT equipment	29.3	10.9	18.4	-	13.7
Operating leases: other fixed assets	104.4	38.3	66.1	-	87.7
Non-cancellable purchase obligations (> 5 years)	51.9	38.6	12.9	0.4	84.4
<b>Commitments</b>	<b>1,065.3</b>	<b>243.5</b>	<b>557.9</b>	<b>263.9</b>	<b>1,003.9</b>
<b>Total</b>	<b>1,831.6</b>	<b>260.7</b>	<b>1,299.8</b>	<b>271.1</b>	<b>1,733.0</b>
<b>Financial commitments received (Syndicated Loan)</b>	<b>920.0</b>	-	920.0	-	<b>920.0</b>
<b>Total received</b>	<b>920.0</b>	-	920.0	-	<b>920.0</b>

The received financial commitment refers exclusively to the non-utilized part of the EUR 1.2 billion revolving facility.

#### Commercial commitments

(in EUR million)	31 December 2012	31 December 2011 Published
<b>Bank guarantees</b>	<b>175.3</b>	<b>179.5</b>
- Operational - Performance	135.9	132.0
- Operational - Bid	7.0	13.7
- Operational - Advance Payment	30.6	29.7
- Financial or Other	1.8	4.1
<b>Parental guarantees</b>	<b>3,764.7</b>	<b>2,917.6</b>
- Operational - Performance	3,712.8	2,909.9
- Operational - Other Business Orientated	51.9	7.7
- Financial or Other	-	-
<b>Pledges</b>	<b>0.4</b>	<b>0.7</b>
<b>Total</b>	<b>3,940.4</b>	<b>3,097.8</b>

For various large long term contracts, the Group provides performance guarantees to its clients. These guarantees amount to EUR 3,764.7 million as of December 31<sup>st</sup>, 2012, compared with EUR 2,917.6 million at the end of December 2011.

During 2012, the Group issued new parental guarantees related to large contracts signed with major clients. The Group issued parental guarantees of GBP 293.1 million (EUR 358.5 million) for the Department for Work and Pensions in the UK and USD 83.7 million (EUR 63.3 million) for McGraw-Hill Company in the United States.

With respect to the framework agreement signed with Siemens for the acquisition of SIS, Atos has committed to make its best effort to replace Siemens as guarantor for existing commitments as of July 1<sup>st</sup>, 2011.

At the end of 2012, new parental guarantees issued in replacement of Siemens were EUR 1,330.0 million including BBC for GBP 345.0 million (EUR 422.0 million), National Savings for GBP 250.0 million (EUR 305.8 million) and The United Kingdom Passport Agency for GBP 138.0 million (EUR 168.8 million) and Nike Corp for USD 125.0 million (EUR 94.5 million). Guarantees received from Siemens are detailed in Note 1 Business combination.

In the framework of the contract for the provision of IT services signed by Atos IT Services UK Limited with the International Olympic Committee (IOC), Atos SAE (Spain) has granted a full performance guarantee to the IOC by which it commits to perform the contract in case the signing entity (or any other affiliate to whom the signing entity could have assigned all or part of the rights and obligations under the contract) is unable to provide services required under the contract.

In relation to the multi-currency revolving facility signed in April 2011, Atos SE issued a parental guarantee to the

benefit of the consortium of banks represented by BNP Paribas, in order to cover up to EUR 660.0 million the obligations of its subsidiary, Atos Telco Services BV. and Atos BV.

Atos SE has given a EUR 120.0 million guarantee to the Stichting Pensionfonds Atos. This guarantee is provided to secure the payment obligations of Atos Nederland BV under the cover ratio mechanism in case of its failure to pay associated sums.

Subsequent to the Cellnet disposal in July 2004, Atos SE still has one outstanding guarantee with Schlumberger related to Citicorp for a total amount of USD 48.5 million (EUR 36.7 million), which is fully counter guaranteed by the acquirer of Cellnet, "Cellnet Holdings Corp".

Atos SE or Atos BV have given for various subsidiaries guarantees of general financial support to comply with local regulations.

Finally, as part of the general agreement with Siemens in respect of transfer of SIS UK pension liabilities, the Board of Atos SE, during its March 29<sup>th</sup>, 2011 meeting, has agreed to provide a 20 year guarantee to the Atos 2011 Pension Trust set up to accommodate the transfer. The maximum amount of the guarantee is GBP 200.0 million.

Group contributions expectations regarding pension funds:

- ▶ EUR 59.4 million to its UK pension schemes in 2013 compared to EUR 51.6 million in 2012, of which EUR 36.6 million correspond to deficit recovery payments, and
- ▶ Contribution for the Dutch pension fund shall depend on the outcome of the arbitrage procedure. The expected regular contribution is EUR 19.9 million in 2013 compared to EUR 39.7 million total contributions in 2012.

### Note 27 Related party transactions

Transactions between Atos and its subsidiaries, which are related parties of the Group, have been eliminated in consolidation and are not disclosed in this note.

Related party transactions include in particular transactions with:

- ▶ Entities that directly, or indirectly through one or more intermediary controls, have an interest in or have joint control over the Group;
- ▶ Key management personnel of the Group defined as persons who have the authority and responsibility for

planning, directing and controlling the activity of the Group, namely members of the Board of Directors as well as Senior Executive Vice Presidents.

In the course of 2012, no transaction between the Group and such entities or key management personnel occurred.

### Compensation of members of the Board of Directors as well as Senior Executive Vice Presidents

The remuneration of the main members of the management during the year was as follows:

(in EUR million)	12 months ended 31 December 2012	12 months ended 31 December 2011 Published
Short-term benefits	7.7	6.5
Post-employment benefits	2.5	2.1
Equity-based compensation: stock options & free share plans	1.8	1.0
<b>Total</b>	<b>12.0</b>	<b>9.6</b>

The remuneration of Chief Executive Officer is determined by the Remuneration Committee according to the Group's financial achievements.

Short-term benefits include salaries, bonuses and fringe benefits. Bonuses correspond to the total charge reflected in the income statement including the bonuses effectively paid during the year, the accruals relating to current year and the release of accruals relating to previous year.

During the year, the Group has neither granted nor received guarantees from any of its Board members.

### Claim from one former Management Board Member

There was a hearing on October 10<sup>th</sup>, 2012 and a judgment was rendered on November 6<sup>th</sup>, 2012. The Court of Appeal of Versailles reversed the judgment of the Commercial Court of Nanterre and condemned Atos to pay to Mr. Germond the sum of EUR 3,960,000 with interests at the legal rate from December 1<sup>st</sup>, 2008. Atos has decided to appeal of this decision before the French Supreme Court (Cour de Cassation). Notwithstanding this appeal, Atos paid to Mr Germond the sum of EUR 3,834,280 (including interests and after deduction of the first ruling).

### Note 28 Subsequent events

There were no subsequent events.



**Note 29 Main operating entities part of scope of consolidation as of December 31<sup>st</sup>, 2012**

	% of Interest	Consolidation method	% of Control	Address
<b>HOLDING</b>				
Atos SE		Consolidation Parent Company		80, quai Voltaire - 95870 Bezons
Atos International BV	100	FC	100	Papendorpseweg 93 - 3528 BJ Utrecht - The Netherlands
Saint Louis Ré	100	FC	100	74, rue de Merl - L2146 Luxembourg
Atos International SAS	100	FC	100	80, quai Voltaire - 95870 Bezons
<b>FRANCE</b>				
Atos Worldline SAS	100	FC	100	80, quai Voltaire - 95870 Bezons
Atos Integration SAS	100	FC	100	80, quai Voltaire - 95870 Bezons
Diamis SA	60	FC	60	80, quai Voltaire - 95870 Bezons
Mantis SA	100	FC	100	24, rue des Jeûneurs - 75002 Paris
Atos Infogérance SAS	100	FC	100	80, quai Voltaire - 95870 Bezons
Atos Télépilotage Informatique SA	51	FC	51	80, quai Voltaire - 95870 Bezons
Atos Consulting SAS	100	FC	100	80, quai Voltaire - 95870 Bezons
Atos A2B SAS	100	FC	100	80, quai Voltaire - 95870 Bezons
Atos Formation SAS	100	FC	100	7/13, rue de Bucarest - 75008 Paris
Atos Worldgrid	100	FC	100	80, quai Voltaire - 95870 Bezons
Buyster	100	FC	100	139 boulevard de Sébastopol - 75002 Paris
blueKiwi Software SA	100	FC	100	80, quai Voltaire - 95870 Bezons
Yunano	70	FC	70	80, quai Voltaire - 95870 Bezons
<b>GERMANY</b>				
Atos Worldline GmbH	100	FC	100	Hahnstraße 25 - 60528 Frankfurt - Germany
Atos GmbH	100	FC	100	Theodor Althoffstraße 47 - 45133 Essen - Germany
Atos IT Dienstleistung und Beratung GmbH	100	FC	100	Bruchstrasse 5 - 45883 Gelsenkirchen - Germany
Atos IT Solutions and Services GmbH	100	FC	100	Otto-Hahn-Ring 6 - 81739 Munich - Germany
Atos IT Solutions and Services Verwaltungs GmbH	100	FC	100	Otto-Hahn-Ring 6 - 81739 Munich - Germany
Energy4u GmbH	100	FC	100	Emmy-Noether-Straße 17 - 65627 Karlsruhe - Germany

	% of Interest	Consolidation method	% of Control	Address
<b>THE NETHERLANDS</b>				
Atos IT Services Nederland BV.	100	FC	100	Papendorpseweg 93 - 3528 BJ Utrecht - The Netherlands
Atos IT Systems Management Nederland BV.	100	FC	100	Papendorpseweg 93 - 3528 BJ Utrecht - The Netherlands
Atos Nederland BV.	100	FC	100	Papendorpseweg 93 - 3528 BJ Utrecht - The Netherlands
Atos Telco Services BV.	100	FC	100	Papendorpseweg 93 - 3528 BJ Utrecht - The Netherlands
Atos Banking Services BV.	100	FC	100	Papendorpseweg 93 - 3528 BJ Utrecht - The Netherlands
Atos Consulting NV	100	FC	100	Papendorpseweg 93 - 3528 BJ Utrecht - The Netherlands
Quality Equipment Holding BV.	100	FC	100	Wolweverstraat 18 - 2984 AB Ridderkerk - The Netherlands
<b>OTHER EUROPE - MIDDLE EAST - AFRICA</b>				
<b>Austria</b>				
Atos Information Technology GmbH	100	FC	100	Technologiestraße 8/Genbaude D - 1120 Vienna - Austria
Atos IT Solutions and Services GmbH	100	FC	100	Siemensstraße 92 - 1210 Vienna - Austria
TSG EDV-Terminal-Service GmbH	99.23	FC	100	Modecenterstraße 1 - 1030 Vienna - Austria
<b>Belgium</b>				
Atos Belgium SA	100	FC	100	Da Vincilaan 5 - 1930 Zaventem - Belgium
Atos Worldline NV	100	FC	100	Chaussée de Haecht 1442 - B-1130 Brussel - Belgium
<b>Bulgaria</b>				
Atos IT Solutions and Services EOOD	100	FC	100	2 Kukush Str. - Sofia Municipality - Ilinden District - 1309 Sofia - Bulgaria
<b>Denmark</b>				
Atos IT Solutions and Services A/S	100	FC	100	Dybendalsvaenget 3 - 2630 Taastrup - Denmark
<b>Croatia</b>				
Atos IT Solutions and Services d.o.o	100	FC	100	Heinzelova 69 - 10000 Zagreb - Republic of Croatia
<b>Czech Republic</b>				
Atos IT Solutions and Services s.r.o.	100	FC	100	14000 Praha 4 - Doudlebská 1699/5 - Czech Republic

	% of Interest	Consolidation method	% of Control	Address
<b>Russia</b>				
Siemens IT Solutions and Services LLC	100	FC	100	1 <sup>st</sup> Kozhevnikheski per. 6, bld. 1 115114 Moscow - Russian Federation
<b>Finland</b>				
Atos IT Solutions and Services oy	100	FC	100	Majurinkatu 6 - 02600 Espoo - Finland
<b>Ireland</b>				
Atos IT Solutions and Services Limited	100	FC	100	Fitzwilliam Court - Leeson Close - 2 Dublin - Ireland
<b>Italy</b>				
Atos Italia Sp.A.	100	FC	100	Via Vipiteno no. 4 - 20128 Milan - Italy
e-Utile Sp.A.	100	FC	100	Piazza Trento, 13 - 20135 Milan - Italy
<b>Luxembourg</b>				
Atos Luxembourg PSF S.A.	100	FC	100	2, rue Nicolas Bové - L1253 Luxembourg
<b>Morocco</b>				
Atos IT Services	100	FC	100	Avenue Annakhil - Espace High-Tech - hall B 5 <sup>th</sup> floor - Hayryad Rabat - Morocco
Atos ITS Nearshore Center Maroc SARL	100	FC	100	Casablanca - shore 7, 1100 boulevard Al Qods - quartier Sidi Maârouf, - Casablanca - Morocco
<b>Poland</b>				
Atos IT Services SP z.o.o.	100	FC	100	Ul. Domaniewska 41 (Taurus Building) - 02-672 Warsaw - Poland
Atos IT Solutions and Services SP. z.o.o.	100	FC	100	Ul. Zupnicza 11 - 03-821 Warsaw - Poland
<b>Portugal</b>				
Atos Soluções e Serviços para Tecnologias de Informação, Unipessoal, Ltda	100	FC	100	Rua Irmaos Siemens - 1 e 1-A - 2700 172 Amadora - Portugal
<b>Romania</b>				
Atos IT Solutions and Services s.r.l.	100	FC	100	24 Preciziei Boulevard - Building H3 - 3rd floor - 6 <sup>th</sup> District - 062204 Bucharest - Romania
<b>Serbia</b>				
Atos IT Solutions and Services d.o.o.	100	FC	100	Pariske komune No. 22 - 11070 Belgrade - Serbia
<b>South Africa</b>				
Atos (PTY) Ltd	74	FC	74	204 Rivonia Road - Sandton private bag X 136 - Bryanston 2021 - South Africa

	% of Interest	Consolidation method	% of Control	Address
<b>Spain</b>				
Mundivia SA	100	FC	100	Calle Real Consulado - s/n Poligono Industrial Candina - Santander 39011- Spain
Tempos 21, Innovación en Aplicaciones Móviles, SA	97.25	FC	100	Avda. Diagonal, 210-218 - Barcelona 08018 - Spain
Atos Consulting Canarias, SA	100	FC	100	Paseo Tomás Morales, 85 1º - Las Palmas de Gran Canaria 35004 - Spain
Centro de Tecnologías Informáticas, SA	80	FC	80	Paseo de la Condesa de Sagasta, 6 Oficina 1 - León 24001 - Spain
Infoservicios SA	75	FC	75	Albarracin 25 - Madrid 28037 - Spain
Atos, Sociedad Anonima Espanola	100	FC	100	Albarracin 25 - Madrid 28037 - Spain
Atos IT Solutions and Services Iberia SL	99.99	FC	100	Ronda de Europa, 5 - 28760 Madrid - Spain
Atos Worldgrid SL	100	FC	100	Real Consulado s/n - Poligono Industrial Candina - Santander 39011- Spain
Desarrollo de Aplicaciones Especiales SA	100	FC	100	Juan de Olías 1 - Madrid 28020 - Spain
MSL Technology SL	50	FC	50	C/ Marqués de Ahumada - 7 - 28028 Madrid - Spain
<b>Slovakia</b>				
Atos IT Solutions and Services s.r.o.	100	FC	100	Einsteinova 11 - 851 01 - Bratislava - Slovakia
<b>Sweden</b>				
Atos IT Solutions and Services AB	100	FC	100	Johanneslundsvägen 12:14 - 194 87 Upplands Väsby - Sweden
<b>Switzerland</b>				
Atos AG	100	FC	100	Industriestraße 19 - 8304 Wallisellen - Zurich - Switzerland
<b>Turkey</b>				
Atos Bilisim Danismanlik ve Musteri Hizmetleri Sanayi ve Ticaret A/S	99.92	FC	100	Yakacik Caddesi No: 111 - 18, 34870, Kartal, Istanbul - Turkey
<b>United Arab Emirates - Dubai</b>				
Atos FZ LLC	100	FC	100	Office G20 - Building DIC-9 Dubai Internet City - PO Box.500437 Dubai - United Arab Emirates
ATOS FZ LLC Abu Dhabi Branch	100	FC	100	Office G20 - Building DIC-9 Dubai Internet City - PO Box.500437 Dubai - United Arab Emirates

	% of Interest	Consolidation method	% of Control	Address
<b>Saudi Arabia</b>				
Atos Saudia	49	PC	49	P. O. Box # 8772 - Riyadh-11492 - Kingdom of Saudi Arabia
<b>Qatar</b>				
ATOS QATAR Llc	49	FC	49	Sheikh Suhaim bin Hamad Street - No.89858 - Doha - Qatar
<b>Egypt</b>				
Atos IT SAE	100	FC	100	50 Rue Abbass El Akkad - Nasr city - Cairo - Egypt
<b>THE UNITED KINGDOM</b>				
Atos Consulting Limited	100	FC	100	4 Triton Square - Regent's Place - London, NW1 3HG- United Kingdom
Atos IT Services Limited	100	FC	100	4 Triton Square - Regent's Place - London, NW1 3HG- United Kingdom
Atos IT Solutions and Services Limited	100	FC	100	4 Triton Square - Regent's Place - London, NW1 3HG- United Kingdom
Atos UK Holdings Limited	100	FC	100	4 Triton Square - Regent's Place - London, NW1 3HG- United Kingdom
Atos Esprit Limited	100	FC	100	4 Triton Square - Regent's Place - London, NW1 3HG- United Kingdom
Shere Limited	100	FC	100	4 Triton Square - Regent's Place - London, NW1 3HG- United Kingdom
Canopy The Open Cloud Company Limited	80.01	FC	100	4 Triton Square - Regent's Place - London, NW1 3HG- United Kingdom
<b>ASIA PACIFIC</b>				
<b>Australia</b>				
Atos (Australia) Pty. Ltd	100	FC	100	885 Mountain Highway 3153 Bayswater - Victoria - Australia
<b>China</b>				
Atos Covics Business Solutions Ltd	100	FC	100	No. 1 Building - No. 99, Qinjiang Rd-Shanghai - China
Atos Information Technology (China) Co. Ltd	100	FC	100	502-505 Lido Commercial Building - Lido Place - Jichang Road- Chaoyang District- Beijing - China
Atos Worldgrid Information Technology (Beijing) Co Ltd	100	FC	100	429, 4 <sup>th</sup> Floor, A2 Commercial Building - Lido Hotel - No 6 Jiangtai Road - Chaoyang District - Beijing - China

	% of Interest	Consolidation method	% of Control	Address
<b>Hong Kong</b>				
Atos Information Technology HK Ltd	100	FC	100	Units 3B & 05-10, 18/F., Exchange Tower, 33 Wang Chiu Road, Kowloon Bay-Kowloon-Hong Kong
<b>India</b>				
Atos India Private Limited	100	FC	100	Unit 126/127, SDF IV, SEEPZ - Andheri (East) - Bombay 400 096 - India
Atos IT Solutions and Services Pvt Ltd	99.99	FC	100	HCC 247 Park, Hincon House, Tower - A - 8th-10th Floor - Lal Bahadur Shastri Marg - Vikhroli (West) - Mumbai 400 083 - India
Atos Worldline India Private Ltd	99.99	FC	100	701, Interface 11 - Malad (West) - Mumbai 400064 - India
<b>Indonesia</b>				
PT Atos Information Technology Indonesia	100	FC	100	Wisma Keiai #1707 - Jalan Jenderal Sudirman Kav 3 - Jakarta 10220 Indonesia
<b>Japan</b>				
Atos KK	100	FC	100	20 F, Shinjuku Park Tower - Nishi Shinjuku 3 - 7 - 1 - Shinjuku - ku - Tokyo - Japan
<b>Malaysia</b>				
Atos Services (Malaysia) SDN BHD	100	FC	100	16-A (1 <sup>st</sup> Floor) Jalan Tun Sambanthan - 3 Brickfields - 50470 Kuala Lumpur - Malaysia
<b>Philippines</b>				
Atos Information Technology Inc.	100	FC	100	23/F Cyber One Building - Eastwood City - Cyberpark - 1110 Libis, Quezon City - Philippines
<b>Singapore</b>				
Atos Information Technology (Singapore) Ptd Ltd	100	FC	100	620A Lorong 1 Toa Payoh - TP4 Level 5 - 319762 Singapore
<b>Taiwan</b>				
Atos (Taiwan) Ltd	100	FC	100	5F, No.100, Sec.3, Min Sheng E. Road - Taipei 105 -Taiwan - R.O.C.
<b>Thailand</b>				
Atos IT Solutions and Services Ltd	100	FC	100	2922/339 Charn Issara Tower II - 36 <sup>th</sup> Floor - New Petchburi Road - Bangkok - Huay Kwang - 10310 Bangkok - Thailand

	% of Interest	Consolidation method	% of Control	Address
<b>AMERICAS</b>				
<b>Argentina</b>				
Atos Argentina SA	100	FC	100	Nicolás de Vedia 3892, PB - Ciudad Autónoma de Buenos Aires - C 1430DAL - Argentina
Atos IT Solutions and Services SA	100	FC	100	Julio A. Roca 530, piso 8, C.A.B.A. - C1067ABN - Argentina
<b>Brazil</b>				
Atos Brasil Ltda	100	FC	100	Avenida Maria Coelho Aguiar, n° 215 - 5° andar - Bloco E - Jardim São Luís - São Paulo SP CEP 05805-904 - Brazil
Atos Serviços de Tecnologia da Informação do Brasil Ltda	100	FC	100	Avenida Maria Coelho Aguiar N° 215 - 7° andar - Bloco E - Bairro Jardim São Luis - São Paulo - SP - CEP 05805-904 - Brazil
Atos Soluções e Serviços de tecnologia da informação LTDA	100	FC	100	Rua Werner Von Siemens, 111 - Prédio 6 - Lapa - São Paulo - SP - CEP 05069-900 - Brazil
<b>Canada</b>				
Atos Inc.	100	FC	100	6375 Shawson Drive - L5T 1S7 Mississauga - Ontario - Canada
<b>Chili</b>				
Atos IT Solutions and Services S.A.	100	FC	100	Avenida Providencia 1760 Piso 17, Comuna de Providencia - 8320000 Santiago de Chile - Chile
<b>Colombia</b>				
Atos IT Solutions and Services S.A.S	100	FC	100	Carrera 65 No. 11-83 Piso 3º - Bogotá - Colombia
<b>Mexico</b>				
Atos IT Business services S de RL de CV	100	FC	100	Calle Poniente 116 No. 590 - Industrial Vallejo - Distrito Federal - 02300 México, D.F. - Mexico
<b>The United States of America</b>				
Atos IT Solutions and Services Inc.	100	FC	100	101 Merritt 7, 6 <sup>th</sup> Floor - Norwalk - CT 06851 - United States of America

### Note 30 Auditors fees

(in EUR million)	Total			Deloitte			Grant Thornton		
	2012		2011	2012		2011	2012		2011
	Amount	%	Amount	Amount	%	Amount	Amount	%	Amount
<b>Audit</b>									
Statutory & consolidated accounts	7,071.0	72%	8,296.4	4,162.0	61%	4,607.0	2,909.0	99%	3,689.4
<i>Parent company</i>	2,059.0	21%	2,355.0	1,204.0	18%	1,425.0	855.0	29%	930.0
<i>Subsidiaries</i>	5,012.0	51%	5,941.4	2,958.0	43%	3,182.0	2,054.0	70%	2,759.4
Other services directly related to audit	2,345.0	24%	4,490.2	2,313.0	34%	3,983.0	32.0	1%	507.2
<i>Parent company</i>	1,512.0	15%	3,560.5	1,504.0	22%	3,408.0	8.0	0%	152.5
<i>Subsidiaries</i>	833.0	9%	929.7	809.0	12%	575.0	24.0	1%	354.7
<b>Subtotal Audit</b>	<b>9,416.0</b>	<b>96%</b>	<b>12,786.6</b>	<b>6,475.0</b>	<b>95%</b>	<b>8,590.0</b>	<b>2,941.0</b>	<b>100%</b>	<b>4,196.6</b>
<b>Non audit services</b>									
Legal, tax and social	296.0	3%	269.0	296.0	4%	269.0	-	-	-
Other services	70.0	1%	132.0	70.0	1%	132.0	-	-	-
<b>Subtotal Non Audit</b>	<b>366.0</b>	<b>4%</b>	<b>401.0</b>	<b>366.0</b>	<b>5%</b>	<b>401.0</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>9,782.0</b>	<b>100%</b>	<b>13,187.6</b>	<b>6,841.0</b>	<b>100%</b>	<b>8,991.0</b>	<b>2,941.0</b>	<b>100%</b>	<b>4,196.6</b>



## D.5.1 Statutory Auditors' report on the financial statements for the year ended December 31<sup>st</sup>, 2012

*This is a free translation into English of the statutory auditors' report on the annual financial statements issued in the French language and it is provided solely for the convenience of English speaking users.*

*The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.*

*This report also includes information relating to the specific verification of information given in the management report and in the document addressed to the shareholders.*

*This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.*

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31<sup>st</sup>, 2012, on:

- ▶ the audit of the accompanying financial statements of Atos SE;
- ▶ the justification of our assessments;
- ▶ the specific verification and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

### I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities, of the financial position of the Company as at December 31<sup>st</sup>, 2012 and of the results of

its operations for the year then ended in accordance with French accounting principles.

### II. Justification of our assessments

In accordance with Article L. 823-9 of the French Commercial Code (Code du commerce) relating to the justification of our assessments, we bring to your attention the following matters:

Participating interests, with a net book value of EUR 3,333,206 thousands in the balance sheet as at December 31<sup>st</sup>, 2012, are valued at acquisition cost and depreciated based on its value-in-use according to the principles described in the note "Financial fixed assets" to the financial statements. Our work consisted on appreciating the data and assumptions on which these estimations are based, especially the cash-flow projections prepared by Atos Management, reviewing the calculations performed by the entity and scrutinising the approval procedure of these estimations by Management.

These assessments were made as part of our audit of the financial statements, taken as a whole and therefore contributed to the opinion we formed which is expressed in the first part of this report.

### III. - Specific verifications and information

We have also performed the specific verifications required by French law in accordance with professional standards applicable in France.

We have no matters to report regarding the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L.225-102-1 of the French Commercial Code (Code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Paris, April 2<sup>nd</sup>, 2013  
The Statutory Auditors

Deloitte & Associés  
Christophe Patrier

Grant Thornton  
French member of Grant Thornton International  
Vincent Frambourt

### D5.2 Statutory auditor's special report on regulated agreements - year ended December 31<sup>st</sup>, 2012

*This is a free translation into English of the statutory auditors' special report on regulated agreements that is issued in the French language and is provided solely for the convenience of English speaking users. This report on regulated agreements should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.*

To the shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements, if any. It is your responsibility, pursuant to article R. 225-31 of the French Commercial Code (Code de Commerce), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information stipulated in article R. 225-31 of the French Commercial Code relating to the implementation during the past year of agreements previously approved by the shareholders' meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

#### **Agreements submitted to the approval of the Shareholders' Meeting**

##### **Agreements authorized during the year**

We hereby inform you that we have not been advised of any agreement authorized during the year to be submitted to the approval of the shareholders' meeting pursuant to article L. 225-38 of the French Commercial Code.

#### **Agreements previously approved by the shareholders' meeting**

##### **Agreements approved in prior years not performed during the year**

Pursuant to article R.225-30 of the French Commercial Code, we have been informed of the following agreements, previously approved by shareholders' meetings of prior years, which were not performed during the year.

##### **Agreement concluded with Mr. Thierry Breton, Chairman and Chief Executive Officer, - Terms and conditions related to a supplementary collective defined benefit pension plan**

The supplementary collective defined benefit pension plan applicable to all members of the Executive Committee of the Atos Group as authorised by the Board of Directors meeting of March 26<sup>th</sup>, 2009 and approved by the Annual General Meeting of May 26<sup>th</sup>, 2009 (fourth resolution), to which the Chairman and Chief Executive Officer has belonged since December 31<sup>st</sup>, 2009, continued during the year ended December 31<sup>st</sup>, 2012.

During the year 2012, the Group has made a payment of 14,548.80 euros to an insurance company under this agreement and no right has been definitively acquired for the benefit of the Chairman and Chief Executive Officer.

Neuilly-sur-Seine and Paris, April 2<sup>nd</sup>, 2013  
The Statutory Auditors

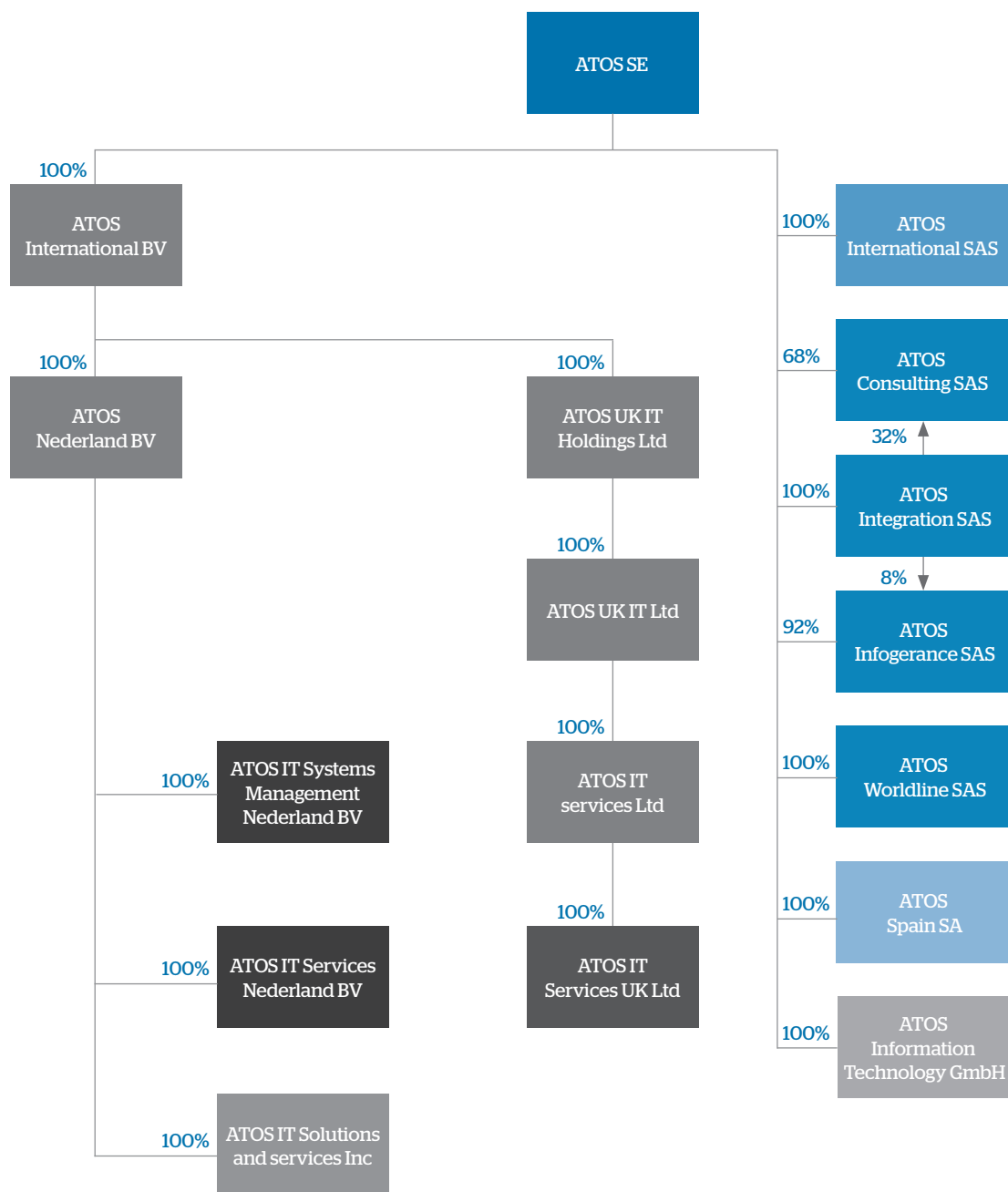
Deloitte & Associés  
Christophe Patrier

Grant Thornton  
French member of Grant Thornton International  
Vincent Frambourt

### D.5.3 Parent company's simplified organization chart

As of December 31<sup>st</sup>, 2012, the Group issued common stock amounted to EUR 85.7 million comprising 85,703,430 fully paid-up shares of EUR 1 per value each.

Atos shares are traded on the Paris NYSE Euronext market under ISIN FROOOO051732. The shares are not listed on any other stock exchange and Atos SE is the only listed company of the Group



■ Holding - ■ Support Service

■ The Netherlands - ■ United Kingdom - ■ North America - ■ France - ■ Spain - ■ Germany

### D5.4 Statutory financial statements

#### D5.4.1 Balance sheet

(in EUR million)	Notes	31 December 2012	31 December 2011
<b>ASSETS</b>			
Intangible fixed assets	Note 1	3,713	98,418
Tangible fixed assets	Note 2	46	46
Participating interests	Note 3	3,333,276	2,800,044
Other financial investments	Note 3	680,915	691,828
<b>Total fixed assets</b>		<b>4,017,950</b>	<b>3,590,336</b>
Trade accounts and notes receivable	Note 4	5,542	16,806
Other receivables	Note 4	452,479	337,966
Cash and cash equivalent	Note 5	705,948	379,171
<b>Total current assets</b>		<b>1,163,969</b>	<b>733,943</b>
Prepayments, deferred expenses	Note 6	8,301	10,986
<b>TOTAL ASSETS</b>		<b>5,190,220</b>	<b>4,335,265</b>

(in EUR million)	Notes	31 December 2012	31 December 2011
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Common stock		85,703	83,567
Additional paid-in capital		1,921,173	1,845,408
Legal reserves		8,551	8,354
Other reserves and retained earnings		322,869	320,712
Net income for the period		499,236	44,034
<b>Shareholders' equity</b>	Note 7	<b>2,837,532</b>	<b>2,302,075</b>
<b>Provisions for contingencies and losses</b>	Note 8	<b>11,236</b>	<b>23,117</b>
Borrowings	Note 9	1,487,327	1,212,832
Trade accounts payable	Note 10	5,625	20,917
Other liabilities	Note 10	848,395	776,107
<b>Total liabilities</b>		<b>2,341,347</b>	<b>2,009,856</b>
Unrecognised exchange gains		105	217
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>5,190,220</b>	<b>4,335,265</b>

## D.5.4.2 Income statement

(in EUR million)	Notes	31 December 2012	31 December 2011
<b>Revenue</b>	<b>Note 11</b>	<b>63,609</b>	<b>40,655</b>
Other income		1	62
<b>Total operating income</b>		<b>63,610</b>	<b>40,717</b>
Cost of sales		(14,896)	(12,929)
Taxes		(741)	(448)
Depreciation amortisation and provisions			(66)
Other expenses	Note 12	(17,033)	(12,712)
<b>Total operating expenses</b>		<b>(32,670)</b>	<b>(26,155)</b>
<b>Operating margin</b>		<b>30,940</b>	<b>14,562</b>
Net financial result	Note 13	462,664	32,970
<b>Net income on ordinary activities</b>		<b>493,604</b>	<b>47,532</b>
Non-recurring items	Note 14	(1,997)	(12,065)
Corporate income tax	Note 15	7,629	8,567
<b>Net income for the period</b>		<b>499,236</b>	<b>44,034</b>

## D.5.5 Notes to the Atos SE statutory financial statements

**Atos SE Activity**

Atos SE main activities are:

- ▶ The management of the Atos trademark;
- ▶ The management of Group participating interests;
- ▶ The management of Group financing activities.

Revenue included trademark fees received from Group subsidiaries.

The company Atos SE is the parent company of the Atos Group and consequently establishes consolidated financial statements.

**Highlights**

On May 30<sup>th</sup>, 2012, the shareholders have approved the change of status from a SA (French société anonyme) to a SE (Societas Europaea).

Atos SA became Atos SE on January 8<sup>th</sup>, 2013.

**Rules and accounting methods**

In application with CRC 99-03, the financial statements of Atos SE have been prepared in accordance with generally accepted accounting principles in France and with the provisions of the French General Accounting Plan (Plan Comptable Général).

General conventions were applied, in the respect of:

- ▶ principle of prudence;
- ▶ principle of going concern;
- ▶ permanence of the accounting methods from one exercise to another;
- ▶ cut-off principle.

As a principle, items are booked in the accountancy based on the historical cost method.

The annual accounts are established and presented in thousands of euros.

**Intangible assets**

Intangible assets consist of software and merger deficit.

The software are booked at the acquisition cost and amortized on a straight-line basis over their expected useful life.

The merger deficit acquired before 2004 is amortized on a straight-line basis over 20 years.

The Company applied the regulation CRC 2004-01 relating to the accounting treatment of mergers and similar operations which occurred from January 1<sup>st</sup>, 2004. Those merger deficits are subject to an annual impairment

test. An impairment loss is recognized when the sum of the merger deficit and the related gross value of the participating interest exceed the enterprise value.

The enterprise value is computed on the basis of expected three year future cash flow through assumptions approved by the management of the Company.

### **Tangible assets**

The tangible fixed assets (buildings / fittings) are booked at their acquisition value excluding any financial expenses.

The depreciation calculation is based on a straight-line method over the useful life of the assets, as follows:

- ▶ Buildings: 20 years
- ▶ Fixtures and fittings: 5 to 10 years.

### **Financial assets**

Financial assets consist of participating interests and other financial investments (treasury stock, loans).

Participating interests are booked at their acquisition cost; an impairment loss is recognized when the acquisition cost exceeds the value-in-use determined as follows:

- ▶ for the operational subsidiaries, the value-in-use is determined on the basis of the enterprise value described above;
- ▶ for the holding subsidiaries, the value-in-use is calculated based on their shareholding equities.

Treasury stocks are recorded at their acquisition cost. Atos shares are not held in the context of a liquidity contract nor in the intention to grant them as free shares plan or stock-options plan.

A depreciation charge is recognized when the carrying value exceeds the weighted average market price of Atos stock for the month of December.

Loans are mainly intra-group transactions.

### **Trade accounts and notes receivable**

Trade accounts and notes receivable are recorded at their nominal value. They are calculated individually and, if necessary, are subject to an impairment loss.

Trade accounts and notes receivable denominated in foreign currency are booked at their fair value at the closing date. The difference between their historical value and their fair value at year-end is booked as unrecognized exchange gain or loss.

### **Cash and cash equivalents**

Treasury stocks are recorded at their acquisition cost in the context of a liquidity contract or in the intention to grant them as free shares plan or stock-options plan.

For the shares acquired in the context of the liquidity contract a depreciation charge is recognized when the carrying value exceeds the weighted average market price of Atos stock for the month of December.

The shares acquired to be granted for the Management Incentive Plan (MIP) and Long Term Incentive (LTI) plans are valued at the purchase price for those bought from 2008, at the net book value as at December 31<sup>st</sup>, 2007 for the others, further to the accounting method changes into 2008 in application of the CNC guideline n°2008-17, the CRC regulation n°08-15, art 6, and the recommendation of the CNC n° 2009-R-01 of February 5<sup>th</sup>, 2009.

### **Prepayments, deferred expenses**

Deferred expenses relate exclusively to costs for issuing borrowings. Those costs are recognized over the duration of the borrowings on a straight-line basis.

### **Provisions**

The amount of the provisions is based on the best estimate of the outflow of resources necessary to extinguish the underlying obligation.

When the participating interest is fully impaired, an additional provision for risk may be required when the carrying value exceeds the value in-use.

A provision for contingencies is booked for free share grants and stock-options plans for the vesting period according to the application of the CNC guideline n°2008-17, the CRC regulation n°08-15, art 6, and the recommendation of the CNC n° 2009-R-01 of February 5<sup>th</sup>, 2009.

#### Note 1 Intangible assets

##### Net value of intangible fixed assets

(in EUR thousand)	31 December 2011	Acquisitions/ charges	Disposals/ reversals	31 December 2012
<b>Intangible assets</b>	<b>113,918</b>	-	-	<b>113,918</b>
Amortisation	(8,849)	(445)	-	(9,294)
Depreciation	(6,651)	(94,260)	-	(100,911)
<b>Total of amortisation &amp; depreciation</b>	<b>(15,500)</b>	<b>(94,705)</b>	-	<b>(110,205)</b>
<i>Of which: - non-recurring items</i>		(445)		
<i>- financial result</i>		(94,260)		
<b>Net value of intangible assets</b>	<b>98,418</b>	<b>(94,705)</b>	-	<b>3,713</b>

The intangible assets were mainly composed of a merger deficit resulting from the transfer of assets and liabilities from Atos Investissement 6 to Atos SE in 2004.

The other merger deficit acquired before 2004 amounts to EUR 9.7 million in gross value, are depreciated on a straight line basis.

This merger deficit is allocated to the various assets brought to allow a proper follow-up and is broken down as follows:

- France EUR 40.8 million;
- Spain EUR 63.8 million.

The depreciation charge of the merger deficit was related to:

- France EUR 32.6 million;
- Spain EUR 61.6 million.

#### Note 2 Tangible fixed assets

##### Net value of tangible fixed assets

(in EUR thousand)	31 December 2011	Acquisitions/ charges	Disposals/ reversals	31 December 2012
Tangible fixed assets	113	-	-	113
Depreciation of tangible fixed assets	(67)	-	-	(67)
<b>Net value of tangible fixed assets</b>	<b>46</b>	-	-	<b>46</b>

### Note 3 Financial fixed assets

#### Change in financial fixed assets – Gross value

(in EUR thousand)	31 December 2011	Acquisitions	Decrease	31 December 2012
Investments in consolidated companies	2,992,355	652,579	(2,216)	3,642,718
Investments in non consolidated companies	139	-	-	139
Treasury stocks	92	-	-	92
Other investments	85	-	-	85
<b>Total Investments</b>	<b>2,992,671</b>	<b>652,579</b>	<b>(2,216)</b>	<b>3,643,034</b>
Loans and accrued interests	129,693	250,022	-	379,715
Others	562,135	-	(260,935)	301,200
<b>Total Other financial assets</b>	<b>691,828</b>	<b>250,022</b>	<b>(260,935)</b>	<b>680,915</b>
<b>TOTAL</b>	<b>3,684,499</b>	<b>902,601</b>	<b>(263,151)</b>	<b>4,323,949</b>

#### Acquisition in consolidated investments

Atos SE increased the capital of several subsidiaries:

- ▶ Atos International BV for EUR 517.0 million;
- ▶ Atos Intégration for EUR 45.0 million;
- ▶ Atos Infogérance for EUR 45.0 million;
- ▶ Atos International for EUR 31.4 million
- ▶ Atos Turkey for EUR 11.2 million;
- ▶ Atos Servicios de Tecnología de Informática for EUR 3.0 million.

The increase in capital in Atos international BV was related to the financing of the subsidiaries formerly hold by Atos IT Solutions and Services GmbH.

Atos SE decreased the shares Atos IT Solutions and Services GmbH due to a reimbursement from Siemens for EUR 2.2 million.

Atos SE exchanged the shares Atos IT Solutions and Services GmbH for the shares Atos Information Technology GmbH for an amount of EUR 426.3 million.

#### Others financial assets

Other financial assets at closing date corresponded to:

- ▶ Deposits granted under the securitization program for EUR 278.0 million;
- ▶ Amounts due by Siemens related to price adjustment of the share value of Siemens IT Solutions and Services for EUR 23.2 million.



#### Change in financial fixed assets - Impairment

(in EUR thousand)	31 December 2011	Depreciation	Release	31 December 2012
Investments in consolidated companies	(192,356)	(122,156)	5,000	(309,512)
Investments in non consolidated companies	(139)	-	-	(139)
Treasury stocks	(47)	-	25	(22)
Other investments	(85)	-	-	(85)
<b>TOTAL</b>	<b>(192,627)</b>	<b>(122,156)</b>	<b>5,025</b>	<b>(309,758)</b>
Of which financial			25	

The charge of the period mainly related to the depreciation of investment in consolidated entities in France (including headquarters) for EUR 96.8 million, in Brazil for EUR 16.8 million and in Morocco for EUR 8.5 million.

The release of the period mainly related to investment in French consolidated entities for EUR 5 million.

#### Net value of the financial fixed assets

(in EUR thousand)	Gross amount	Depreciation	Net value
Investments in consolidated companies	3,642,718	(309,512)	3,333,206
Investments in non consolidated companies	139	(139)	-
Treasury stocks	92	(22)	70
Other investments	85	(85)	-
Loans and accrued interests	379,715	-	379,715
Others	301,200	-	301,200
<b>TOTAL</b>	<b>4,323,949</b>	<b>(309,758)</b>	<b>4,014,191</b>

#### Maturity of loans and other financial fixed assets

(in EUR thousand)	Gross amount 31 December 2012	Up to 1 year	1 to 5 years
Loans and accrued interests	379,715	129,715	250,000
Others	301,200	301,200	-
<b>TOTAL</b>	<b>680,915</b>	<b>430,915</b>	<b>250,000</b>

Accrued interests amounted to EUR 0.5 million (2011: EUR 0.4 million).

## Main subsidiaries and investments

(in EUR thousand)	Gross value at 31 December 2012	Net value at 31 December 2012	% interest	Net Income at 31 December 2012	Shareholders' equity
<b>I - Detailed Information</b>					
A - Subsidiaries (50% or more of common stock)					
<b>France</b>					
Atos Worldline	110,015	110,015	100%	14,906	121,902
Atos Investissement 5	618,681	618,681	100%	5,643	630,047
Atos Infogérance	146,775	41,480	92%	(29,963)	23,386
Atos Formation	2	2	100%	(124)	356
Atos Intégration	127,458	127,458	100%	(24,856)	430
Atos Consulting	16,539	10,226	68%	(888)	2,046
Atos Participation 2	30,616	28,096	100%	(1)	16,129
Atos International	62,278	14,514	100%	(1,610)	14,513
Atos Investissement 10	11,140	11,140	100%	(1,937)	(709)
Atos Management France	5,540	0	100%	(5,382)	(8,465)
Atos Investissement 12	40	30	100%	(1)	30
Atos Meda	8,840	392	100%	(348)	(203)
Atos Investissement 19	37	37	100%	(3)	25
Atos Investissement 20	37	26	100%	(3)	25
Atos Investissement 21	37	27	100%	(3)	26
Atos WorldGrid	32,328	31,799	100%	(11,989)	10,759
<b>Italia</b>					
Atos Multimédia	68	68	100%	-	171
Atos Origin Srl	57,183	116	100%	(27)	116
<b>Benelux</b>					
St Louis RE	2,139	2,139	100%	-	2,140
<b>Spain</b>					
Atos Spain SA	80,390	80,390	100%	2,438	26,830
GTI	751	162	33%	(21)	162
<b>Germany</b>					
Atos Information Technology GMBH	587,072	587,072	100%	(11,050)	536,142
Atos Holding GMBH	50,637	0	100%	(124)	(2,257)
<b>The Netherlands</b>					
Atos International BV	1,656,608	1,656,608	100%	(14,122)	749,282
<b>Brazil</b>					
Atos Serviços de Tecnologia da Informação do Brasil Ltda	26,285	1,491	57%	(21,081)	(11,076)
<b>Turkey</b>					
Atos Bilisim	11,212	11,212	81%	3,641	16,528
<b>II - Global Informations</b>					
Others participations	150	25			
<b>TOTAL</b>	<b>3,642,858</b>	<b>3,333,206</b>			

The total of subsidiaries and investments corresponded to investments in consolidated companies and investments in non-consolidated companies presented in the table «Net value of the financial fixed assets» above.

**Note 4 Trade accounts, notes receivable and other receivables**

**Trade accounts, notes receivable and other receivables**

(in EUR thousand)	Gross amount at 31 December 2012	Depreciation	Net value 31 December 2012	Net value 31 December 2011
Trade accounts and notes receivable	5,498	-	5,498	1,715
Doubtful debtors	289	(245)	44	44
Invoices to be issued	-	-	-	15,047
State and income tax	256	-	256	-
VAT receivable	1,428	-	1,428	3,397
Intercompany current account	445,251	-	445,251	333,426
Other debtors	5,746	(202)	5,544	1,143
<b>TOTAL</b>	<b>458,468</b>	<b>(447)</b>	<b>458,021</b>	<b>354,772</b>
<i>Of which - operating</i>		<i>(447)</i>		

**Maturity of trade accounts receivable and other debtors**

(in EUR thousand)	Gross amount at 31 December 2012	Up to 1 year	1 to 5 years
Trade accounts and notes receivable	5,498	5,498	-
Doubtful debtors	289	-	289
Invoices to be issued	-	-	-
State and income tax	256	256	-
VAT receivable	1,428	1,428	-
Intercompany current account	445,251	445,251	-
Other debtors	5,746	5,746	-
<b>TOTAL</b>	<b>458,468</b>	<b>458,179</b>	<b>289</b>

**Accrued income**

(in EUR thousand)	31 December 2012	31 December 2011
<b>Accrued income included in Receivable accounts</b>		
Invoices to be issued	-	15,047
Other debtors	2,247	463
<b>TOTAL</b>	<b>2,247</b>	<b>15,510</b>

### Note 5 Cash and cash equivalents

#### Cash and cash equivalents and mutual funds

(in EUR thousand)	Gross amount at 31 December 2012	Depreciation	Net value 31 December 2012	Net value 31 December 2011
Mutual funds	297,914	-	297,914	68,554
Treasury stocks - owned shares	4,973	-	4,973	4,755
Treasury stocks for share based payments	-	-	-	2,231
Short Term Bank deposits	382,418	-	382,418	299,946
Cash at bank	20,643	-	20,643	3,685
<b>TOTAL</b>	<b>705,948</b>	<b>-</b>	<b>705,948</b>	<b>379,171</b>

The 135,900 own shares acquired within the framework of the plans of profit-sharing 2007 and 2008 Long Term Incentive Plan (LTI) and Management Investment Plan (MIP) accounted for an amount of EUR 5.0 million are shares non allocated because conditions of attribution have not been met.

Depending on market conditions and short-term cash flow expectations, Atos SE from time to time invests in money market funds or bank deposits with a maturity period not exceeding three months.

### Note 6 Prepayments and deferred expenses

(in EUR thousand)	31 December 2012	31 December 2011
Prepaid expenses	114	193
Deferred expenses	8,187	10,793
<b>TOTAL</b>	<b>8,301</b>	<b>10,986</b>

### Note 7 Shareholders' equity

#### Common stock

	31 December 2012	31 December 2011
Number of shares	85,703,430	83,566,768
Nominal value (in EUR)	1	1
<b>Common stock (in EUR thousand)</b>	<b>85,703</b>	<b>83,567</b>

#### Capital ownership structure over three years

	31 December 2012		31 December 2011		31 December 2010	
	Shares	%	Shares	%	Shares	%
Financière Daunou 17	18,077,790	21.1%	17,855,541	21.4%	17,442,839	24.9%
Pardus	-	-	-	-	1,821,869	2.6%
FMR Llc	-	-	4,121,717	4.9%	3,498,744	5.0%
Siemens	12,483,153	14.6%	12,483,153	14.9%		
Board of Directors	16,542	0.0%	15,640	0.0%	14,640	0.0%
Employees	1,806,638	2.1%	1,820,548	2.2%	2,523,605	3.6%
Treasury stocks	137,193	0.2%	202,370	0.2%	253,551	0.4%
Public	53,182,114	62.1%	47,067,799	56.3%	44,358,829	63.4%
<b>TOTAL</b>	<b>85,703,430</b>	<b>100.0%</b>	<b>83,566,768</b>	<b>100.0%</b>	<b>69,720,462</b>	<b>100.0%</b>

Siemens Beteiligungen Inland GmbH no longer exceeded the 15 percent threshold with 14.6 percent of Atos share capital and voting right on July 12<sup>th</sup>, 2012.

The shares owned by employees are held through mutual funds and corporate savings plans.

The 23<sup>th</sup> resolution of the Annual General Meeting of May 30<sup>th</sup>, 2012 renewed the authorization to trade in the Group's shares. The number of shares purchased may not exceed 10 percent of the company's common stock. At December 31<sup>st</sup>, 2012, the company hold 137,193 shares of treasury

stocks representing 0.1 percent of the common stock.

The free-float of the Group shares excluded stakes owned by the main shareholders Financière Daunou 17 (PAI Partners) owning 21.1 percent of the Group share capital and Siemens owning 14.6 percent on December 31<sup>st</sup>, 2012. Any other shareholder owns or disclosed to own more than 5 percent of the issued capital of the Group. Stakes owned by the employees and the management were excluded from the free float.

	31 December 2012			31 December 2011		
	Shares	% of capital	% of voting rights	Shares	% of capital	% of voting rights
Treasury stock	137,193	0.2%	0.0%	202,370	0.2%	0.0%
Financière Daunou 17	18,077,790	21.1%	21.1%	17,855,541	21.4%	21.4%
Siemens	12,483,153	14.6%	14.6%	12,483,153	14.9%	14.9%
Board of Directors	16,542	0.0%	0.0%	15,640	0.0%	0.0%
Employees	1,806,638	2.1%	2.1%	1,820,548	2.2%	2.2%
Free float	53,182,114	62.1%	62.1%	51,189,516	61.3%	61.3%
<b>TOTAL</b>	<b>85,703,430</b>	<b>100.0%</b>	<b>100.0%</b>	<b>83,566,768</b>	<b>100.0%</b>	<b>100.0%</b>

### Changes in shareholders' equity

	31 December 2011	Dividends	Appropriation of result	Capital increase	Net Income 2012	31 December 2012
Common stock	83,567			2,136		85,703
Additional paid-in capital	1,845,408			75,765		1,921,173
Legal reserve	8,354		3	194		8,551
Other reserves	25,511					25,511
Retained earnings	295,201	(41,874)	44,031			297,358
Net income for the period	44,034		(44,034)		499,236	499,236
<b>Total of the shareholders's equity</b>	<b>2,302,075</b>	<b>(41,874)</b>	<b>-</b>	<b>78,095</b>	<b>499,236</b>	<b>2,837,532</b>

### Potential common stock

Based on 85,703,430 shares issued, the common stock could be increased by 18,339,082 new shares, representing an increase of 21.4 percent vesting:

- ▶ Stock-options granted to employees;
- ▶ Convertible bonds into new shares according to OCEANE.

	31 December 2012	31 December 2011	Variation
<b>Number of shares outstanding</b>	<b>85,703,430</b>	<b>83,566,768</b>	<b>2,136,662</b>
Conversion of Oceanes	10,796,902	10,796,902	-
Stock options	7,542,180	8,531,235	(989,055)
<b>Total potential common stock</b>	<b>104,042,512</b>	<b>102,894,905</b>	<b>1,147,607</b>

On the total of 7,452,180 of stock options, 4,981,018 options had a price of exercise higher than EUR 52.86 (year-end stock price at December 31<sup>st</sup>, 2012).

## Note 8 Provisions

### Provisions

(in EUR thousand)	31 December 2011	Charges	Release used	Release unused	31 December 2012
Subsidiary risk	20,490	5,508		(15,276)	10,722
Contingencies	2,133		(2,113)		20
Litigations	494				494
<b>TOTAL</b>	<b>23,117</b>	<b>5,508</b>	<b>(2,113)</b>	<b>(15,276)</b>	<b>11,236</b>
<i>Of which - operating</i>					0
<i>- financial</i>			(2,113)	(15,276)	(17,389)

The evaluation of the participating interest led to an additional charge for the following subsidiaries:

- ▶ Atos Management France EUR 5.4 million;
- ▶ Atos Holding GmbH EUR 0.1 million.

The evaluation of the participating interest led to the release of EUR 15.3 million for Atos International. The grant for shares 2007 LTI/MIP for the two-year plans led to the release of EUR 2.1 million.

## Note 9 Financial borrowings

### Closing net debt

(in EUR thousand)		Up to 1 year	1 to 5 years	Gross value 31 December 2012	Gross value 31 December 2011
Long and medium term borrowings		-	500,000	500,000	500,000
Bank overdraft		593,721	-	593,721	222,287
Other borrowings		393,606	-	393,606	490,545
<b>Total Borrowings</b>		<b>987,327</b>	<b>500,000</b>	<b>1,487,327</b>	<b>1,212,832</b>
Cash at bank	Note 5	20,643		20,643	3,366
<b>Closing net debt</b>		<b>966,684</b>	<b>500,000</b>	<b>1,466,684</b>	<b>1,209,466</b>

Financial borrowings included:

- ▶ Intercompany loans for EUR 367.5 million;
- ▶ On October 29<sup>th</sup>, 2009, Atos SE issued a convertible bond (OCEANE) of EUR 250 million maturing on January 1<sup>st</sup>, 2016;
- ▶ On July 1<sup>st</sup>, 2011, Atos SE issued a convertible bond (OCEANE) reserved to Siemens of EUR 250 million maturing on July 1<sup>st</sup>, 2016. Siemens sold the convertible bond on March 1<sup>st</sup>, 2013 to other investors;
- ▶ Profit-sharing for a total amount of EUR 16.1 million.

Deferred expenses related to other borrowings amounted to EUR 8.2 million (EUR 10.8 million in 2011).

### Syndicated loan (2011-2016)

On April 11<sup>th</sup>, 2011, Atos signed a new five-year revolving credit facility for an amount of EUR 1.2 billion with an international syndicate of financial institutions. The maturity of the revolving credit facility is until April 2016. As of December 31<sup>st</sup>, 2012, Atos SE had not used this multi-currency revolving facility.

### Securitization

On March 6<sup>th</sup>, 2009, Atos renewed its pan-European securitization program for a maximum amount for assignment of receivable of EUR 500 million and a maximum amount for financing of EUR 200 million. On December 31<sup>st</sup>, 2012, Atos SE received EUR 70 million for this program (EUR 70 million in 2011).

**Note 10 Trade accounts, notes payable and other liabilities****Maturity of trade accounts, notes payable and other liabilities**

(in EUR thousand)	Gross amount 31 December 2012	Up to 1 year	1 to 5 years	Gross amount 31 December 2011
Accounts payable	3,286	3,286	-	17,284
Social security and other employee welfare liabilities	1,595	1,595	-	1,155
VAT payable	744	744	-	2,478
Intercompany current account liabilities	837,734	837,734	-	772,869
Other liabilities	10,661	10,661	-	3,238
<b>TOTAL</b>	<b>854,020</b>	<b>854,020</b>	<b>-</b>	<b>797,024</b>

**Terms of payment**

The general terms of purchases were sixty days as from the date of issuance of the invoice except lawful or agreed contrary provisions between the parties.

The breakdown of accounts payable at the end of the financial year was as follows:

(in EUR thousand)	31 December	Associated companies	Other	Overdue for more than one year	Overdue for less than one year	Invoices non due at 31 <sup>st</sup> December
<b>2012</b>						
<b>Accounts payable and liabilities</b>	<b>3,286</b>	<b>76</b>	<b>3,210</b>	<b>142</b>	<b>390</b>	<b>2,754</b>
	100.0%			4.3%	11.9%	83.8%
Accounts payable	553	76	477	142	390	21
Invoices to be received	2,733	-	2,733	-	-	2,733
<b>2011</b>						
<b>Accounts payable and liabilities</b>	<b>17,284</b>	<b>8,573</b>	<b>8,711</b>	<b>86</b>	<b>298</b>	<b>16,900</b>
	100.0%			0.5%	1.7%	97.8%
Accounts payable	6,500	5,820	680	86	298	6,116
Invoices to be received	10,784	2,753	8,031	-	-	10,784

**Deferred Expenses**

(in EUR thousand)	31 December 2012	31 December 2011
<b>Deferred Expenses included in the trade payable accounts</b>		
Invoices to be received	2,733	10,784
Other liabilities	433	454
State and employee related liabilities	288	69
<b>TOTAL</b>	<b>3,454</b>	<b>11,307</b>



**Note 11 Revenue****Revenue split**

	31 December 2012		31 December 2011	
	(in EUR thousand)	%	(in EUR thousand)	%
Trademark fees	59,169	93.0%	37,413	92.0%
Re-invoicing	230	0.4%	286	0.7%
Parental guarantees	4,210	6.6%	2,956	7.3%
<b>Total revenue by nature</b>	<b>63,609</b>	<b>100.0%</b>	<b>40,655</b>	<b>100.0%</b>
France	14,242	22.4%	15,311	37.7%
Foreign countries	49,367	77.6%	25,344	62.3%
<b>Total revenue by geographical area</b>	<b>63,609</b>	<b>100.0%</b>	<b>40,655</b>	<b>100.0%</b>

The revenue mainly included trademark fees received from Group companies for a total amount of EUR 59.2 million, increasing greatly compared to 2011 with the integration of the ex SIS entities.

**Note 12 Other expenses****Expenses**

(in EUR thousand)	31 December 2012	31 December 2011
Expenses of the functions' Group	(16,437)	(12,025)
Directors' fees	(433)	(446)
Other expenses	(163)	(241)
<b>TOTAL</b>	<b>(17,033)</b>	<b>(12,712)</b>

Expenses detailed above mainly included marketing, communication, investor relations and human resources expenses invoiced by Atos International SAS and other holdings subsidiaries to the company including fees paid to the International Olympic Committee.

Atos SE had no employee in 2012 and in 2011.

### Note 13 Financial result

(in EUR thousand)	31 December 2012	31 December 2011
Dividends received	681,513	74,624
Intercompany current account interests	2,859	6,087
Other financial assets income	8,013	4,149
Investment banking revenues	1,077	357
Reversal of provisions on investments in consolidated companies	5,000	517
Reversal of provisions on treasury stock	2,456	1,775
Reversal of other financial provisions	15,276	10,972
Disposal of short-term investment	1,481	1,144
Foreign exchange gains	1,833	1,909
Other financial income	2,070	1,716
<b>Total of the financial expenses</b>	<b>721,578</b>	<b>103,250</b>
Interests on borrowings	(13,310)	(11,049)
Securitisation interests	(1,923)	(2,757)
Intercompany loans interests	(13,050)	(8,690)
Intercompany current accounts interests	(95)	(1,309)
Provision for goodwill depreciation	(94,260)	-
Provision for depreciation on investments in consolidated companies	(122,156)	(34,332)
Provision for depreciation of treasury stocks	-	(566)
Provision for deferred expenses	(2,606)	(2,178)
Other financial provisions	(5,508)	(2,903)
Short term borrowing interests	(1,901)	(2,924)
Foreign exchange losses	(1,754)	(1,627)
Other financial expenses	(2,351)	(1,945)
<b>Total of the financial expenses</b>	<b>(258,914)</b>	<b>(70,280)</b>
<b>Net financial result</b>	<b>462,664</b>	<b>32,970</b>

Dividends received in 2012 included an exceptional dividend of EUR 657.0 million equal to the refund of a share premium of Atos IT Solutions and Services GMBH. The other dividends related to Atos Worldline for EUR 23.2 million, to Atos Participation 2 for EUR 0.7 and to Atos Formation for 0.6 million.

The release of other provision was mainly due to the evaluation of participating interest and had been disclosed in the Note 8 Provisions.

Other financial income for EUR 2.1 million related to the re-invoicing to the company subsidiaries of these free shares.

The Other financial expenses for EUR 2.4 million related to the grant of these free shares.

The depreciation on investments has been disclosed in the Note 3 Financial Assets - Impairment.

The Other financial provision was mainly due to the evaluation of participating interest and had been disclosed in the Note 8 Provisions.

Interests on borrowings included the interest related to the coupon paid to OCEANE holders for EUR 10.0 million.

#### Note 14 Non recurring items

Non recurring items coming from ordinary activities were those whose realization was not related to the current operations of the Company due to their unusual, abnormal and infrequent nature.

(in EUR thousand)	31 December 2012	31 December 2011
Selling price from disposal of tangible assets	-	500
Other income	1,800	12,581
<b>Total of non recurring income</b>	<b>1,800</b>	<b>13,081</b>
Amortization of merger loss	(445)	(469)
Net book value of tangible assets sold	-	(110)
Other expenses	(3,352)	(24,567)
<b>Total of non recurring expenses</b>	<b>(3,797)</b>	<b>(25,146)</b>
<b>Non recurring items</b>	<b>(1,997)</b>	<b>(12,065)</b>

The Other expenses mainly included professional fees related to the acquisition of Siemens IT Solutions and Services for EUR 3.2 million of which EUR 1.8 million

booked as integration costs have been invoiced to Atos International SAS and booked in Other income.

#### Note 15 Tax

##### Tax consolidation agreement

As per the article 223-A from the French Fiscal Code, Atos SE signed an agreement of Group tax consolidation with a certain number of its French subsidiaries with effect as of January 1<sup>st</sup>, 2001.

Atos SE as parent company of the Group is designated as the only liable entity for the corporate tax of the Group tax consolidation.

The main features of the agreement are:

- ▶ Each subsidiary records in its accounts the amount of tax that it would have paid on a stand-alone basis;
- ▶ Tax savings related to the use of the tax losses of the tax consolidation members will be only temporary since the subsidiaries concerned will still be able to use them.
- ▶ Atos SE is the only liable for any additional tax to be paid in the event of an exit of the subsidiaries from the French tax consolidation.

##### Decrease and increase of the future tax charge of Atos taxed separately.

At December 2012, decrease and increase of the future tax charge were broken down as follows:

(in EUR thousand)	Basis Decrease	Basis Increase
Non deductible provisions for timing differences	-	2,113
<b>TOTAL</b>	<b>-</b>	<b>2,113</b>

No deferred tax assets or liabilities had been recognized.

### Breakdown between net income on ordinary activities and non-recurring items

(in EUR thousand)	Before tax	Computed tax	Net amount
Net income on ordinary activities	493,604	-	493,604
Non recurring items	(1,997)	-	(1,997)
Tax credit	-	7,629	7,629
<b>TOTAL</b>	<b>491,607</b>	<b>7,629</b>	<b>499,236</b>

At December 2012, there was no risk of repayment of the tax credit booked in the frame of the French tax consolidation as per the French tax consolidation agreement.

The tax that would have been booked in the absence of French tax consolidation was an expense of EUR 70 million. The total amount of the loss carried forward was EUR 255.9 million.

### Note 16 Off-balance sheet commitments

(in EUR thousand)	31 December 2012	31 December 2011
Performance Guarantees	3,534,566	2,229,315
Bank guarantees	196	196
<b>TOTAL</b>	<b>3,534,762</b>	<b>2,229,511</b>

For various large long term contracts, the Group provides performance guarantees to its clients. These guarantees amounted to EUR 3,534.4 million as of December 31<sup>st</sup>, 2012, compared with EUR 2,229.3 million at the end of December 2011.

During 2012, Atos SE issued new parental guarantees related to large contracts signed with major clients. The Group issued parental guarantees of GBP 293.1 million (EUR 358.5 million) for the Department for Work and Pensions in the UK, EUR 350 million for Nokia Siemens Network in Germany and USD 83.7 million (EUR 63.3 million) to McGraw-Hill Company in the US.

In respect to the framework agreement signed with Siemens for the acquisition of Siemens IT Solutions and Services, Atos SE has pursued its effort to replace Siemens as guarantor for existing commitments as of July 1<sup>st</sup>, 2011.

At the end of 2012, parental guarantees issued in replacement of Siemens were EUR 1,330.0 million including BBC for GBP 345.0 million (EUR 422.0 million), National Savings for GBP 250.0 million (EUR 305.8 million), the United Kingdom Passport Agency for GBP 138.0 million (EUR 168.8 million) and Nike Corp for USD 125.0 million (EUR 94.5 million).

In the framework of the contract for the provision of IT services signed by Atos IT Services UK Limited with the International Olympic Committee (IOC), Atos SEE (Spain) has granted a full performance guarantee to the IOC by which it commits to perform the contract in case the signing entity (or any other affiliate to whom the signing entity could have assigned all or part of the rights and obligations under the contract) is unable to provide services required under the contract.

In relation to the multi - currency revolving facility signed in April 2011, Atos SE issued a parental guarantee to the benefit of the consortium of banks represented by BNP Paribas, in order to cover up to EUR 660.0 million the obligations of its subsidiary, Atos Telco Services BV and Atos BV.

Atos SE has given a EUR 1200 million guarantee to the Stichting Pensionfonds Atos. This guarantee is provided to secure the payment obligations of Atos Nederland BV under the cover ratio mechanism in case of its failure to pay associated sums.

Subsequent to the Cellnet disposal in July 2004, Atos SE still has one outstanding guarantee with Schlumberger related to Citicorp for a total amount of USD 48.5 million (EUR 36.7 million), which is fully counter guaranteed by the acquirer of Cellnet, "Cellnet Holdings Corp".

Atos SE or Atos BV have given for various subsidiaries guarantees of general financial support at the request of auditors or to comply with local regulations.

Finally, as part of the general agreement with Siemens in respect of transfer of SIS UK pension liabilities, the Board of Atos SE, during its March 29<sup>th</sup>, 2011 meeting, has agreed to provide a 20 year guarantee to the Atos 2011 Pension Trust set up to accommodate the transfer. The maximum amount of the guarantee is GBP 200.0 million.

#### Note 17 Risk analysis

##### Market risks: Fair value of financial instruments

Cash at bank and short term deposits, trade accounts receivable, bank overdraft and trade accounts payable

Due to the short term nature of these instruments, the Group considers that the accounting value constitutes a reasonable estimate of their market value as of December 31<sup>st</sup>, 2012.

##### Long and medium term liabilities

As of December 31<sup>st</sup>, 2012, Atos SE presents no long and medium term liabilities related to the syndicated loan.

#### Liquidity risk

##### Syndicated loan

The major financing tool of Atos is a EUR 1.2 billion multi-currency revolving facility renewed On April 11<sup>th</sup>, 2011. The maturity of the new revolving credit facility is until April 2016.

The revolving credit facility includes two financial covenants which under the terms are the following:

- ▶ The consolidated leverage ratio (net debt divided by Operating Margin before Depreciation and Amortization) may not be greater than 2.5 times under the multi-currency revolving facility.
- ▶ The consolidated interest cover ratio (operating margin divided by the net cost of financial debt) may not be less than four times throughout the term of the multi-currency revolving facility.

##### Securitization program

In March 2009, Atos has renewed his securitization program with Ester Finance, a subsidiary of CALYON rated AA- by Standard & Poors and Aa2 by Moodys for five years. The maximum amount of the program is EUR 2000 million.

The trade accounts receivable of certain entities of Atos based in The Netherlands, in France, in the United Kingdom and in Germany are transferred on a recurring basis to this financing institution. This transaction is financed through the issue of commercial notes rated A1P1. This rate is granted due to an underlying deposit made by Atos. The deposit amount is calculated every month and is based on various criteria such as the dilution ratio, the days sales outstanding (DSO), losses, etc.

As of December 31<sup>st</sup>, 2012, the total amount of the trade accounts receivable transferred to Ester Finance amounted to EUR 348 million.

The Group aligned its contractual obligations under this program on the most favorable conditions of the renewable multicurrency credit facilities described above.

##### Convertible bond OCEANE (bond convertible into and/or exchangeable for new or existing shares of Atos)

On October 29<sup>th</sup>, 2009, Atos issued a convertible bond (OCEANE) of EUR 250.0 million maturing on January 1<sup>st</sup>, 2016. Annual coupon paid to the bond holders is 2.50 percent.

On July 1<sup>st</sup>, 2011, Atos issued a convertible bond (OCEANE) reserved for Siemens in relation to the acquisition of SIS and maturing July 1<sup>st</sup>, 2016. The annual coupon paid is 1.50 percent. There is no financial covenant in respect with the convertible bond. Siemens sold the convertible bond on March 1<sup>st</sup>, 2013 to other investors.

##### Liquidity risk at December 31<sup>st</sup>, 2012

Instruments	Fix / Variable	Line (in EUR Million)	Maturity
Syndicated loan	Variable	1,200	April 2016
Securitization program	Variable	200	March 2014
Oceane	Fix	250	01 January 2016
Oceane Siemens	Fix	250	01 July 2016

### **Credit risk**

The Group has a fully-integrated process concerning credit risk. In its trade relations, the Group manages its credit risk with a portfolio of diversified customers and follow-up tools.

Financial wise, the Group monitors the credit risk on its investments and its market operations by rigorously selecting leading financial institutions and by using several banking partners. The Group thus considers its credit exposure as being limited.

### **Market risk**

Monetary assets of the Group comprise receivables and loans, securities investments and cash at bank. Monetary liabilities comprise financial, operating and other liabilities.

### **Interest rate risk**

The exposure to interest risk encompasses two types of risks:

- ▶ A price risk on fixed-rate financial assets and liabilities. For example, by contracting a fixed-rate liability, the Company is exposed to potential opportunity losses should interest rates fall. A change in interest rates would impact the market value of fixed-rate financial assets and liabilities. However, this loss of opportunity

would not impact financial income and expenses as reported in the Company's Income Statement and, as such, future net income of the Company up to maturity of these assets and liabilities.

- ▶ A cash-flow risk on floating-rate financial assets and liabilities. The Group considers that a variation in rates would have little incidence on floating-rate financial assets and liabilities.

Atos objective is also to protect the Group against fluctuations in interest rates by swapping to fixed rate a portion of the existing floating-rate financial debt. Authorized derivative instruments used to hedge the debt are swap contracts, entered into with leading financial institutions and centrally managed by the Group treasury department.

### **Note 18 Related parties**

The transactions made by the company (trade mark fees, financing operations and tax consolidation) are dealt at market conditions.



## RISKS, GOVERNANCE AND COMMON STOCK

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### E.1 Risk 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 other significant risks than those presented hereafter.

#### E.1.1 Business risks

##### E.1.1.1 The market

In 2012, In Financial Services, the re-intensification of the crisis, particularly in Europe, resulted in customers launching aggressive large scale transformation programs to accelerate globalization into growth markets, seek optimization of their business models and balance sheets. The manufacturing sector in Germany, North America, CEE and Latin America showed good growth while rest of Europe slight growth, with manufacturing customers investing in optimizing production with MES and PLM. In spite of the pressure on public spending driven by European debt crisis, Public Services are continuing to invest in Digitization and Automation of to enhance

citizen services efficiency and effectiveness, with projects that show cost reductions in a 12 to 15 months' time horizon. Energy companies increasingly need to focus on extraction from deep water, arctic and otherwise highly inaccessible reservoirs thus increasing their need for sophisticated IT systems. Telecommunication companies, although voice and data traffic volumes in 2012 were staggering, continued investing to better leverage devices and application platforms to deliver more content to their customers and improve productivity by increased digitally supported collaboration.

##### E.1.1.2 Clients

The Group deliver services to a large number of clients which are global clients or public organizations throughout different markets and countries, which limits its dependency risk to one special client. The Group's

top ten customers generate 20.4 percent of total Group revenues (excluding Siemens) and top 50 customers generate 44.9 percent of total Group revenues.

##### E.1.1.3 Suppliers

Atos works hard to consolidate its spend with a small number of key vendors across all categories and in particular for the supply of software used in the design, implementation and running of IT systems. While there are alternative sources for most software, there is always the chance of possible failure of those suppliers to continue producing innovative software, or the inability to renew agreements on acceptable terms, which may have an adverse impact on Atos operations.

Major risks with key IT, Non-IT and Staffing vendors are managed by the Global Purchasing function. This function is responsible for managing the cost base of Atos and with managing vendors including their identification and selection, input into customer bids, contract negotiation and signature, cost savings actions, innovation ideas and overall relationship with Atos.

Regarding the ranking of the main vendors for Atos, the most important one accounts for 4.8 percent of Group purchases in 2012, the five biggest represent 12.6 percent of the total and the first ten amount to 19.6 percent.

At December 31<sup>st</sup>, 2012, there was no binding commitment with vendors for capital expenditures higher than EUR 5 million.

### E.1.1.4 Partnerships and subcontractors

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From time to time Atos relies on partners and/or subcontractors to deliver services in particular contexts. Having recourse to third parties is a common practice in the industry but represents a business risk that must be managed carefully on the basis of quality, cost, delivery, innovation, management and sustainability requirements.

Partnerships may be formed or subcontractors may be used in areas where the Group does not have the specific expertise necessary to fulfill the terms of a particular contract or requires such skills for a limited period of time only, or to comply with local legislation. All requests to

enter into partnerships or use subcontractors are initiated locally by the operational team evaluating the proposal or in specific case at Group level.

Demand for subcontractors is managed by Global HR Workforce Managers working in the GBU's; but the commercial relationship is through contracts / rate cards set up by the Global Purchasing function.

At the end of 2012, the Group had around 8,000 full-time equivalents (FTE) subcontractors working across 40+ countries.

### E.1.1.5 Acquisition / External growth risk

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Acquisitions / external growth operations may have adverse impacts on the achievement of the objectives of the group, especially in the case of:

- ▶ Under-performing contracts that would not have been properly identified during the acquisition process.
- ▶ Ineffective integration efforts that would prevent reaching expected level of synergies.

In the context of the acquisition of SIS, Atos has rolled out an integration program closely monitored by General Management through a weekly "integration committee". The TOP<sup>2</sup> program aimed to improve efficiency in Siemens IT Solutions and Services through the use of the Atos's best practices, and included notably an extensive review of contracts at risk in all countries in order to raise the appropriate claim to Siemens within due date.

### E.1.1.6 Risks related to contracts / projects' execution

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The IT services provided to customers are a critical element for the performance of their commercial activities. Oftentimes IT solutions also play a key role in the development of their businesses. Any inadequate implementation of sensitive IT systems or any deficiency in the performance of services, either related to delays or to unsatisfactory level of services, may result in significant prejudicial consequences to the clients of the customer and may result in penalty claims or litigations.

Below are some of the key risks Atos needs to manage:

#### **Degraded performance resulting from third party products and/or product customization**

Systems Integration frequently involves products (whether software or hardware, standard or adapted or specifically developed for customized requirements) designed and developed by third parties and which, by

definition, the service provider cannot control. In addition, particular requirements from certain clients who wish for specific functionalities may disrupt the operation of the product or generate significant delays or difficulties in providing the services.

#### **Exposure due to assessment or delivery failures**

Also, it is a practice of the IT sector to enter into certain contracts on a fixed-rate basis whereas other contracts are invoiced according to the service provided. In 2011, the split of revenue for Systems Integration was as follows: one third in applications management, one third in fixed-rate projects and one third in management. For fixed-rate contracts, an under assessed scope of the provided services or dedicated resources to a specific project may lead to a budget or agreed timeframe overrun, and lead to an operating loss, by exceeding budget or payment of penalties for late performance.



The Group seeks to minimize the risks described above through a rigorous review process right from the offer stage. A dedicated specific process is in place, called Atos Rainbow, under which service proposals are reviewed, with an inventory of risks being kept for tracking purposes. This allows the Group to take any mitigating action where appropriate and follow up on outstanding actions.

In 2009, the Atos™ Rainbow process has been extended

to the execution phase of the contract, including updating the risk assessment. The Rainbow process is now in use in every countries where the Group operates.

Periodical risk reviews are performed on major contracts with a view to enhancing control over any excess for projects and to following up all types of possible delivery and any performance issues.

### E.1.17 Technology and IT risks

IT system breakdowns could be critical both for the internal operations of the Group and for its customers' needs in respect of the services provided. The Group has implemented specific programs and procedures to ensure the proper management of IT risks, covering security and back-up systems and effective insurance coverage.

IT production sites, offshore development centers, maintenance centers and data-centers are specifically subject to extensive administrative and technical procedures for safeguarding and monitoring, covering physical and IT system access, energy supply breakdown or disruption, fire, regulation of extreme temperature change, data storage and back-up, contingency and disaster recovery plans.

### E.1.18 Regulation risks

The activities of the group are in general not subject to specific legal, administrative or regulatory authorizations.

However, activities related to payments in Belgium and Buyster (operated with the main telecommunication

operators in France) are subject since 2011 to the European Payment Institution regulation. A dedicated follow-up is performed to ensure that the requirements of this regulation are met by the concerned entities.

### E.1.19 Counterparty risk

Payment services expose Atos to a counterparty risk in the case a counterparty (mainly card issuer client) would be in default while the clearing and settlement are processed (which may take a few days depending on the type of processing, the day of the week and the card scheme).

To mitigate these risks, Atos Worldline has developed a methodology for:

- ▶ defining the type of risks, calculating and managing risk exposures,

- ▶ evaluating and monitoring its counterparties' financial standing.

The main objective is to mitigate the impact of significant counterparty credit events on the company. This framework will be fully deployed operationally in 2013.

### E.1.1.10 Reputation risks

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Media coverage of possible difficulties, especially related to the implementation of significant or sensitive projects, could affect the credibility and image of the Group towards

its customers, consequently, its ability to maintain or develop some activities.

### E.1.1.11 Human Resources

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#### **Dependence on qualified personnel**

In today's IT services market, providers remain dependent on the skills, the experience and the performance of its staff and the key members of its management teams. The success of organizations in this field of play depends on the ability to retain key qualified staff and to use their competences for the benefit of the customers. Atos is focused on providing challenging career opportunities and job content. Over the reporting period, Atos has been able to continue its focus on employability furthermore developing the workforce management and offering better career perspective supported by competency development through the Atos University programs, particularly in 2012 dedicated and focused efforts on experts (architects, solutions, and program managers) and on our sales workforce.

#### **Employee attrition**

To enhance our ability to attract and retain staff, the Human Resources department has developed competitive rewarding structures. In addition it has continued to strengthen the internal offerings for training and development programs through the Atos University using e-learning techniques. During 2011, specific attention was given to critical competencies, such as Sales, Project Management, SAP, Lean and Talent Development, resulting in lower attrition in the targeted groups of people. Meanwhile, wider distance learning opportunities have been made available for thousands of employees on

English language, as well as IT and business topics.

These programs allowed faster adaptation of people to clients' needs and greater mobility, which also balanced attrition.

#### **Offshoring**

Atos increasingly fulfils its client contracts using offshore facilities in order to optimize its cost structure. Offshoring is used by the main countries of the Group in Systems Integration and Managed Operations. To keep up with increasing demand, the Group developed its offshore capacity with more than 9,158 staff at the end of December 2012, mainly based in India. The combination of insourcing and offshoring for the delivery of projects led the Group to adapt and to optimize the insourced resources to other contracts. Given our ongoing need to attract and to deploy human resources, the Group made sure it was able to optimize resource utilization rate. The Group processes in this area are mature and the offshore facilities of the Company are certified. Atos is therefore well positioned and ready in any case of business risk associated to offshoring.

### E.1.1.12 Legal risks

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IT services delivered to clients are sometimes essential to the execution of their commercial activities and the IT solutions often play a decisive role in the development of these companies. Any inappropriate implementation of sensitive IT systems or any deficiency in the execution of these performances, due to delays or due to an unsatisfactory level of services, can cause important and harmful consequences to the clients of the service provider, and a possible penalty or liability claim.

More particularly, the activity "Systems Integration" is in part dependent on products (software as much as equipment, standard ones or adjusted to specific

functionalities) created and developed by third parties, over which, by definition, the service provider cannot have control. In addition, the particular demands of certain clients, wishing to benefit from specific functionalities, can disrupt the product functionalities or cause important delays or difficulties in the completion of these services.

Also, in the IT sector, it is common practice that some contracts are invoiced on a fixed price basis while others on a time and materials basis. The total turnover of the activity "Systems Integration" as of December 31<sup>st</sup>, 2012 is distributed as follows: Applicative Maintenance and Fixed Prices Projects represent respectively one third and two

thirds of the Services Line. For fixed priced contracts, an incorrect estimate of the extent of work to realize or of the funds to dedicate to a particular project can cause a

cost overrun or a breach of the contractual deadlines, and could lead to operating losses, through overrun costs or payment of late fees.

### E.1.1.13 Business risk assessment and management

Atos has a robust business risk management approach reinforced during the last two years, based on two critical processes.

#### Risk Management System

Atos Rainbow™ is a set of procedures and tools that provides a formal and standard approach to bid management. The Group operates a risk management system that facilitates the analysis and treatment of business risks throughout the life cycle of a project. This process is integrated with the control and approval process when entering into new contracts. The objective is to ensure that the Group only bids for projects that are capable of being delivered effectively and to provide an early warning system for any project that encounters problems or diverges from its original targets. Specifically, the risk management process:

- ▶ identifies potential exposures, including technical, legal and financial risks that could have an impact during the life cycle of the project;
- ▶ evaluates, both qualitatively and quantitatively, the significance and materiality of any such exposures;
- ▶ ensures that appropriate and cost-effective risk control or risk mitigation measures are initiated to reduce the likelihood and impact of negative outcomes on the project; and,
- ▶ manages residual exposure through a combination of external risk transfer instruments and internal contingency reserves in order to optimize the use of exposed capital.

A major enhancement of the contract monitoring process has been designed to monitor all contracts on a monthly basis using the Rainbow Delivery Dashboard, providing status on both financial, delivery and technology, customer, legal and supplier KPIs. In case of deviating KPIs, a specific Rainbow Delivery review is organized on this contract.

Roll out of this process is complete except for Latin America and France, who will follow in 2013.

#### Risk Management and Rainbow management

The control and approval process governing the bidding and contracting activities report to the Group Vice President Risk Management and Bid Control, ensuring the capturing and ongoing tracking of risks identified at the bidding stage throughout the delivery cycle.

Risk Management reports directly to the Group Chief Financial Officer, with the risk managers in the countries and the Global Service Lines reporting directly into the Group Vice President Risk Management and Bid Control, shortening lines of command.

#### Group Risk Management Committee

A Group Risk Management Committee convenes on a monthly basis to review the most significant contracts and the difficult ones. The Committee is chaired by the Group CFO and lead by the Vice President Risk Management and Bid Control. Permanent members of the Committee include the Senior Executive Vice President Operations, Executive Vice Presidents in charge of the Global Service Lines and several representatives from Global Functions, including Finance, Legal, and Internal Audit. Twice a year, the Audit Committee conducts a thorough review of all the major contracts considered at risk in the context of the preparation of the closing with an update process in place every quarter. There is then a follow-up either by the service line or the Risk Management Committee.

### E.1.2 Financial markets risks

Atos has not been affected by the liquidity crisis that has impacted the financial markets over the past years.

The Group proceeds to a specific review of its liquidity risk and considers to be able to face future requirements. Atos' policy is to cover fully its expected liquidity requirements by long-term committed loans or other appropriate long-term financial instruments. Terms and conditions of these loans include maturity and covenants leaving sufficient flexibility for the Group to finance its operations and expected developments.

On April 11th, 2011, Atos signed with a number of major financial institutions a five-year EUR 1.2 billion credit facility that will mature in April 2016. The facility is available for general corporate purposes and has replaced the existing EUR 1.2 billion facility that was expiring in May 2012.

Atos Origin has renewed its trade receivables securitization program on March 6<sup>th</sup>, 2009 for a period of five years with a maximum amount of EUR 500 million marketable debt and a maximum of EUR 200 million funding amount. Securitization program financial covenants are in line with those of the EUR 1.2 billion multi-currency credit facility.

On October 29<sup>th</sup>, 2009 Atos Origin issued a convertible bonds into and/or exchangeable for new or existing shares (OCEANE) due on January 1<sup>st</sup>, 2016 with an aggregate principal amount of EUR 250 million. The annual coupon paid to the holders of bonds amounted to 2.5 percent.

As part of the acquisition of Siemens IT Solutions and Services GmbH, on the completion date of the Contribution, Atos issued 5.4 million bonds convertible and / or exchangeable into new or existing shares of Atos with an aggregate nominal value of EUR 250 million to Siemens Inland (Siemens Beteiligungen Inland GmbH) at a subscription price of EUR 250 million. In addition, Siemens Inland has received shares of Atos representing 15 percent of the share capital of Atos and has become the second largest shareholder of Atos. Siemens sold the convertible bond on March 1<sup>st</sup>, 2013 to other investors.

More details on liquidity risk, cash flow interest rate risk, currency risk, market value of financial instruments, price risk and credit risk are described within the "Financial risk management" sections in this document (D.4.7.3) and Note 23 to the consolidated financial statements (D.4.7.4).

The risk on shares is limited to self-held shares.

### E.1.3 Insurance

Global insurance policies are placed with reliable international insurance companies, providing the Group with appropriate insurance coverage for its worldwide operations. The total cost of these policies in 2012 represented circa 0.20 percent of total Group revenue.

The most important global insurance programs are bought and managed centrally at renewal on January 1<sup>st</sup>, each year. In 2012 the Property Damage and Business Interruption policy and Professional Indemnity policy were both renewed for limits respectively of EUR 200 million and EUR 150 million. Several additional policies cover insurable business risks such as general liabilities or fleet, and are maintained at cover limits commensurate with the Group's size and risk exposures. Ex SIS operations and sites have been integrated into Atos global insurance programs since July 1<sup>st</sup>, 2011. Deductible retentions are used both to promote good risk management practices and to control the quantity of claims and level of premiums.

Each country also contracts insurance policies in accordance with local regulations, customs and practice.

These include employers' liability, workers compensation and employee travel.

Atos' wholly-owned reinsurance company provides insurance for some layers of the property policy and for the professional indemnity policy, which are the most critical policies for the Group operations. For damages covered by the property policy, the first EUR 0.5 million are covered (per claim) and total annual losses of EUR 2 million. The maximal net retention after reinsurance is therefore EUR 2 million, on top of the applicable deductibles which vary between EUR 25 000 and EUR 75 000 per site, and as long as the EUR 200 million limit is not reached. For claims under the professional indemnity policy the Atos reinsurance company would cover the first EUR 10 million as well as a quota share of the upper layers in case of a catastrophe claim. Maximum net retention after reinsurance is therefore EUR 23 million in aggregate on top of the applicable deductible of EUR 2 million per claim, and as long as the EUR 150 million limit is not reached.

Insurable losses are not a frequent occurrence. This is partly due to quality risk management processes deployed at all key locations to protect assets from fire and other unexpected events as well as ensuring business continuity in the event of damage or loss. In offers and contracts a uniform and mandatory process of risk management is used as described in previous chapter.

Risks are also monitored by the Underwriting Committee of the Atos reinsurance company who maintains adequate net equity and technical reserves commensurate with the level of insured risks, and ensures a satisfying diversification of external reinsurer. The Underwriting Committee also carries out regular surveys and analysis to monitor the relevance of Atos insurance cover.

## E.1.4 Claims and litigation

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

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

During 2012 some significant claims made against the Group were successfully resolved in terms favorable to the Group.

Group Management considers that sufficient provisions have been made.

The total amount of the provisions for litigation risks, in the consolidated accounts closed as of December 31<sup>st</sup>, 2012, to cover for the identified claims and litigations, added up to EUR 75.02million (including tax and social contribution claims but excluding labour claims).

### E.1.4.1 Tax and Social Contribution claims

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

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

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

The total provision for tax & social contribution claims, as inscribed in the consolidated accounts closed as at December 31<sup>st</sup>, 2012, was EUR 27.92million.

### E.1.4.2 Commercial claims

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

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

The group is facing a very small number of IP cases of a

highly speculative nature in which the claims are heavily inflated and without merit.

There were a number of significant on-going commercial cases in various jurisdictions that the group acquired through the acquisition of Siemens IT Solutions and Services. Most of these cases involve claims on behalf of the group and in 2012 some were successfully resolved.

The total provision for commercial claim risks, as inscribed in the consolidated accounts closed as at December 31<sup>st</sup>, 2012, was EUR 47 million.

### E.1.4.3 Labour claims

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There are about 74,000 employees in the Group and relatively few labour claims. In most jurisdictions there are no or very few claims. Latin America is the only area where there is a significant number of claims but such claims are often of low value and typical for companies operating in this region.

The Group is a respondent in a few labor claims of higher

value in France, Brazil and the UK, but in the Group's opinion most of these claims have little or no merit and are provisioned appropriately.

There are 36 claims against the Group which exceed EUR 200,000. The provision for these claims, as inscribed in the consolidated accounts closed as at December 31<sup>st</sup>, 2012, was EUR 3.4 million.

### E.1.4.4 Representation & Warranty claims

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

### E.1.4.5 Miscellaneous

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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 twelve months on the Company's and the Group's financial situation or profitability.

## E.1.5 Country risks

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Atos operates in 47 countries. Some countries are more exposed than others to political or economic risks that may affect the Group's business and profitability.

The Group makes a periodic Strategic Operational Review of its activities in order to fully revisit all options in respect of portions of the business which would not have the

critical size on their market, as well as activities considered as being non-core business. A project leader is assigned to this task, supported by the legal, tax, and finance departments.

**E.2.1 Management of the Company**

Thierry Breton has been the Chairman and Chief Executive Officer of the company since February 10<sup>th</sup>, 2009 when the statutory governance was changed from a Supervisory Board and Management Board system to a system with a Board of directors. This evolution has simplified and unified the governance by adapting it to the Company's situation. On the occasion of the vote concerning the Company's transformation from a "Société Anonyme" (public limited-liability company) into a "Societas Europaea" (European public limited-liability company or "European company") decided by the Annual General Meeting of May 30, 2012, this unitary board

structure was upheld by the shareholders in the articles of association of the Company that were submitted to their approval, and Thierry Breton's mandate as Director was renewed. The Board of directors then confirmed the choice of governance by deciding to unify the functions of Chairman and Chief Executive Officer and confirming Thierry Breton as Chairman and Chief Executive Officer for his three-year term of office.

The reason for this management structure is detailed hereunder in the section entitled "Management Structure".

**E.2.2 Legal Information****E.2.2.1 Transformation into a Societas Europaea (European Company)**

The Company, which was initially incorporated as a "Société Anonyme" (public limited-liability company) was transformed into a European public limited-liability company ("Societas Europaea" (European Company) or "SE") pursuant to a decision of the Extraordinary General Meeting of May 30, 2012. It is governed by applicable European community and national provisions on "Sociétés Anonymes" as well as by the articles of association.

Following the acquisition of SIS, a subsidiary of Siemens on July 1<sup>st</sup>, 2011, the Company has become a leading information technology services provider in Europe. The new scope of the Company has expanded and has been strengthened by new European offices and especially in Germany, in Northern Europe, Eastern Europe and Central Europe. In order to reflect this enhanced European dimension, the Board of Directors of the Company suggested in 2012 changing the Company's form from a French "Société Anonyme" to a "Societas Europaea" (European company). As a result, the Company now benefits from a homogeneous framework within the European Union, as this legal status is recognized in most countries where it operates, consistent with its new economic reality, both relating to its employees and to its customers.

The Board of directors held on December 20<sup>th</sup>, 2012 acknowledged that the conditions for the transformation were met and, since January 8<sup>th</sup>, 2013, Atos SE is registered

as a "Societas Europaea" (European company) with Board of directors with the Pontoise Trade and Companies Register.

The effects of the transformation from a "Société Anonyme" into a "Societas Europaea" (European company) are limited:

- ▶ The transformation of the Company into a "Societas Europaea" (European company) does not lead to the dissolution of the Company nor does it entail to the creation of a new legal entity;
- ▶ The term, the corporate purpose and the registered offices of the Company are not modified;
- ▶ The share capital still remains at the same amount and same number of shares with nominal value of one Euro each; these shares are still traded on the NYSE Euronext Paris stock exchange.
- ▶ The duration of the current financial year is not modified due to the adoption of the "Societas Europaea" (European Company) corporate form and the financial statements will be drawn up, presented and controlled under the terms and conditions set forth in the Company's articles of association under its new corporate form and the provisions of the Commercial code regarding the "Societas Europaea" (European Company).



### E.2.2.2 Corporate Purpose and other information

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- ▶ **Corporate purpose:** According to article 2 of the articles of association, the Company's purpose in France and elsewhere is as follows:
  - the processing of information, systems engineering, studies, advice and assistance notably in the finance and banking sectors;
  - the research into, study, realisation and sale of products or services which help in promoting or developing the automation and broadcasting of information and notably: the design, application and implementation of software, computer, on-line and office automation systems;
  - it can also operate, either by itself or using any other method, without any exception, or create any company, make all contributions to existing companies, merge or create alliances therewith, subscribe to, purchase or resell all shares and ownership rights, take all interests in a partnership and grant all loans, credits and advances;
  - and more generally any commercial, industrial, real-estate, movable property or financial transactions, either directly or indirectly related to one of the above mentioned purposes.
- ▶ **Company name:** the corporate name of the company has been changed to "Atos SE" (previously "Atos") upon the transformation into "Societas Europaea" (European Company) (article 3 of the articles of association).
- ▶ **Nationality:** French.
- ▶ **Registered office and principal place of business:** According to article 4 of the articles of association, the registered offices of Atos SE are located at 80 quai Voltaire - 95870 Bezons, France - +33 (0)1 73 26 00 00.
- ▶ **Registered** in Pontoise under Siren number 323 623 603.
- ▶ **Business identification code** (APE code): 7010Z.
- ▶ **Date of incorporation and Term:** The Company was incorporated in 1982 for a period of 99 years, i.e. up to March 2<sup>nd</sup>, 2081.

### E.2.2.3 Provision of the articles of association

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#### Members of the Board of Directors (articles 13, 14 and 15 of the articles of association)

The Company is managed by a Board of Directors composed of a minimum of three members and a maximum of twelve members that are appointed by the ordinary general meeting of shareholders. The Board of Directors will be renewed annually by rotation in such a way as to allow a rotation of one third of the members of the Board of Directors. The term of office of the directors is three years. The number of members of the Board of Directors over the age of 70 must not be greater than one third of the total serving members. Each director is required to own at least 1,000 Company shares during the term of his or her office (this rule however does not apply to the director representing employee shareholders).

#### Chairman (article 21 of the articles of association)

The Board of Directors elects a Chairman among its members. The Chairman represents the Board of Directors. He organizes and directs the Board's activities, on which he reports at General Meetings of shareholders. He oversees the proper functioning of the Company's bodies and makes sure, in particular, that the directors are able to carry out their assignments.

#### Chief Executive Officer (article 23 of the articles of association)

Pursuant to the choice made by the Board of Directors, the general management is handled either by the Chairman, or by an individual appointed by the Board of Directors who has the title of Chief Executive Officer. The Chief Executive Officer has the broadest powers to act in all circumstances in the name of the Company. He exercises these powers within the limits of the Company's purpose and what the law and the articles of association expressly assign to the General Meetings of shareholders or the Board of Directors. The Chief Executive Officer represents the Company in its relationship with third parties.

#### Notices to Board meeting and decisions of the Board of Directors (article 18 of the articles of association)

The Board of Directors convenes as often as the Company's interest demands or every three months minimum. Notice of Board meetings is sent to Directors by the Chairman. If no Board meeting is called for over two months, at least one third of the Directors are empowered to ask the Chairman to call a meeting in order to handle the specific matters included on the agenda. The Chief Executive Officer is also empowered to ask the Chairman to call a Board meeting in order to discuss specific matters included on the agenda. Decisions are taken by majority of the members present or represented. In the event of a tie in the voting, the Chairman will have the casting vote.



**Powers of the Board of Directors (article 17 of the articles of association)**

The Board of Directors determines the orientations of the Company's business and monitors their implementation. With the exception of powers expressly assigned to General Meetings of shareholders and within the limits of the Company's purpose, it handles all matters involving the proper functioning of the Company and settles matters through its deliberations.

The sale of real estate, the total or partial transfer of shares and the constitution of sureties on company assets requires the prior authorization of the Board of Directors.

**Related-party agreements (article 25 of the articles of association)**

Any agreement entered into (directly, indirectly or through an intermediary) between the Company and its Chief Executive Officer, one of its Deputy Chief Executive Officers, any of its directors or one of its shareholders holding a fraction of the voting rights greater than 10 percent or, if it is a Company shareholder, the company that controls it in the meaning of article L.233-3 of the French Commercial Code, must receive the prior authorization of the Board of Directors. Agreements between the Company and another company, if the Chief Executive Officer, one of the Deputy Chief Executive Officers or one of the directors of the Company is an owner, indefinitely responsible partner, manager, director, member of the supervisory board or, in general, a senior manager of this company, are also subject to prior authorization. Such prior approval does not apply to agreements covering standard operations that are concluded in normal conditions.

**Directors' compensation (article 20 of the articles of association)**

The members of the board of directors may receive as directors' fees (jetons de présence), a compensation the aggregate amount of which, as determined by the shareholders' meeting, is freely allocated by the board of directors. The board of directors may in particular allocate a greater share to the directors who are members of the committees.

**Rights, privileges and restrictions attached to shares****Voting rights**

Each share carries one voting right. There is no share with double voting right.

**Participation in General Meetings of shareholders (article 28 of the articles of association)**

All shareholders may participate in General Meetings either in person or by proxy. All shareholders may be represented by their spouses, by another shareholder, or by the partner with whom a civil solidarity pact ("PACS") was concluded. They may also be represented by any other natural person or legal entity of their choice. The proxy must show evidence of this delegation.

The right of shareholders to participate in General Meetings is subject to the recording of the shares in the name of the shareholder or the financial intermediary registered on its behalf, on the third business day, zero hour (Paris time), preceding the General Meeting: (i) for holders of registered shares in the registered shareholder account held by the Company; and (ii) for holders of bearer shares in the bearer shareholder account held by the accredited financial intermediary. Such financial intermediaries shall deliver to holders of bearer shares a shareholding certificate ("Participation certificate") enabling them to participate in the General Meeting).

The shareholders, upon decision of the Company's board of directors, may take part in General Meetings through visio conference or by telecommunication means, including Internet. Article 28 of the articles of association was modified by the General Meeting of May 30, 2012 in order to provide for the terms and conditions of shareholders' participation in general meetings in particular by means of an electronic voting form made available on the Company's website. Until now, this procedure has not been used by the Board of Directors.

**Identifiable bearer shares**

The Company may proceed to the identification of holders of bearer shares at any time (article 9 al.3 of the articles of association).

**Changes to shareholders' rights**

Any amendment to the articles of association, which set out the rights attached to the shares, must be approved by a two-third majority at an Extraordinary General Meeting. A unanimous shareholder vote is required to increase the liabilities of shareholders.

### **Terms and conditions for calling and general conduct of Ordinary General Meeting and Extraordinary General Meeting**

General Meetings of shareholders are considered to be "Extraordinary" when the decisions relate to a change in the articles of association or Company's nationality or where required by law; and, "Ordinary" in all other cases. The extraordinary general meeting rules by a majority of two-third of the expressed votes, and the ordinary general meeting rules by the majority of expressed votes; expressed votes do not include blank and null votes of the present or represented shareholders, or shareholders voting by mail (articles 34 and 35 of the articles of association).

General Meetings are called and conducted in accordance with the terms and conditions of French law.

### **Disclosure of threshold crossing (Article 10 of the articles of association)**

In addition to the thresholds defined by applicable laws and regulations, all private individuals and legal entities, acting alone or in concert, who acquire, directly or indirectly, a fraction of the share capital equal to or greater than 2 percent or, following a shareholding of 2 percent, a multiple of 1 percent are required to inform the Company, by registered letter with return receipt requested, within five trading days from the date on which one of these thresholds is crossed, of the total number of shares, voting rights or securities giving access to the share capital or voting rights of the Company held by them.

Failure to comply with the above requirements results in rescission of the voting rights attached to those shares relating to the unreported fraction at all General Meetings of shareholders held during a two-year period following the date of regularisation filing of the aforementioned notice. Application of this penalty is subject to a request by one or more shareholders holding at least 5 percent of the Company's share capital or voting rights mentioned in the minutes of the General Meeting.

The same information obligation applies, within the same delays and same conditions, each time the fraction of the share capital or voting rights of a shareholder decreases to less than one of the above-mentioned thresholds.

### **Financial statements (articles 37, 38 and 39 of the articles of association)**

#### **Legal Reserve**

5 percent of the statutory net profit for each year, reduced by prior losses if any, has to be allocated to the legal reserve fund before dividends may be paid with respect to that year. Funds must be allocated until the amount in the legal reserve is equal to 10 percent of the share capital, and shall be allocated again if, for any reason whatsoever, the legal reserve falls below that threshold.

#### **Approval of dividends**

Dividend payments are approved by General Meeting of Shareholders, in accordance with articles L.232-12 to L.232-18 of the French Commercial Code. The Shareholder's meeting may offer the shareholders, for all or part of the dividend available for distribution, an option for cash payment or payment in the form of new shares of the Company under the terms and conditions set by law.

#### **Control of the issuer**

No provisions in the Articles of association, or in any charter or regulation, may delay, postpone or prevent a change of control in the Company's management.

## E.2.2.4 Board of Directors

The Company's annual General Meeting held on May 30, 2012 approved the renewal of all the terms of office and the appointment of a board member as proposed. The Board of Directors held following the General Meeting

of May 30, 2012 decided to renew the term of office of Pasquale Pistorio as reference director, and to confirm the composition of the Audit Committee and the Nomination and Remuneration Committee.

Director	Background/Directorships
<b>Thierry BRETON</b> Number of shares: 5,000 Date of birth: 01/15/1955 Nationality: French Date of renewal: May 30, 2012 Term expires on: AGM ruling on the accounts of the 2014 fiscal year.	<b>Chairman and Chief Executive Officer of Atos SE</b>  <b>Background</b> Graduate of the Ecole Supérieure d'Electricité "Supelec" of Paris and of the Institut des Hautes Etudes de Défense Nationale (IHEDN)  <b>Other directorships and positions as at December 31<sup>st</sup>, 2012</b> <i>France:</i> <b>General Manager:</b> Atos International SAS <b>Director:</b> Carrefour SA**  <b>Positions held during the last five years</b> Minister of Economy, Finance and Industry (France)
<b>René ABATE*</b> Number of shares: 2,500 Date of birth: 08/27/1948 Nationality: French Date of renewal: May 30, 2012 Term expires on: AGM ruling on the accounts of the 2012 financial year	<b>Managing partner of Delphen SARL</b> <b>Senior advisor of The Boston Consulting Group</b>  <b>Background</b> Graduate of the "Ecole Nationale des Ponts et Chaussées" and of the Harvard Business School  <b>Other directorships and positions as at December 31<sup>st</sup>, 2012</b> <i>France:</i> <b>Director:</b> Laboratoire Français du Fractionnement et des Biotechnologies SA (LFB), « L'ENVOL pour les enfants européens » (charity)  <b>Positions held during the last five years</b> <b>Director:</b> Carrefour SA**, Ecole Nationale des Ponts et Chaussées
<b>Nicolas BAZIRE*</b> Chairman of the Nomination and Remuneration Committee Number of shares: 1,000 Date of birth: 07/13/1957 Nationality: French Date of renewal: May 30, 2012 Term expires on: AGM ruling on the accounts of the 2013 financial year	<b>General Manager of Groupe Arnault SAS</b>  <b>Background</b> Degree from Ecole Navale and from the Institut d'Etudes Politiques de Paris (IEP) Former student at the Ecole Nationale d'Administration (ENA)  <b>Other directorships and positions as at December 31<sup>st</sup>, 2012</b> <i>France:</i> <b>Member of the Supervisory Board:</b> Montaigne Finance SAS, Semyrhamis SAS, Rothschild and Cie Bank <b>Vice-President of the Supervisory Board:</b> Les Echos SAS <b>Deputy CEO:</b> Groupe Arnault SAS <b>Director:</b> LVMH Moët Hennessy Louis Vuitton SA**, Agache Développement SA, Europatweb SA, Financière Agache Private Equity SA, Groupe les Echos SA, LV Group SA, Suez Environnement Company SA**, Carrefour SA**, Fondation Louis Vuitton pour la Création (foundation) <b>Permanent Representative:</b> <ul style="list-style-type: none"> <li>Groupe Arnault SAS, director of Financière Agache SA</li> <li>Ufipar SAS, director of Louis Vuitton Malletier SA</li> <li>Montaigne Finance SAS, director of GA placements SA.</li> </ul> <b>Positions held during the last five years</b> <b>President:</b> Société Financière Saint-Nivard SAS <b>Member of the Supervisory Board:</b> Lyparis SAS <b>Deputy General Manager:</b> Montaigne Participations and Gestion SA <b>Director:</b> Ipsos SA**, Marignan Investissements SA, Tajan SA and Go Invest SA (Belgium)

Director	Background/Directorships
<b>Jean-Paul BECHAT*</b> Chairman of the Audit Committee Number of shares: 1,000 Date of birth: 09/02/1942 Nationality: French Date of renewal: May 30, 2012 Term expires on: AGM ruling on the accounts of the 2014 financial year	<b>Manager of SARL ARSCO</b>  <b>Background</b> Degree from Ecole Polytechnique - Master in Science from Stanford University (USA)  <b>Other directorships and positions as at December 31<sup>st</sup>, 2012</b> <i>France:</i> <b>Director:</b> Alstom SA**, Musée de l'Air <b>Honorary President and member of the Board:</b> Groupement des Industries Françaises Aéronautiques et Spatiales (GIFAS) <i>Abroad:</i> <b>Director:</b> Russian Helicopters  <b>Positions held during the last five years</b> <b>Director:</b> Sogepa <b>Member of the Supervisory Board:</b> IMS
<b>Roland BUSCH</b> Member of the Audit Committee Number of shares: 1,000 Date of birth: 11/22/1964 Nationality: German Date of appointment: July 1 <sup>st</sup> , 2011 Term expires on: AGM ruling on the accounts of the 2013 financial year	<b>Member of the Management Board of Siemens AG (Germany)</b>  <b>Background</b> Studied physics at the Friedrich Alexander University in Erlangen-Nuremberg (Germany) and at the University of Grenoble (France), Doctorate in Physics from the Friedrich Alexander University (Germany)  <b>Other directorships and positions as at December 31<sup>st</sup>, 2012</b> <i>Abroad:</i> Chairman of Infrastructure & Cities Sector, Siemens (Germany) Chairman Asia-Pacific, Siemens (Germany)  <b>Positions held during the last five years</b> Chairman of Siemens VDO Automotive Asia Pacific Co. Ltd., Shanghai (China) Chief of Mass Transit Division of Transportation Systems Group (TS), Siemens (Germany) Chief of Strategy, Siemens (Germany)
<b>Jean FLEMING</b> Director representing the employee shareholders Number of shares: 530 Date of birth: 03/04/1969 Nationality: British Date of appointment: 26 May 2009 Term expires on: AGM ruling on the accounts of the 2012 financial year	<b>Human Resources Director at Atos IT Services UK Ltd (United Kingdom)</b>  <b>Background</b> MSc Human resources (South Bank University, London) BA (Hons) in Brunel University (United Kingdom)  <b>Other directorships and positions as at December 31<sup>st</sup>, 2012</b> None  Positions held during the last five years None
<b>Bertrand MEUNIER*</b> Member of the Nomination and Remuneration Committee Number of shares: 1,000 Date of birth: 03/10/1956 Nationality: French Date of renewal: May 30, 2012 Term expires on: AGM ruling on the accounts of the 2014 financial year	<b>Managing Partner of CVC Capital Partners Ltd (United Kingdom)</b>  <b>Background</b> Graduate from Ecole Polytechnique Master degree in Mathematics  <b>Positions held during the last five years</b> <b>Chairman:</b> M&M Capital SAS, Financière Le Play SAS <b>Director:</b> CVC Capital Partners (Luxembourg), Chr. Hansen (Denmark), Gruppo Coin, Saeco (Italy), Kaufman & Broad SA**, Spie and Yoplait (France), Monier, Xella (Germany), PAI Europe III General Partner, PAI Europe IV General Partner, PAI Europe V General Partner, PAI Syndication GP (Guernsey), PAI Partners (Spain), Perstorp (Sweden), PAI Europe IV UK, United Biscuits (United Kingdom)

Director	Background/Directorships
<b>Colette NEUVILLE*</b> Number of shares: 1,000 Date of birth: 01/21/1937 Nationality: French Date of appointment: May 30, 2012 Term expires on: AGM ruling on the accounts of the 2013 financial year	<b>Chairman (founder) of ADAM</b>  <b>Background</b> Graduate from law school with honors, Masters degree in Political Economy and Economics. Graduate from the Institut d'Etudes Politiques de Paris (public service section)  <b>Other directorships and positions as at December 31<sup>st</sup>, 2012</b> <i>France:</i> <b>Director:</b> Groupe Eurotunnel SA** (also member of the Audit Committee and Chairman of the Remuneration Committee), ARCAF (association des fonctionnaires épargnants pour la retraite) <b>Member:</b> of the consultative committee « Epargnants et actionnaires minoritaires » ("Retail Investors and Minority shareholders") of the Autorité des Marchés Financiers (French Financial Market Authority), of the Conseil de Gouvernance de l'Ecole de Droit & Management de Paris, of the Commission « Rémunération des dirigeants » of the Institut Français des Administrateurs  <b>Positions held during the last five years</b> <b>Member of the Supervisory Board:</b> Atos SA** <b>Director:</b> European Forum for Corporate Governance, with the European Commission
<b>Aminata NIANE*</b> Member of the Audit Committee Number of shares: 1,012 Date of birth: 12/09/1956 Nationality: Senegalese Date of appointment: May 27, 2010 Term expires on: AGM ruling on the accounts of the 2012 financial year	<b>Special Advisor of the President of the Republic of Senegal</b>  <b>Background</b> MBA from Birmingham Business School (University of Birmingham, United Kingdom) Engineer in Sciences and Technologies for the Food Industry (Institut des Sciences de l'Ingénieur; Université des Sciences et Techniques du Languedoc, Montpellier, France) Master degree in Chemistry  <b>Other directorships and positions as at December 31<sup>st</sup>, 2012</b> <i>Abroad:</i> <b>Chairman of the Board of Directors:</b> Société Aéroport International Blaise Diagne (ABID SA, Senegal) <b>Director:</b> Association « Partenariat pour le Retrait et la Réinsertion des Enfants de la Rue »  <b>Positions held during the last five years</b> Chief Executive Officer of the Agence Nationale Chargée de la promotion de l'Investissement et des Grands Travaux (APIX) which became APIX SA (Senegal)
<b>Michel PARIS</b> Member of the Audit Committee Number of shares: 1,000 Date of birth: 09/09/1957 Nationality: French Date of renewal: May 30, 2012 Term expires on: AGM ruling on the accounts of the 2013 financial year	<b>Managing Director of PAI Partners SAS</b>  <b>Background</b> Graduate from Ecole Centrale of Lyon and from Ecole Supérieure de Commerce of Reims  <b>Other directorships and positions as at December 31<sup>st</sup>, 2012</b> <i>France:</i> <b>Chief Investment Officer and Managing Director:</b> PAI Partners SAS <b>Director:</b> Kiloutou SA <i>Abroad:</i> <b>Director:</b> Xella (Germany), Cortefiel (Spain), Hunkemöller (the Netherlands), Perstorp (Sweden), Swissport and The Nuance Group (Switzerland)  <b>Positions held during the last five years</b> <b>Director:</b> Monier (Germany), Spie SA, Kaufman & Broad SA** (France), Gruppo Coin (United Kingdom), Speedy 1 Ltd (United Kingdom)

Director	Background/Directorships
<b>Pasquale PISTORIO*</b> Member of the Nomination and Remuneration Committee Number of shares: 1,000 Date of birth: 01/06/1936 Nationality: Italian Date of renewal: May 30, 2012 Term expires on: AGM ruling on the accounts of the 2014 fiscal year	<b>Chairman of the Pistorio foundation (Switzerland) (charity)</b>  <b>Background</b> Graduate in Electrical Engineering from the Polytechnic School of Torino  <b>Other directorships and positions as at December 31<sup>st</sup>, 2012</b> <i>Abroad:</i> <b>Honorary Chairman:</b> STMicroelectronics Corporation (Switzerland), ST Foundation (Switzerland) and of the Kyoto Club (Italy) (charities) <b>Independent director:</b> Brembo S.p.A** (Italy) Stats ChipPac** (Singapore), XiD (Singapore) <b>Director:</b> Accent (Luxembourg) Xid  <b>Positions held during the last five years</b> <b>Chairman, then independent director:</b> Sagem Wireless (now Mobiwire-up) <b>Independent Director:</b> Fiat Sp.A** <b>Vice-president:</b> Confindustria pour l'Innovation et la Recherche (Italy) <b>Director:</b> Chartered Semiconductor Manufacturing Ltd (Singapore)
<b>Vernon SANKEY*</b> Member of the Audit Committee Number of shares: 1,000 Date of birth: 05/09/1949 Nationality: British Date of reappointment: 30 May 2012 Term expires on: AGM ruling on the accounts of the 2012 financial year	<b>Chairman of Firmenich SA (Switzerland)</b>  <b>Background</b> Master of Arts in Modern Languages, Oriel College, Oxford University (United-Kingdom)  <b>Other directorships and positions as at December 31<sup>st</sup>, 2012</b> <i>Abroad:</i> <b>Chairman, former director:</b> Harrow School Enterprises Ltd (United Kingdom) <b>Advisory Board member:</b> GLP LLP (United Kingdom) <b>Member:</b> Pi Capital (private equity investment group) (United Kingdom)  <b>Positions held during the last five years</b> <b>Chairman:</b> Photo-Me International plc (United Kingdom) <b>Director:</b> Firmenich (Switzerland), Zurich Financial Services AG (Switzerland), Vividas Group PLC (United Kingdom)
<b>Lionel ZINSOU-DERLIN</b> Number of shares: 1,000 Date of birth: 10/23/1954 Nationality: French and Beninese Date of renewal: May 30, 2012 Term expires on: AGM ruling on the accounts of the 2013 financial year	<b>Chairman of PAI Partners SAS</b>  <b>Background</b> Professor in Economy and Social Science - Graduate of Ecole des Sciences Politiques de Paris - Master in economical history, Bachelor's degree in Humanities and History - Ecole Normale Supérieure (Ulm) in Humanities  <b>Other directorships and positions as at December 31<sup>st</sup>, 2012</b> <i>France:</i> <b>Chairman of the Executive Committee:</b> PAI Partners SAS <b>Chairman of the Supervisory Board:</b> Domaines Barons de Rothschild (DBR) <b>Member of the Supervisory Board:</b> Financière Gaillon 12 SAS <b>Manager:</b> Sofia-Société Financière Africaine SARL <b>Director:</b> Strategic Initiatives and Kaufman & Broad SA** <i>Abroad:</i> <b>Director:</b> PAI Europe III General Partner Ltd, PAI Europe IV General Partner Ltd, PAI Europe V General Partner Ltd, PAI Syndication GP Ltd (Guernsey) <b>Deputy director:</b> United Biscuits Topco Ltd (United Kingdom)  <b>Positions held during the last five years</b> <b>Vice chairman of the Board of Directors:</b> CHR HANSEN Holding AS (Switzerland) <b>Director:</b> Sodima SAS, Yoplait France SAS, Yoplait Marques Internationales SAS et Yoplait SAS, Financière Spie SAS and Spie SA (France), CHR Hansen Holding AS (Sweden) <b>Manager:</b> Star Ladybird SARL (former Capucine Investissement) and Cerberus Nightingale 1 SARL (former Financière Capucine 3)

\*Independent director

\*\*Company listed on a stock exchange



**Biography of the directors****Thierry Breton**

Thierry Breton graduated from the Paris École Supérieure d'Électricité (Supelec), and the Institut des Hautes Études de Défense Nationale (IHEDN, 46<sup>th</sup> class). In 1986, he became Project Manager of the Poitiers Futuroscope theme park, then headed its teleport operations. He later served as an advisor to Education Minister René Monory in the area of new information technologies. He also served in the Poitou-Charentes Regional Council from 1986 to 1992 (as Vice-Chairman from 1988 on). He then joined Bull as Director of Strategy and Development before becoming Deputy Managing Director. Member of the Board of Directors in February 1996, he was successively named Vice-Chairman of the Board then group delegated Director. After being appointed Chairman and Chief Executive Officer of Thomson (1997-2002) then Chairman and Chief Executive Officer of France Telecom (2002-2005), he was France's Minister for the Economy, Finance and Industry between February 25<sup>th</sup>, 2005 and May 16<sup>th</sup>, 2007, before becoming a professor at Harvard University (USA) for "Leadership, Corporate Accountability". In November 2008, he became Chairman of the Management Board of Atos Origin. He is today Chairman and Chief Executive Officer of Atos SE.

**René Abate**

(Independent Director)

René Abate is a graduate of the École Nationale des Ponts et Chaussées and of the Harvard Business School. He began his career as an engineer with the New York Port Authority in 1970, and then joined the Boston Consulting Group in 1974 where he was a consultant in the areas of strategy and organization to large companies in various sectors, in particular in consumer goods, food and specialty retailing. He served successively as Senior Vice-President, in charge of overseeing the firm in France; Group Chairman for Europe; and World Executive Committee member, positions from which he resigned in 2006. He currently acts as Senior Advisor of that company.

**Nicolas Bazire**

(Independent Director)

Nicolas Bazire is a graduate of the Ecole Navale (1978), the Paris Institut d'Études Politiques (1984), former student of the Ecole Nationale d'Administration, Magistrate on the French Cour des Comptes (Court of Audit). Nicolas Bazire was an auditor then Conseiller Référendaire with the Cour des Comptes. In 1993 he became Cabinet Director for French Prime Minister Édouard Balladur. He served as a Managing Partner at Rothschild & Cie Banque from 1995 to 1999, when he was named Chairman of the Conseil des Commanditaires. He was appointed General Manager at Groupe Arnault in 1999, and became a member of

the LVMH Board of Directors; he is also a member of the Executive Committee. Nicolas Bazire is a Reserve officer in the French Naval Reserve. He is an Officer in the French Ordre National du Mérite (National Order of Merit) and a Chevalier in the French Légion d'honneur.

**Jean-Paul Béchat**

(Independent Director)

Jean-Paul Béchat is a graduate of École polytechnique and has a Master degree in Science from Stanford University (USA). Jean-Paul Béchat spent most of his professional career at Snecma which he joined in 1965, he was Chairman and Chief Executive Officer of the group from June 1996 to March 2005, then Chairman of the Management Board when the group evolved as Safran until August 2007. He is Honorary Chairman and member of the Bureau and Board of GIFAS. He is Honorary Fellow of the Royal Aeronautical Society (RAeS), honorary member of the Association Aéronautique et Astronautique de France (AAAF) and member of the International Academy of Astronautics (IAA). Jean-Paul Béchat is Officer of the French Légion d'honneur and Officer of the French Ordre National du Mérite (National Order of Merit).

**Roland Busch**

Roland Busch is a graduate of the University of Friedrich Alexander (Germany) and the University of Grenoble where he received a PHD in Physics. He is a member of the Management Board of Siemens AG. During the past five years, Roland Busch was appointed Chairman of Siemens VDO Automotive Asia Pacific Co Ltd., and Chief of the Mass Transit Division of the Transportation Systems Group (TS). He also held the position of Chief of Strategy with Siemens in Germany.

**Jean Fleming**

Jean Fleming is a graduate of the London South Bank University where she obtained an MSc in Human Resources and from Brunel University where she obtained a BA in Business Administration. She is the Human Resources Director of Atos in the United-Kingdom. Jean Fleming was appointed director representing the employee shareholders.

**Bertrand Meunier**

(Independent Director)

Bertrand Meunier is a graduate of the Ecole Polytechnique and of Paris VI University. He joined PAI Partners in 1982 and oversaw investments in Information Technology and Telecommunications for eleven years, before heading Consumer Goods, Retail and Services sector for eight years. Bertrand Meunier joined CVC Capital Partners as a Managing Partner in 2012.

### **Colette Neuville**

(Independent Director)

Colette Neuville is a law graduate, and a graduate of the Paris Institut d'Etudes Politiques and holds a post-graduate degree in economics and political science. She served as an Economist for NATO, the Moroccan government, and the Loire-Bretagne agency. Ms. Neuville is the founding Chairman of ADAM (Association de Défense des Actionnaires Minoritaires) and member of the commission "Épargnants et Actionnaires Minoritaires" (Retail Investors and Minority Shareholders) of the Autorité des Marchés Financiers (French Financial Market Authority). She is a member of the Board of Directors, member of the Audit Committee and Chairman of the Appointments and Remuneration Committee of Group Eurotunnel SA. She is member of the Governance Committee of the Paris "Ecole de Droit et de Management".

### **Aminata Niane**

(Independent Director)

Aminata Niane is a graduate of the Birmingham Business School and of the University of Sciences and Techniques of the Languedoc. She started her career in 1983 as an engineer in large Senegalese companies in food-processing sector (Société Industrielle des Produits Laitiers / SIPL and SONACOS). In 1987, she joined the Senegalese administration (Ministry of Commerce, Senegalese Institute for Standardization), then in 1991 the first structures supporting the private sector, financed by the French Cooperation and the World Bank (Support Unit to the Business Environment and Private Sector Foundation). After several years of entrepreneurial experience in strategy consulting, she was appointed in 2000 Managing Director of APIX, National Agency for Investment Promotion and Major Projects, which she handled the creation and the management of until May 2012. She has more than 20 years of experience in the development of the private sector, the improvement of business environment, and more than 12 years of experience in the conceptualization and the implementation of great infrastructure projects in PPP (public-private partnership). She is today Special Advisor of the President of the Republic of Senegal and chairs the Board of Directors of the company of Blaise Diagne International Airport.

### **Michel Paris**

Michel graduated from the Lyon Ecole Centrale and the Reims Ecole Supérieure de Commerce. Michel Paris joined PAI Partners SAS in 1984. He is Chairman of the Investment Committee and Chief Executive Officer. He is also responsible for the Business Services, General Industrials and Retail & Distribution sector teams. Michel has almost 29 years of investment experience with this company. He had previously worked two years at Valeo.

### **Pasquale Pistorio**

(Independent Director)

Pasquale Pistorio graduated in Electrical Engineering from the Polytechnic of Turin. He began his career as a salesman for Motorola products and in 1967 he joined Motorola in Italy, rising through the ranks to become Director of International Marketing in July 1977. In 1978, he was promoted to General Manager of Motorola's International Semiconductor Division. In July 1980 he was appointed Chairman and Chief Executive Officer of the SGS Group and oversaw, with success, in 1987, the integration of SGS with Thomson Semiconducteurs. The new company will be renamed STMicroelectronics in 1998. In 2005, Pasquale Pistorio is appointed Honorary Chairman of the Board of Directors and ambassador of ST Microelectronics.

### **Vernon Sankey**

(Independent Director)

Vernon Sankey graduated from Oriel College, Oxford University (United Kingdom). He joined Reckitt and Colman in 1971, and became Chief Executive Officer in Denmark, France, the USA and in Great Britain. He was Group Chief Executive Officer in the period 1992-1999. Since then, he has held several non-executive positions (Pearson plc, Zurich AG, Taylor Woodrow plc, Thomson Travel plc, Gala plc, Photo-Me plc, etc.) and was a member of the Management Board of the FSA (Food Standards Agency) UK. He is now Chairman of Firmenich SA (Switzerland).

### **Lionel Zinsou-Derlin**

Lionel Zinsou-Derlin graduated from Ecole Normale Supérieure (1975). He holds a master's degree in Economic History and an "Agregation" in Economics and social sciences. Lionel Zinsou-Derlin started his professional career as a lecturer and professor in Economics at Paris XIII University. He then becomes advisor to the Minister of Industry and to the Prime Minister. In 1986, Lionel joined Danone where he held various positions including Group Corporate Development Director, Managing Director of HP and Lea & Perrins and was a member of the Group Executive Committee. In 1997, Lionel joined the Rothschild Bank as General Partner; he was the Head of the Consumer Products Group, the Head of Middle East and Africa and chaired the Global Investment Bank Committee. He was appointed Chairman and CEO of PAI in 2009.



### **Declarations related to the members of the Board of Directors**

To the best of the Company's knowledge, there have been no official public incrimination and/or sanctions taken by statutory or regulatory authorities (including designated professional organisms) against any of the members of the Board of Directors. No court has, over the course of the past five years at least, prevented the members of the Board of Directors from acting as member of an administrative, managing or supervisory body of an issuer or from participating in the management or oversight of an issuer's business. No Board member has been convicted of fraud over the past five years at least. No Board member has taken part as senior manager in a bankruptcy, receivership or liquidation over the past five years.

### **Potential conflict of interest and agreements**

To the Company's knowledge, there are no existing service agreements between the members of the Board of Directors and Atos SE or one of its subsidiaries which would provide for benefits.

To the best of the Company's knowledge, save for the case of Dr. Roland Busch whose appointment was proposed pursuant to the agreements signed with Siemens in connection with the acquisition of Siemens Information Technology Services, which provided for

the possibility for Siemens to submit an applicant as a director of the Company; there are no arrangements, or any type of agreement with the shareholders, clients, service providers or others by which one of the members of the Board of Directors was selected as member of an administrative, managing or supervisory body or as a member of the general management of the Company.

To the best of the Company's knowledge, there are no parental relationships between any executive officers and directors of the Company.

Finally, to the best of the Company's knowledge, there are no restrictions accepted by the members of the Board of Directors concerning the sale of their potential shareholding in the Company's share capital other than the provision of the articles of association under which each director must own at least 1,000 shares of the Company and the retention obligations that the Board of Directors defined for the Chairman and Chief Executive Officer of the Company.

Dear Shareholders,

Pursuant to article L.225-37 of the French Commercial Code, as Chairman of the Board of Directors of Atos SE (hereinafter the "Company"), let me present first of all the preparation and organisation conditions of the work of the Board of Directors since January 1<sup>st</sup>, 2012, and secondly, the internal control procedures set up within the Atos Group.

The Board of Directors approved this Report during its meeting of March 28<sup>th</sup>, 2013.

The rules and principles that the Company used to

determine the remuneration and advantages attributed to its senior managers and executive officers are described in the "Executive compensation and stock ownership" section of the Reference Document.

The rules regarding the shareholders' participation in General Meetings are described in the "Legal Information" section of the Reference Document.

The factors which may have an influence on public takeover bids are described in the "Shareholders Agreements" section of the Reference Document.

### E.3.1 Corporate Governance

#### Management Mode

On the occasion of the vote concerning the Company's transformation from a "Société Anonyme" (public limited-liability company) into a "Societas Europaea" (European public limited-liability company or "European Company") decided by the Annual General Meeting of May 30, 2012, the unitary board structure, with Board of Directors, was upheld by the shareholders in the articles of associations of the Company that were submitted to their approval, and Thierry Breton's mandate as Director was renewed. The Board of directors then confirmed the choice of governance by deciding to unify the functions of Chairman and Chief Executive Officer and confirming Thierry Breton as Chairman and Chief Executive Officer for his three-year term.

The Board of directors believed that this unified management structure allowed for the necessary proactivity which enabled the Chief Executive Officer to implement the company reconstruction since 2009 (steering of the TOP<sup>2</sup> Program - Total Operational Performance) and take all necessary actions to ensure its growth and profitability; this management structure also allowed a successful integration following the purchase of Siemens IT Solutions and Services on July 1<sup>st</sup>, 2011.

The powers of the Chairman of the Board and Chief Executive Officer are described in the "Legal information" section of the Reference Document. In connection with a group procedure which regulates the delegations of authority as revised on February 22<sup>nd</sup>, 2012,

the Board of Directors defined the reserved matters of the Board of Directors which require the Board's prior authorization:

- ▶ Purchase or sale of shareholdings exceeding EUR 100 million;
- ▶ Purchase or sale of assets exceeding EUR 100 million;

- ▶ Purchase of assets or shareholdings beyond the Group's usual activities;
- ▶ Purchase or sale of real property exceeding EUR 100 million;
- ▶ Strategic alliance or partnership which may have a structural impact for the Group;
- ▶ Parental company guarantees exceeding the scope of the delegation granted to the Chairman and Chief Executive Officer.

#### Frame of reference on Corporate Governance

French legislation and rules published by the financial market regulatory authorities apply to the Company's corporate governance.

The Company refers to the recommendations set out in the Corporate Governance Code of Listed Companies issued by the AFEP-MEDEF (revised version of April 2010) and has decided to use the Code, as soon as published, as a reference in terms of corporate governance. This Code is available on the following website: [www.medef.com](http://www.medef.com).

Since the adoption of the Code of Corporate Governance of the AFEP-MEDEF on December 23<sup>rd</sup>, 2008 as new frame of reference in corporate governance, the Board of Directors committed to perform a yearly review of the implementation of these rules, and to publish the review of the recommendations of the AFEP-MEDEF.

The Board of Directors met on December 20<sup>th</sup>, 2012 in connection with the annual review of Atos' compliance to the principles of governance set forth in the AFEP-MEDEF Code of Corporate governance of listed companies, in particular those related to the recommendations on the terms and conditions of executive officers and directors. The Board also relied on the specifications provided by the reports of the Autorité des Marchés Financiers (French Financial Markets Authority), and in particular,

the October 11th, 2012 report. Pursuant to this review, the Board considered that the scheme set up by the Company on corporate governance matters, in particular concerning the compensation of the Chairman and Chief Executive Officer, was consistent with the AFEP-MEDEF recommendations, and for each of its provisions, to the "Comply or explain" principle. The detail of the Board's assessment items on the implementation of the AFEP-MEDEF recommendation is available in its entirety on Atos' website: [www.atos.net](http://www.atos.net).

More generally, upon suggestion by the Chairman of the Board of Directors, the agenda of the Board of Directors regularly contains points on the corporate governance of the Company. Thus the Board has consistently expressed its will to take into account, and sometimes anticipate, recommendations from various bodies working on the improvement of corporate governance for listed companies whenever such recommendations are in line with the interests of the Company and of its shareholders.

Therefore, many systems illustrating this commitment had already been set up in previous years by the Board of Directors upon the Chairman's request. This includes, among others, the reinforcement of conditions for stock option or performance share plans for which the senior managers of the company are beneficiaries, the definite removal of golden parachutes or the appointment of a reference director.

### Reference director

In accordance with the Autorité des Marchés Financiers' (French Financial Market Authority) recommendation of December 7<sup>th</sup>, 2010 in the 'Autorité des Marchés Financiers' supplemental report on corporate governance, executive compensation and internal control', upon proposal of the Nomination and Remuneration Committee, the Board of Directors appointed Pasquale Pistorio as the new

reference director during its meeting of December 22<sup>nd</sup>, 2010. The Board of directors meeting held following the General Meeting of May 30<sup>th</sup>, 2012, decided to renew the term of office of Pasquale Pistorio as reference director.

The reference director is in charge, in particular, of the assessment of the Board's work, carried out every year under his supervision. He is also in charge of arbitrating potential conflicts of interest. He is regularly questioned on the functioning of the Board.

### Censor

Pursuant to article 26 of the articles of association, the Shareholders' Meeting may appoint a censor. Said Censor is called to all the meetings of the Board of Directors where he/she acts as an observer. The Board may give him/her specific assignments. If deemed relevant, he/she can present observations to the General Meetings, based on proposals submitted to him/her.

The Board of Directors does not have a censor anymore since May 30<sup>th</sup>, 2012. Indeed, Ms. Colette Neuville, whose appointment as censor on April 13<sup>th</sup>, 2010 was ratified by the Shareholder's Meeting of May 27<sup>th</sup>, 2010, became a Board Member during the General Meeting held on May 30<sup>th</sup>, 2012.

### Representation of women at Board level

As at December 31<sup>st</sup>, 2012, and since May 30<sup>th</sup> 2012, when Ms. Colette Neuville became a Board member, the Board of directors was composed of 23 percent of women. From January 1<sup>st</sup>, to May 30<sup>th</sup>, 2012, the Board of Directors of the Company was composed of 23 percent of women, if Ms. Neuville who was a censor is included. The Company is now fully complying with the 20 percent rate of women directors provided set forth by article L.225-18-1 of the commercial code (introduced by law n°2011-103 dated January 27, 2011).

## E.3.1.1 The Board of Directors: composition and functioning

### Mission of the Board of Directors

The mission of the Board of Directors is to determine the strategy and trends of the Company's activity and to oversee their implementation. Moreover, the Board of Directors decides on the unification or separation of the functions of Chairman of the Board and Chief Executive Officer, appoints senior managers who shall be legal representatives and rules on the independence of directors on a yearly basis, possibly imposes limitations on the powers of the Chief Executive Officer, approves the Chief Executive Officer Report, convenes the General Meetings and decides on the agenda, undertakes the controls and verifications which it deems opportune, the control and audit of the sincerity of the financial statements, the review and approval of the financial

statements, the communication to the shareholders and to the market of high quality information.

### Composition of the Board of Directors

As at December 31<sup>st</sup>, 2012, the Board of Directors is composed of thirteen members: Thierry Breton (Chairman of the Board and Chief Executive Officer), René Abate, Nicolas Bazire, Jean-Paul Béchat, Dr. Roland Busch, Ms. Jean Fleming (director representing employee shareholders), Bertrand Meunier, Ms. Aminata Niane, Colette Neuville (who was appointed during the Combined General Meeting of May 30, 2012), Michel Paris, Pasquale Pistorio, Vernon Sankey and Lionel Zinsou-Derlin.

# Risks, governance and common stock

## E.3 Report of Chairman of the Board of Directors on Corporate Governance and Internal Control

Pursuant to the fourth resolution of the General Meeting of May 30, 2012, article 14 of the Articles of Association of the Company was modified so as to introduce an annual renewal mechanism by rotation of the Company's directors, allowing one third of the directors to be renewed each year, pursuant to the recommendations of the AFEP-MEDEF Code of Corporate Governance.

The General Meeting of May 30, 2012, deciding on an ordinary basis, renewed the terms of office of the following

Director for the following terms:

- ▶ Thierry Breton, Jean-Paul Bechat, Bertrand Meunier and Pasquale Pistorio, for a three-year period;
- ▶ Nicolas Bazire, Michel Paris and Lionel Zinsou-Derlin for a two-year period ;
- ▶ Mr René Abate et Mr. Vernon Sankey for a one-year period ;
- ▶ Colette Neuville, who was previously the Company's censor, was appointed as Director for a two year period.

The exceptional one-year and two-year terms of certain Board members allow for the setting up of the annual renewal mechanism by rotation of one-third of the Directors.

Name	Nationality	Age	Date of appointment/ renewal	Committee member	End of office term	Number of shares held
René Abate	French	64	2012		AGM* 2013	1,000
Nicolas Bazire <sup>1</sup>	French	55	2012	N&R*	AGM 2014	1,000
Jean-Paul Béchat <sup>2</sup>	French	70	2012	A*	AGM 2015	1,000
Thierry Breton	French	57	2012		AGM 2015	5,000
Roland Busch	German	48	2011	A	AGM 2014	1,000
Mme Jean Fleming <sup>3</sup>	British	44	2009		AGM 2013	530
Bertrand Meunier	French	57	2012	N&R	AGM 2015	1,000
Mme Colette Neuville <sup>4</sup>	French	76	2012		AGM 2014	1,000
Mme Aminata Niane	Senegalese	56	2010	A	AGM 2013	1,012
Michel Paris	French	55	2012	A	AGM 2014	1,000
Pasquale Pistorio	Italian	77	2012	N&R	AGM 2015	1,000
Vernon Sankey	British	63	2012	A	AGM 2013	1,000
Lionel Zinsou-Derlin	French and Beninese	58	2012		AGM 2014	1,000

<sup>0</sup>AGM: Annual General Meeting; N&R Nomination and Remuneration Committee; A: Audit Committee

<sup>1</sup>Chairman of the Nomination and Remuneration Committee

<sup>2</sup>Chairman of the Audit Committee

<sup>3</sup>Director representing the employee shareholders appointed for 4 years pursuant to the articles of association (art. 16)

<sup>4</sup>Censor from January 1<sup>st</sup>, to May 30<sup>th</sup>, 2012 then Director from May 30<sup>th</sup>, to December 31<sup>st</sup>, 2012.

Pursuant to the articles of association, each director must own at least 1,000 shares. This rule however does not apply to the censor nor does it apply to the director representing employee shareholders designated pursuant to article 16 of the articles of association.

Internal Rules govern the work of the Board of Directors. They specify the rules on composition, functioning and the role of the Board, remuneration of directors, evaluation of the works of the Board, information of directors, the role and competence of the Committees of the Board - i.e. the

Audit Committee and the Nomination and Remuneration Committee, the specific missions which can be granted to a director and the confidentiality obligations imposed on directors.

As soon as appointed, a copy of the Internal Rules as well as the Charter of the Board of Directors and the Guide to the prevention of insider trading are given to the directors who subscribe to these documents. The content of these documents is described more specifically in the "Codes and Charts" section of the Reference Document.

### E.3.1.2 Definition of an "independent member" of the Board of Directors

The Corporate Governance Code of the AFEP-MEDEF defines as independent, a director when "he or she has no relationship of any kind whatsoever with the corporation, its group or the management of either that is such as to colour his or her judgment". The AFEP-MEDEF Code also determines that a certain number of criteria must be reviewed in order to determine the independence of a director:

- ▶ The Director shall "not be an employee or executive officer of the corporation, or an employee or director of its parent or a company that it consolidates, and shall not have been in such a position for the previous five years;
- ▶ The Director shall not be an executive officer of a company in which the corporation holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive officer of the corporation (currently in office or having held such office going back five years) is a director;
- ▶ The Director shall not be (or directly or indirectly linked to) a customer, supplier, investment banker or commercial banker:
  - that is material for the corporation,
  - for which the corporation or its group represent a significant part of its business;
- ▶ The Director shall not be related by close family ties to an executive officer;
- ▶ The Director shall not have been an auditor of the corporation within the previous five years;
- ▶ The Director shall not have been a director of the corporation for more than twelve years."

As regards directors representing significant shareholders of the Company, these may be considered as being independent, provided that they do not take part in

the control of the Company. In excess of a 10 percent holding of stock or votes, the Board, upon a report from the Nomination and Remuneration Committee, should systematically review the qualification of a director as an independent director, having regard to the make-up of the Company's share capital and the existence of a potential conflict of interest.

The Board of Directors, during its meeting of December 20<sup>th</sup>, 2012, relying on the preliminary work of the Nomination and Remuneration Committee of December 18<sup>th</sup> 2012, has led a specific review on the independent status of each of its members, relying on the above-mentioned criteria. On this basis, eight out of the thirteen members of the Board (i.e. 62 percent), are considered as independent, in conformity with the AFEP-MEDEF recommendations, which state that half the members of the Board must be independent directors. In particular, the Audit Committee and the Nomination and Remuneration Committee are both chaired by an independent director.

Five out of thirteen members of the Board are not considered as independent, namely, Thierry Breton due to his office as Chief Executive Officer; Michel Paris and Lionel Zinsou-Derlin due to their ties with a significant shareholder of the Company (21.09 percent of the share capital of the Company is held by PAI Partners), Roland Busch due to his relations Siemens which he represents (14.57 percent of the share capital of the Company being held by Siemens); and Jean Fleming, director representing the employee shareholders, by virtue of quality of employee of a subsidiary of the Company.

### E.3.1.3 Board of Directors Meetings

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Pursuant to the articles of association and the Internal Rules, the Board of Directors has met as often as necessary. During the 2012 financial year, the Board of Directors met nine times. Attendance of directors at these meetings was an average of 86.61 percent.

The Board of Directors met to discuss the following topics:

- ▶ Review and approval of the 2013 budget;
- ▶ Review of the financial information and quarterly reports and forecasts;
- ▶ Review of and closure of consolidated half year and yearly financial statements;
- ▶ Review of financial presentations and press releases;
- ▶ Review of the strategic trends of the Group, especially the external growth operations and significant partnerships;
- ▶ Approval of parental company guarantees and review of off-balance commitments;
- ▶ Convening the Annual General Meeting, and including on the agenda of the option for the payment of the dividend in the form of new shares and the transformation of the legal form into a *Societas Europaea* (European Company);
- ▶ Confirming the Chief Executive Officer's mandate for three years, and determining the elements of his remuneration, especially the objectives of the variable part, and the confirming his variable remuneration paid in 2012;
- ▶ Approval of the share increase plan reserved to the employees implemented in 2012 and review of a project performance shares allocation plan;

- ▶ Review of the functioning of the corporate bodies and corporate governance (renewal of a statutory auditor, renewal of the delegation of powers of the Chairman and Chief Executive Officer and review of the delegations of authority in connection with the Group's new perimeter, setting up of a rotation within the Board and propositions of renewal of its members, confirmation of the reference director and the committees, assessment of the Board's work, review of the independence of directors, conformity review of the Company's practices with the AFEP-MEDEF recommendations).

The Board was informed of the progress of the negotiations with the special negotiation group concerning the transformation into a "*Societas Europaea*" (European Company), and its decisions were subject to a follow-up. The Board regularly heard the review of the statutory auditors as well as the works of the two permanent committees of the Board of Directors: the Audit Committee and the Nomination and Remuneration Committee.

The powers of these Committees are governed by the Internal Rules of the Board of Directors. The Committees are solely advisory in preparing the works of the Board which is the only decisive and liable body. They report to the Board of Directors. Their recommendations are discussed at length during the meetings, where applicable, on the basis of the documentation generated by the Committees.

### E.3.1.4 The Audit Committee

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#### **Mission**

Within its relevant fields of competence pursuant to the provisions of the Internal Rules of the Board of Directors, the Audit Committee shall have the task of preparing and facilitating the work of the Board of Directors. For this purpose it shall assist the Board of Directors with its analysis of the accuracy and sincerity of the company and consolidated accounts of the Company

The committee formulates all opinions or recommendations to the Board of Directors within the area described here below. The Committee particularly receives from the Board of Directors the assignment:

#### **With respect to the accounts:**

- ▶ to proceed with the prior examination of and give its opinion on the draft annual, half-yearly and, where applicable, quarterly company and consolidated accounts prepared by the financial management;
- ▶ to examine the relevance and the permanence of the accounting principles;
- ▶ to be presented with the evolution of the perimeter of consolidated companies;
- ▶ to meet, whenever it deems necessary, the auditors, the general management, the financial, treasury and accounting management, internal audit or any other member of the management; these hearings may take place, when appropriate, without members of the general management being present;
- ▶ to examine the financial documents distributed by the Company at the annual accounts closing as well as the important financial documents and press releases.

### With respect to the external control of the Company:

- ▶ to examine questions concerning the appointment or renewal of the statutory auditors and amount of fees to be determined for the performance of their assignments concerning legal supervision;
- ▶ to pre-approve any assignment entrusted to the statutory auditors other than the legal audit, and more generally, to ensure compliance with principles with the principles that guarantee the independence of the auditors, to ensure the rotation of signatories, to be informed of the amounts of fees paid in the network to which the statutory auditors belong.

### With respect to the internal control and risk-monitoring of the Company:

- ▶ to assess, along with the persons responsible at the Group level, the efficiency and the quality of the systems and procedures for internal control of the Group, to examine the significant off-balance sheet risks and commitments, to meet with the person responsible for internal audit, to give its opinion on the organization of the department and to be informed of its work program. The committee shall be provided with the internal auditor's reports or a periodic summary of these reports;
- ▶ to assess the reliability of the systems and procedures that are used for establishing the accounts, as well as the methods and procedures of reporting and handling accounting and financial information;
- ▶ to regularly make itself aware of the financial situation, the situation of the treasury and any significant commitments or risks and to examine the procedures adopted to assess and manage such risks.

### Composition

During the 2012 financial year, the Audit Committee was composed as follows :

- ▶ Jean-Paul Béchat (Chairman)\*
- ▶ Dr. Roland Busch
- ▶ Aminata Niane\*
- ▶ Michel Paris
- ▶ Vernon Sankey\*

During the 2012 financial year, the Audit Committee was composed of 60 percent independent members, in line with the recommendations of the AFEP-MEDEF Code. The appointment of Ms. Aminata Niane by the Board of Directors on December 22<sup>nd</sup>, 2011 has indeed reinforced the proportion of independent directors on the Audit Committee following the modification of its composition which took place in 2011 and aimed at integrating in the Audit Committee representatives of the two reference shareholders (hence two out of five members) which hold each more than 10 percent of the share capital and thus are not considered as independent under the criteria of the AFEP-MEDEF Code.

Pursuant to the order dated December 8<sup>th</sup>, 2008, the Audit Committee is composed of at least one member with financial or accounting skills, acquired by virtue of its professional experience, including in particular the Chairman of the Committee. The Chairman was main executive officer of Safran, as Chairman of the Management Board (and previously as Chairman and Chief Executive Officer of Snecma) for more than eleven years from June 1996 to August 2007.

### Works in 2012

During the 2012 financial year, the Audit Committee met seven times. Attendance of members to the meetings was an average of almost 80 percent.

The Group Chief Financial Officer, the Head of Internal Audit, the Head of Risk Management, the Director of the Financial Support Services, the Group General Counsel as well as the statutory auditors attended meetings of the Audit Committee. All documentation presented to the Committee was communicated to the Committee by the Group Chief Financial Officer approximately three days prior to the meetings.

Other managers of the Company such as the General Secretary, and the Chief executive officer in charge of the "Hi-Tech Transactions Services & Specialized Businesses" took part in certain meetings of the Committee.



During the 2012 financial year, the Audit Committee reviewed the accounting and financial documents before addressing them to the Board; the committee reviewed the main accounting options, in particular for the first semester the operations aimed at revising the opening balance and linked to the allocation of the purchase price for SIS as well as the main year-closing accounting options. The Audit Committee examined the quarterly financial reports on the Group's performance, and the draft financial press releases before their submission to the Board of Directors. The Audit committee reviewed the forecast information.

The Audit Committee reviewed the annual mission plan of the internal audit division, and was regularly informed of the conclusions of the main missions and reviewed the summary reports concerning the activities of the internal audit. The Audit Committee was informed of the IFACI certification of the group's Internal Audit Division. The committee also supervised the update of the risk

mapping and the IT deployment plan. The Committee was informed on a regular basis of the monitoring and management of risk of the significant contracts; the Committee was especially informed of the advancement of the discussions with the clients in the event of a claim concerning the operational performance of the Company or the accidents that occurred. The Committee also reviewed the state of the declared claims and litigations and the provisions. The committee was involved in the update of the delegations of authority, in the drafting of the "Chairman's Report", as well as the renewal procedure of the mandate of one of the two statutory auditors of the Company at the 2012 General Meeting. The Committee was regularly informed on the state of the Group's treasury and financing needs. The Committee heard the intermediate and final reports of the statutory auditors concerning the annual and half-yearly accounts, as well as the reports of their other works carried out in connection with their general audit mission; the Committee examined the fees and the independence of the statutory auditors.

### E.3.1.5 The Nomination and Remuneration Committee

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#### Mission

Within its relevant fields of competence, the Nomination and Remuneration Committee shall have the task of preparing and facilitating the decisions of the Board of Directors.

With respect to nominations, the general field of competence of the Nomination and Remuneration Committee is to research and examine any candidate for the appointment to the position of member of the Board of directors or to a position of executive officer of the Company and to formulate an opinion on these candidates and/or a recommendation to the Board of Directors.

The Nomination and Remuneration Committee examines major operations involving a risk of a conflict of interest between the Company and the members of the Board of Directors. The qualification of an independent director shall be discussed by the Nomination and Remuneration Committee and reviewed and discussed each year by the Board of Directors before the publication of the Reference Document.

With respect to remuneration, the Nomination and Remuneration Committee's task is to formulate proposals regarding the remuneration of the Chairman and Chief Executive Officer (the amount of the fixed remuneration and definition of the rules governing variable remuneration, ensuring the consistency of these rules with the annual assessment of the performances and with the medium-term strategy of the company, as well as

checking the annual application of such rules).

The Nomination and Remuneration Committee also participates in the drawing up of the profit sharing policy of the staff of the Company and its subsidiaries. In particular, the Committee's task is to formulate proposals regarding the decisions to grant options for the subscription and/or purchase of Company shares of Company performance shares to the benefit of executive officers and directors and any or all employee staff members of the Company and its subsidiaries.

The rules relating to the remuneration of the senior managers are described in the "Executive Compensation and Stock Ownership" section of the Reference Document.

Concerning the members of the Board of Directors, the Committee is responsible for proposing each year the total amount of the directors' fees (jetons de presence) which shall be submitted to the approval of the General Meeting of shareholders and the way in which such directors' fees shall be distributed among the directors, particularly taking into account the presence of the members at the Board of Directors meetings and the committees of which they are members, the level of liability incurred by the directors and the time devoted to their functions.

The Committee also makes observations and/or recommendations related to the pension and insurance plans, payments in kind, various financial rights granted to the executive officers and directors of the Company and their subsidiaries.



### Composition

During the 2012 financial year, the Nomination and Remuneration Committee was composed as follows :

- ▶ Nicolas Bazire (Chairman)\*
- ▶ Bertrand Meunier\*
- ▶ Pasquale Pistorio\*

During the year 2012, the Nomination and Remuneration Committee was solely composed of independent members, being in perfect conformity with the recommendations of the AFEP-MEDEF code which states that the committee must be majoritarily composed of independent directors.

### Works in 2012

During the 2012 financial year, the Nomination and Remuneration Committee met four times. Attendance of members to the meetings was an average of more than 90 percent.

The Nomination and Remuneration Committee met in 2012 in order to deal in particular with the following subjects so as to formulate opinions and recommendations to the Board of Directors:

- ▶ The confirmation of the elements of the remuneration of the Chairman and Chief Executive Officer on the occasion of the renewal of his term of office for three additional years;
- ▶ The review and variable remuneration of the Chairman and Chief Executive Officer that is due for the second semester of 2011 and first semester of 2012;
- ▶ The definition of the performance objectives applicable

to the variable remuneration of the Chairman and Chief Executive Officer for the second semester of 2012 and the first semester of 2013;

- ▶ The review of the performance terms and conditions of certain currently valid stock option and performance share plans;
- ▶ The review of the terms and conditions of the share capital increase plan reserved for the employees and implemented in 2012 (Sprint 2012 plan);
- ▶ The examination of a project concerning the attribution of performance shares to the employees and chief executive officer of the Group pursuant to a resolution voted in the General Meeting held on May 30, 2012;
- ▶ The composition of the Board of Directors and Committees;
- ▶ The implementation of a director rotation procedure, the appointment of a director and the renewal of directors mandates during the 2012 Annual General Meeting;
- ▶ The amount of the directors' fees (jetons de presence) envelope that was proposed during the General Meeting and the terms and conditions of allocation of the directors' fees (jetons de presence);
- ▶ The terms and conditions for the yearly assessment of the Board of Directors and of its committees;
- ▶ The review of the Board members' independence;
- ▶ The follow-up of the negotiations with the special negotiation group in connection with the Company's transformation into a "Societas Europaea" (European Company).

### E.3.1.6 Assessment of the works of the Board of Directors

As mentioned in the Internal Rules of the Board of Directors, the Board of Directors must assess its capacity to meet the expectations of the shareholders by periodically analyzing its composition, organization and its functioning, as well as the composition, organization and functioning of its committees. In particular, it shall analyze the methods by which the Board of Directors and its committees functions, in order to ensure that the important questions have been suitably prepared and discussed and measure the actual contribution of each director to the work of the Board of Directors and its committees, according to his or her skills and involvement in the discussions.

The Internal Rules of the Board of Directors provide that for this purpose, once a year, the Board of Directors shall devote one item on its agenda to the discussion of its functioning and inform the shareholders each year, in the Reference Document, of the conducting of these assessments and the subsequent follow-up.

In accordance with the AFEP-MEDEF recommendations, the Board of Directors has done since 2009 the annual assessment under the direction of its reference director, Pasquale Pistorio. For the 2012 financial year, the Board decided during its meeting held on December 20<sup>th</sup>, 2012, to proceed to a formalized assessment under the same conditions as for the previous years.

The formalized assessment carried out on the works of the Board and its Committees during the 2012 fiscal year, allowed to deepen the appreciation of the works achieved at the Board as well as in the Committees, as to the conditions in which these meetings are prepared and in particular at the Committees' level (the latter also being subject to an assessment).

The assessment was carried out pursuant to the following procedure:

- ▶ Under the supervision of the reference director, each director answers a questionnaire which he is

individually provided him, with the possibility of individual interviews with the reference director.

- ▶ At the end of these works, an item was put on the agenda of the Board of Directors' meeting of February 22<sup>nd</sup>, 2013 in order to report the conclusions of this assessment and consider the improvements to retain.

The results of the assessment are very positive, as for the previous years. The following points emerged from the reference director's analysis, which were shared with all the directors:

- ▶ The involvement of the directors in the works of the board and the specialized committees is very important with a very high participation rate.
- ▶ On a general level, with respect to the questions asked, the situation was considered as satisfactory in 84 percent of the cases (whereas 80 percent were considered as satisfactory last year), and 14 percent were considered as being in progress.
- ▶ The composition of the Board, as far as diversity of profiles and skills are concerned, is deemed good.

- ▶ The functioning of the Board and its Committees was very positively considered, in particular as to the number and frequency of the meetings, the analysis of the corporate governance practices of the Company with regard to the AFEP-MEDEF Corporate Governance Code and of the best practices, of the time and the quality of the information and the debates devoted to the financial results, of the quality of the minutes of the Board meetings.
- ▶ With respect to last year's assessment, the progress achieved in the field of risk analysis as well as the holding of a strategic seminar of the Board are highlighted.

The assessment of the action of the Chief Executive Officer took place twice in 2012, during the Board of Directors' meetings that ruled in February and July, respectively for the second semester 2011 and the first semester 2012, on the achievement of the performance criteria of the Chairman and Chief Executive officer's variable remuneration.

### E.3.2 Internal control

The internal control system whose definition is stated in section E.3.2.1 below and designed within Atos relies on the internal control reference framework prescribed by the AMF (Autorité des Marchés Financiers).

The "general principles" section of the AMF framework has been used to describe in a structured manner the

components of the internal control system of Atos – section E.3.2.2. Specific attention has been given to the internal control system relating to accounting and financial information – section E.3.2.3, in compliance with the application guide of the AMF.

Internal control players are described in section E.3.2.4.

#### E.3.2.1 Internal control definition and objectives

Internal control system designed throughout the Group aims to ensure:

- ▶ compliance with applicable laws and regulations;
- ▶ application of instructions and directional guidelines settled by General Management;
- ▶ correct functioning of company's internal processes particularly those implicating the safeguarding of its assets;
- ▶ reliability of financial information.

One of the objectives of internal control procedures is to prevent and control risks of error and fraud, in particular in the accounting and financial areas. As for any internal control system, this mechanism can only provide reasonable assurance and not an absolute guarantee against these risks.

#### E.3.2.2 Components of the internal control system

The internal control system within Atos is a combination of closely related components that are detailed hereafter.

##### A - Organization / control environment

The organization, competencies, systems and policies (methods, procedures and practices) represent the ground layer of the internal control system and the fundamentals

of the Group in the matter. The main components are presented in this section.

**Matrix organization:** The Company runs a matrix organization structure that combines Operational Management (Global / Specialized Business Units / Service Lines) and Functional Management (Sales & Markets and

Support Functions). This matrix structure allows a dual view on all operations and therefore enhances the control environment.

**Compliance coordination:** A coordination of business assurance functions (Audit, Quality, Security, Risk Management) has been managed by a committee chaired by the Group General Secretary, in order to ensure that the organizations, processes and activities effectively support the compliance requirements of Atos.

**Responsibilities and powers:** The following initiatives aim to ensure that the right people are granted the appropriate responsibilities:

- ▶ **Delegation of Authority:** In order to ensure efficient and effective management control from the country level to General Management level, a formal policy sets out the authorization of officers of subsidiaries to incur legal commitments on behalf of the Group with clients, suppliers and other third parties. The delegation of authority policy has been updated in July 2011, approved by the Board of Directors and rolled-out under the supervision of the Group Legal & Compliance department.
- ▶ **Segregation of Duties:** Updated rules for segregation of duties have been implemented in the organization. They are followed-up through functional review of segregation of duties and procedures for profiles attribution. Tooling has been used to perform automatic assessments of those rules in the systems.

**Policies and procedures:** The key policies and procedures contributing to an appropriate control environment include:

- ▶ **The Code of Ethics:** In line with Atos commitment to corporate social responsibility (Atos has signed the UN Global Compact), this code, part of each employee's work contract, outlines the importance paid by Atos for:
  - complying with all laws, regulations and internal standards,
  - acting honestly and fairly with clients, shareholders and partners,
  - playing by the rules of fair competition,
  - never using bribery or corruption in any form,
  - being loyal to the company and in particular, avoiding any conflicts of interest,
  - protecting the Group's assets and preventing and combating against fraud
  - protecting confidentiality and insider information.

It is complemented by several codes and charts (as detailed in section E.6), and enforced throughout the group by communications and training sessions.

- ▶ **Atos Rainbow™:** Rainbow is a set of procedures and tools that provides a formal and standard approach to bid management, balancing sales opportunities and risk management for all types of opportunities, as well as continuous guidance and control for the decision-making process. Rainbow is the means by which Atos' management is involved in controlling and guiding the acquisition of the Group's contracts. Above specific thresholds Rainbow reviews are performed at General Management level. Since 2010, Rainbow has been progressively deployed to also monitor delivery phases of projects.
- ▶ **Operational policies and procedures** have also been implemented in all departments. The main impacting policies and procedures in terms of internal control (regarding authorizations and ethics) include "Payment & Treasury Security Rules", "Pension Governance", "Investment Committee", "Data Protections", "Contributions", "Safety and Physical Security" and "Credit Risk Policy". They are gathered in the Book of Internal Policies.

**Process management:** Along with the centralization of the Group Policies, the "Business Process and Organization Management" (BPOM) department focuses on creating an Atos Business Process Center of Excellence (BPCOE) in coordination with business process owners and the functions related to Internal Control, Quality, security etc. The BPCOE community, supported by process analysts, is responsible for documenting existing and targeted business processes, including the supporting organization, KPIs, and internally and externally mandated compliance parameters.

**Human Resource Management:** The Group Human Resource management policy relies on the Global Capability Model (GCM) which is a standard for categorizing jobs by experience and expertise across the Group. A Group Policy on bonus scheme completes this system by setting additional incentives.

**Information Systems:** Group Business Process and Internal IT department is in place to provide common internal IT infrastructures and applications for Atos staff worldwide. It supports functions like Finance (accounting and reporting applications), Human Resources (resourcing tool, corporate directory), Communication (Group websites and intranet) or Project Managers (capacity planning and project management).

Security and access to these infrastructures and applications as well as their reliability and performance are managed by this department and benefit from the core expertise and resources from the Group.

### **B - Communication of relevant and reliable information**

Several processes are in place to ensure that relevant and reliable information is communicated within Atos.

**The systematic holding of monthly reviews** of operational performance by Service Line and Operational Entity organized under the responsibility of the Group Chief Financial Officer and in the presence of the relevant Executive Vice Presidents. These sessions aim to review the results and operational forecasts, as well as the implementation and monitoring of action plans.

**A shared ERP system** is deployed and used in the main countries of the Group, enabling easier exchange of operational information. It allows producing cross border reporting and analysis (cross border project analysis, customer profitability...) as well as business reports through different analytical axis (service line, geographical and market axis). A deployment program has been initiated in 2011 and will be completed in the first half of 2013, to ensure timely migration of newly acquired entities to the Atos' ERP.

**Formal information reporting lines** have been defined, following the operational and the functional structures. This formal reporting, based on standard formats, concerns both financial and non-financial information. Communication of relevant information is also organized in the Group through several specialized escalation processes that define criteria to raise issues to the appropriate level of management, up to General Management. This covers a wide range of topics like

operational risks (through Risk Management Committees), treasury (with Payment and Treasury Security Committee), or financial restructuring (Equity Committee).

This bottom-up communication is accompanied by top-down instructions, issued regularly, and especially for budgeting and financial reporting sessions.

**Specialized committees** have been initiated to exchange information and to follow-up initiatives on specific topics. Among others Quality, Security and Compliance Management committees have been regularly held with General Management and representatives of respective functions and their stakeholders.

**A dedicated intranet portal and Enterprise Social Network** (blueKiwi) is accessible to Atos employees which facilitates the sharing of knowledge and issues raised by the Atos internal communities. This global knowledge management system promotes collaboration and allows efficient and effective information transfer.

### **C - System for risk management**

Risk management refers to means deployed in Atos to identify, analyze and manage risks. Although risk management is part of a manager's day to day decision making process, specific formal initiatives have been led concerning risk management:

**A risk mapping** has been updated in 2012 under the sponsorship of General Management, in order to identify and assess risks that may impact the objectives of the Group. The selected methodology involved the managers of the Group TOP 200 through workshops and questionnaires, to collect their perception of the main risks, their relative importance (inherent risk) and mitigation effectiveness (residual risk).

This assessment has covered potential risks related to our environment (stakeholders, natural disasters), the transformation & business development (evolution, culture, market positioning), our operations (clients, people, IT, processes) and the information used for decision making (financial and operational).

This recurring process, allows identifying evolutions from one year to another. Performed at budget time to improve the integration in business processes, this assessment allowed identifying improvement plans (for the main residual risks) that are designed at GBU and Group level, with assigned owners and milestones / timelines for follow-up and completion in 2013.

Results have been shared with General Management and Group Executive Committee, to ensure that appropriate measures are deployed to manage the main risks, and presented to the Audit Committee and Board of Directors.

**The Risk Analysis** (as detailed in the "Risks" section of the 2012 Registration Document) presents the Group's vision of the main business risks, as well as the way those risks are managed. This includes the contracting of several insurance policies to cover primary insurable risks including the protection of Group assets (production sites and datacenters) and people. Operational risks on projects have been managed by the Risk Management function (including a Group Risk Management Committee who met monthly to review the most significant and challenging contracts). Risks related to logical or physical security are managed through a Security Organization coordinated at Group level. Control activities have also been implemented (through the Book of Internal Control), on the basis of main risks identified, as described next section related to "control activities".

### D - Control activities

Atos key control activities are described in the Book of Internal Control (BIC). This document, sent out to all entities by the General Management, complements the different procedures by addressing the key control objectives of each process to achieve a convenient level of internal control.

For each control objective, one or more control activities (including control activities' description, evidences, owners and periodicity) have been identified in order to formalize Group's expectations in terms of control.

The Book of Internal Control covers not only the financial processes, but also delivery processes (like contract management), support processes (including legal, purchasing, HR or IT) and some management processes (Mergers and Acquisitions):

An updated version of the Book of Internal Control has been released and communicated throughout the Group in January 2013, in order to take into account additional controls and some improvements in various processes. This framework will continue to evolve, according to evolving maturity of processes and emerging risks.

An IT control framework (part of the BIC) has been defined, detailing control activities related to client service. This

framework has been used to issue "ISAE3402" reports for Atos clients.

### E - Monitoring

Monitoring of internal control system includes the analysis of results of controls (identification and treatment of incidents) and the assessment of controls to ensure controls are relevant and appropriate with control objectives. This monitoring is the responsibility of the Group and Local Management, and is also supported by Internal Audit missions.

**Control self-assessments** have been performed by the main Functions through questionnaires filled by GBUs / SBUs, and reviewed at Group level. Action plans have been initiated when deviations were reported.

**Internal Audit** is responsible for assessing the functioning of the Internal Control system. It has carried out reviews to ensure that the internal control procedures are properly applied and has supported the development of internal control procedures. Internal Audit also defined, in partnership with Group and Local management, action plans for continuously improving internal control processes.

In 2012, Internal Audit carried out a total of 60 audit assignments (including investigations at the request of General Management) assessing the functioning of internal control system: 33 in the domain of support functions (Finance, Human Resources, Purchasing) and 27 related to Operations/core business. All assignments have been finalized by the issuance of an audit report including action plans to be implemented by the related division or country.

Twice a year, a full review of high & medium open recommendations is performed by Internal Audit with concerned owners, and reported up to the Group Executive Committee.

Internal audit has also actively contributed to help the business meeting the compliance requirements to maintain the "payment institution" status for Worldline Belgium. An annual assessment has therefore been included in the audit plan.

### E.3.2.3 Systems related to accounting and financial information

The financial governance of the Group relies on a set of global financial processes, that are part of the Internal Control system of the Group and for which a specific attention is paid due to their sensitivity:

- ▶ Finance processes: budget and forecast, consolidation and reporting, treasury, credit risk management...
- ▶ "Expert" functions processes: taxes, insurance, pensions, real estate transactions
- ▶ Operational processes: bidding, contract execution, financial business model.

#### A - Local and Group financial organization

The management of the Finance function is performed through two main committees that meet on a weekly basis and are chaired by the Group CFO:

- ▶ The Group Finance Committee (GFC) physically gathers the directors of the main functions within Finance organization and Finance Directors of Service Lines and of Markets. This committee deals with transversal topics critical for the Group.
- ▶ The Operational Finance Committee (OFC) gathers CFOs from GBUs, Treasury and Controlling directors (and other directors according to the agenda). It deals with operational topics and GBU specific issues.

Those committees allow the relay of General Management's decisions to operations and communication in return. The final aim is to ensure timely transmission and execution of General Management's decisions and to adapt continuously the Group to the market in which it operates.

This organization is cascaded at country level.

Direct reporting to Group Function, as for the other support functions, reinforces the integration of the financial function and contributes to the full alignment of key processes and provides an appropriate support to operational entities of the Group.

Group Finance Department is in charge of piloting the financial processes, especially through the financial consolidation, the monitoring of compliance matters, the supply of expertise and the control of the reported financial information. It has reviewed significant accounting options, as well as potential Internal Control weaknesses and has initiated required corrective actions.

#### B - Group finance policies & procedures

Group Finance has drawn up a number of Group policies and procedures to control how financial information is processed in the subsidiaries. These policies and procedures were discussed with the statutory auditors before issuance and included the following main elements:

**Financial accounting policies** include a set of manuals such as the Group reporting and accounting principles handbooks applicable to the preparation of financial information, including off-balance sheet items. The handbooks set out how financial information must be prepared, with common presentation and valuation standards. It also specifies the accounting principles to be implemented by Atos entities in order to prepare budget, forecast and actual financial reporting required for Group consolidation purposes. Group reporting definitions and internal guidelines for IFRS, and particularly accounting rules applicable in the Operations, are regularly updated.

An expertise center managed by the expert function at Group level is in charge of proper implementation of Group accounting principles (and their compliance with international standards), of the implementation of financial Internal Control, process standardization and of the knowledge transfer to the shared service center in charge of transactional processing for the entities in the main European countries.

Training and information sessions are organized regularly in order to circulate these policies and procedures within the Group. A dedicated intranet site is accessible to all accounting staff, which facilitates the sharing of knowledge and issues raised by members of the Atos financial community.

**Instructions and timetable:** Financial reporting including budget, forecast and financial information by subsidiary is carried out in a standard format and within a timetable defined by specific instructions and procedures. Group Finance liaised with statutory auditors to coordinate the annual and half-year closing process.



### C - Information systems

Information systems have played a key role in the control system related to the accounting and financial information, as they have both strongly structured the processes and provided automated preventive controls, but have also provided monitoring and analysis capabilities.

**An integrated ERP system** has supported the production of accounting and financial information in the main countries.

In 2012, Post Implementation Reviews & Standardization project has allowed to review the usage of ERP system and the compliance to Group standards, and monitor regularly the effectiveness of IT systems deployments throughout the group.

**A unified reporting and consolidation tool** is used for financial information (operational reporting and statutory figures). Each subsidiary reported its financial statements on a standalone basis in order to be consolidated at Group level. There was no intermediary consolidation level and all accounting entries linked to the consolidation remain under the direct control of Group Finance. Off balance sheet commitments were reported as part of the mainstream financial information and are examined by Group Finance.

### D - Monitoring and control

In addition to the financial processes defined, monitoring and control processes aims to ensure that accounting and financial information complies with rules and instructions.

**The Closing File** (included in the Book of Internal Control) has been deployed at local level. It was required for each subsidiary to elaborate on a quarterly basis, a standard closing file formalizing key internal controls performed over financial cycles and supporting closing positions. Templates created by Group Finance illustrate the expected level of control for the main items.

**Functional reviews** are performed by Group financial support functions on significant matters relating to financial reporting, such as tax issues, pensions, litigations, off balance sheet items or business performance and forecast.

**Operational and financial reviews:** Group controlling is supporting Operations and General Management in the decision making process through monthly reviews and by establishing a strong link with country management in financial analysis & monitoring, enhancing control & predictability of operations and improving the accuracy & reliability of information reported to the Group;

**Representation letters:** During the annual and half-year accounts preparation, the management and financial head of each subsidiary was required to certify in writing:

- ▶ they have complied with the Group's accounting rules and policies;
- ▶ they are not aware of cases of proven or potential fraud that may have an impact on the financial statements;
- ▶ the estimated amounts resulting from the assumptions made by management enable the Company to execute the corresponding actions and
- ▶ that, to the best of their knowledge, there was no major deficiency in the control systems in place within their respective subsidiary.

**Internal Audit Department:** The review of the internal control procedures linked to the processing of financial information was a component of the reviews conducted by the Internal Audit Department. The Internal Audit Department worked together with Group Finance to identify the main risks and to focus its audit plan consequently as effectively as possible.

### E.3.2.4 Internal control system players

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The main bodies involved in the implementation of internal control procedures at Atos are as follows:

#### **Board of Directors supported by Audit Committee**

The Board of Directors prepares governance rules detailing the Board's role supported by its committees. Those committees enlighten the Board as to the quality of the internal control system. The Audit Committee, in particular, is informed of the content and the implementation of internal control procedures used to ensure the reliability and accuracy of financial information and stays informed about the proper implementation of the Internal Control System.

#### **General management and Executive Committee**

General Management is responsible for the management of the Group's business and focuses on strategic aspects to develop the Group. As part of its role, General Management defines the framework of the internal control system.

The Executive Committee leads the operational performance of the Group. Its main tasks are to define and review business priorities, review Atos operational performance and define corrective action plans. Management at different levels is responsible for implementing and monitoring the internal control system within their respective areas of responsibility.

#### **Risk Management Committee**

Risk Management monitors, reviews and inspects the bidding, engaging in and the execution of contracts to achieve an optimum balance between risk and reward and identifies improvements in our operational processes, including controls where applicable.

#### **Audit, Risk and Compliance (ARC) Committees**

At GBU level, ARC has been setup under the supervision of Group Internal Audit, in order to strengthen the local supervision of Internal Control topics. Their purpose is to share the main audit conclusions with local management, and to review action plans related to identified weaknesses or potential risks.

#### **Internal control & ERM**

Internal control & ERM function is to ensure the coordination of the internal control system, like the implementation of the Book of Internal Control and its continuous improvement within the Group. Internal control coordinates also all other initiatives of internal control and runs the Enterprise Risk assessment.

Internal control relays in each Global Function / Service Line / GBU assist in the deployment of the various initiatives.

#### **Internal Audit**

The Internal Audit organization is centralized which enables a global working practice following one Group audit plan and a consistent audit methodology. Internal Audit operating principles are defined in the Group Internal Audit Charter, which was validated by General Management. The Audit Committee also received regular reports on the Internal Audit work plan, objectives of assignments, and associated results and findings. The internal audit department liaises with the statutory auditors to ensure an appropriate co-ordination between internal and external control.

In 2012, Group Internal Audit department obtained the French Institute for Internal Audit's IFACI certification. This accreditation attests to the excellence of the Internal Audit (IA) function in organizations, the level of compliance with international standards and IA's degree of control over key challenges. It is one of the most rigorous and respected certifications in the field of internal audit.



### E.3.2.5 Outlook and related new procedures to be implemented

In 2013, financial, commercial and social development programs will pursue their effects to improve and streamline processes, with benefits for the Internal Control System.

Coordinated actions with Operations will aim at improving the maturity level of Internal Control, notably through an increased monitoring of controls.

Initiatives identified through the updated risk mapping will be monitored to ensure that proper attention is given to those topics.

The Internal Audit Department will pursue the internal review program updated following the risk assessment performed in 2012, and the follow-up of its recommendations.

#### Conclusion

Based on the above, we have no other observation with regard to internal control and procedures implemented by the Group.

The above elements participate to guarantee the appropriate level of internal control even if they cannot provide an absolute guarantee that the Group's goals in this respect will be achieved and that all risks will have been completely eliminated.

**Thierry BRETON,**  
CEO and Chairman, Atos

### E.3.3 Statutory Auditors' report prepared in accordance with article L.225-235 of French Commercial Code (Code de Commerce) on the report prepared by the Chairman of the Board of Directors of Atos SE

*This is a free translation into English of the statutory auditors' report issued in French prepared in accordance with Article L.225-235 of French Commercial Code on the report prepared by the Chairman of the Board of Directors issued in French and is provided solely for the convenience of English speaking users. This report should be read in conjunction and construed in accordance with French law and the relevant professional standards applicable in France.*

To the Shareholders,

In our capacity as Statutory Auditors of Atos SE and in accordance with Article L.225-235 of French Commercial Code (Code de Commerce), we hereby report on the report prepared by the Chairman of your company in accordance with Article L.225-37 of French Commercial Code (Code de Commerce) for the year ended December 31<sup>st</sup>, 2012.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the company and containing the other disclosures required by Article L.225-37 of French Commercial Code (Code de Commerce), particularly in terms of corporate governance.

It is our responsibility:

- ▶ to report to you on the information contained in the Chairman's report in respect of the internal control procedures relating to the preparation and processing of the accounting and financial information, and
- ▶ to attest that this report contains the other disclosures required by Article L. 225-37 of French Commercial Code (Code de commerce), being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

### **Information on the internal control procedures and risk management procedures relating to the preparation and processing of accounting and financial information**

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- ▶ obtaining an understanding of the internal control procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and the existing documentation;
- ▶ obtaining an understanding of the work involved in the preparation of this information and the existing documentation;
- ▶ determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with Article L.225-37 of French Commercial Code (Code de Commerce).

### **Other disclosures**

We attest that the Chairman's report includes the other disclosures required by Article L. 225-37 of French Commercial Code (Code de commerce).

**Neuilly-sur-Seine and Paris, April 2<sup>nd</sup>, 2013**  
**The Statutory Auditors**

Deloitte & Associés  
Christophe Patrier

Grant Thornton  
*French member of Grant Thornton International*  
Vincent Frambourt

## E.4.1 Directors' fees

In accordance with a resolution adopted at the shareholders' General Meeting of 30<sup>th</sup> May 2012, the 2012 annual envelope for directors' fees was set at EUR 500,000.

The rules of payment of the directors' fees are set by the Board of Directors, on proposal of its Nominations and Remunerations Committee. For 2012, the fees were distributed on the basis of the following principles:

- ▶ For the Board of Directors: a fixed remuneration of EUR 25,000 per director plus a variable fee of EUR 1,000 per meeting (remuneration is based on attendance to the meetings of the Board of Directors);
- ▶ For the Committees: remuneration is based on the attendance to the meetings: EUR 1,500 per meeting for the Chairman of the said Committee and EUR 750 per meeting for each member of the Committee.

- ▶ The reference director receives an additional remuneration of EUR 1,000 for each meeting attended.
- ▶ For the portion of the financial year concerned the censor benefits from the same conditions and is subject to the same rules as the directors, apart from the reference director.

Mr Thierry Breton has declined to accept his director fees.

Except Mr Thierry Breton, Chairman and CEO and Mrs Jean Fleming, the members of the Board did not receive any remuneration or additional directors' fees from any of Atos SE's subsidiaries.

### Director's fees paid and due to the members of the Board of Directors according to their attendance at the Board and Committees meetings

(in Euros)	2012		2011	
	Paid <sup>(a)</sup>	Due <sup>(b)</sup>	Paid <sup>(c)</sup>	Due <sup>(d)</sup>
René Abate	35,000	33,000	37,000	35,000
Nicolas Bazire	42,000	38,000	39,000	42,000
Jean-Paul Béchat	47,500	43,500	47,500	47,500
Thierry Breton	0	0	0	0
Roland Busch	16,250 <sup>(1)*</sup>	32,250*	N/A	16,250 <sup>(1)*</sup>
Jean Fleming <sup>(4)</sup>	36,000*	31,000*	34,000*	36,000*
Bertrand Meunier	39,000	35,000*	40,750	39,000
Colette Neuville	35,000	33,000	20,583 <sup>(2)</sup>	35,000
Aminata Niane	37,000*	36,500*	19,583 <sup>(3)*</sup>	37,000*
Michel Paris	38,750	38,250	40,500	38,750
Pasquale Pistorio	45,250*	43,250*	39,500*	45,250*
Vernon Sankey	40,250*	36,500*	40,500*	40,250*
Lionel Zinsou-Derlin	34,000	33,000	31,917	34,000
<b>TOTAL</b>	<b>446,000</b>	<b>433,250</b>	<b>390,833</b>	<b>446,000</b>

N/A: Not applicable

\*These fees granted to directors who reside outside of France correspond to the amounts before withholding tax paid or due by Atos SE.

<sup>(a)</sup>Directors' fees paid in 2012 for the year 2011.

<sup>(b)</sup>Directors' fees due for the year 2012.

<sup>(c)</sup>Directors' fees paid in 2011, for the year 2010.

<sup>(d)</sup>Directors' fees due for the year 2011.

<sup>(1)</sup>Dr Roland Busch was appointed Director on 1<sup>st</sup> July 2011. The fixed portion of his Director fees for 2011 was calculated as from this date on a pro rata basis.

<sup>(2)</sup>Ms. Colette Neuville was appointed Censor on 13<sup>th</sup> April 2010. The fixed portion of her Director fees for 2010 was calculated as from this date on a pro rata basis. Ms. Colette Neuville was appointed Director during the General Meeting held on 30<sup>th</sup> May 2012.

<sup>(3)</sup>Ms. Aminata Niane was appointed Director on 27<sup>th</sup> May 2010. The fixed portion of her Director fees for 2010 was calculated as from this date on a pro rata basis.

<sup>(4)</sup>Ms. Jean Fleming, Director on behalf of Employees holding Atos Shares is employed by Atos IT Services UK.

### E.4.2 Executive compensation

Thierry Breton was appointed Chairman of the Management Board, on 16<sup>th</sup> November 2008 and is Chairman of the Board and Chief Executive Officer since 10<sup>th</sup> February 2009. On May 30<sup>th</sup> 2012, following Atos Shareholders' General Meeting, the Board of Directors renewed Thierry Breton's mandate as Chairman of the Board and Chief Executive Officer. This mandate will end in 2015, at the date of the Shareholders' General Meeting validating the 2014 consolidated financial statements.

The principles of the Chairman's and CEO's compensation are recommended by the Nominations and Remunerations Committee, and validated by the Board of Directors. The Nominations and Remunerations Committee's role and composition are detailed in a dedicated paragraph, within the Corporate Governance Section.

#### E.4.2.1 Mr Thierry Breton - Chairman and CEO

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To take into consideration the change of scope of the new Atos Company, and with having unanimously expressed its satisfaction regarding the three-year recovery plan (18<sup>th</sup> November 2008 to 31<sup>st</sup> December 2011) led by the Chairman and CEO, the Board of Directors held on 22<sup>nd</sup> December 2011 decided with effect from 1<sup>st</sup> January 2012, upon recommendation of the Nominations and Remunerations Committee, to bring the fixed remuneration of the Chairman and CEO to EUR 1.35 million. The variable on-target Bonus is set at 100% of the fixed remuneration, with a maximum payment capped at 130% of the target, in accordance with the rules applicable to the executives' directors of Atos. It is subject to performance conditions based on operational and quantitative criteria: operating margin, revenue and treasury cash flow. The fringe benefits granted to the Chairman and CEO since his appointment remain unchanged. This decision, confirmed during the Board of Directors held on 30<sup>th</sup> May 2012, will apply to the 2013, 2014 and 2015 years, corresponding to the period of the current mandate of the Chairman of the Board and Chief Executive Officer.

For information purposes, it is reminded that the setting of performance objectives for the Chairman and CEO, and the resulting appraisal is biannual. Therefore, variable remuneration is paid on a semester basis (usually in February or March for payment relating to the second semester of the previous year and in August for the payment of the first semester of the relevant year):

- ▶ Due remuneration reflects due amounts for the first and second semester of the relevant year
- ▶ Remuneration paid reflects paid amounts for the second semester of the previous year and the following first semester.

It should be specified that the Chairman and Chief Executive Officer's variable compensation is a conditional payment, based exclusively on quantitative and financial objectives.

Moreover, Atos Board of Directors held on 30<sup>th</sup> May 2012, upon recommendation of the Nominations and Remunerations Committee, focused on the weight of Long Term Incentives (Equities) in the total compensation of the Chairman and Chief Executive Officer and their competitive conditions.

Thus, according to the recommendations of the AFEP-MEDEF, the Board of Directors ensured that the options and shares valued under IFRS method do not weight a disproportionate percentage of the total compensation including options and shares granted to the Chairman and Chief Executive Officer. According to the market practices observed on the basis of CAC 40 companies' registration documents, the Board of Directors has thus decided to set up at 45% maximum the annual LTI (Long Term Incentives) part of the Chairman and CEO's compensation package, for the period of his current mandate, i.e. until the Atos Shareholders' General Meeting called to approve the year 2014 financial statements.

### E.4.2.2 Summary of the Compensation and Stock-Options and Performance Shares granted to the Chairman and CEO

Thierry Breton - Chairman and CEO -	2012 in euros	2011 in euros
Due remuneration for the relevant year	2,831,924	2,405,924
Value of options granted during the year	-	-
Value of Performance Shares granted during the year	-	1,840,637
<b>TOTAL</b>	<b>2,831,924</b>	<b>4,246,561</b>

### E.4.2.3 Summary of the Chairman and CEO's remuneration, paid by the Company and its subsidiaries

(in Euros)	2012		2011	
	Due	Paid	Due	Paid
Fixed remuneration	1,350,000	1,350,000	1,200,000	1,200,000
Variable remuneration (*)	1,471,500	1,374,225	1,200,000	1,200,000
Exceptional remuneration				
Atos SE director fees				
Fringe benefits	10,424	10,424	5,924	5,924
<b>TOTAL</b>	<b>2,831,924</b>	<b>2,734,649</b>	<b>2,405,924</b>	<b>2,405,924</b>

### E.4.3 Performance Share plans and Option plans for Stock Subscription or Purchase

Grant of Performance Shares or Options to subscribe or purchase shares to the Chairman and CEO during the exercise.

In 2012, the Chairman and CEO did not receive any Performance Shares or any Options to subscribe or purchase Shares of the Company.

The previous grants of Performance Shares and Options to subscribe or purchase Shares of the Company to the Chairman and CEO are detailed in the following paragraphs.

#### Reminder

As the three-year 2008-2011 stock options plan reached its term, upon proposal of its Nominations and Remunerations Committee, the Board of Directors held on December 22<sup>nd</sup>, 2011 decided to set up a new free performance shares plan post-integration of Siemens IT Solutions and Services, to associate the first managerial lines of the new Atos to the group's success in the years 2012-2013.

Within this framework, The Chairman and CEO did receive, like the top 740 managers of the Group, a grant of free performance shares on December 22<sup>nd</sup>, 2011.

### E.4.3.1 Terms and conditions of the performance free share plan decided on December 22<sup>nd</sup>, 2011 of which the Chairman and CEO is one of the beneficiaries

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Pursuant to the authorization granted by the Atos Shareholders' General Meeting held on July 1<sup>st</sup>, 2011 (fourth resolution), the Board of Directors, during its meeting held on December 22<sup>nd</sup>, 2011, granted performance shares to the top 740 first managers of the group. This grant was based on specific and quantifiable operational criteria to reflect the priority given to operational performance related to the successful integration of Siemens IT Solutions and Services.

Acquisition of these performance shares is thus subject to the following conditions, which reproduce and strengthen the criteria used in the previous three-year plan for stock options (which are described in the below Reminder of the Terms and Conditions of the stock option plan dated December 23<sup>rd</sup>, 2008):

- ▶ Employment condition: subject to exceptions provided in the performance shares plan, the grant of performance shares is conditional on the employment of the beneficiary employee or legal representative or director status within Atos Group during the vesting period described below in item "Vesting and conservation period";
- ▶ Performance conditions: The grant of performance shares is also subject to the achievement of the following two cumulative internal performance conditions calculated respectively for the years 2012 and 2013:
  - the Group Free Cash-Flow before dividend and acquisition/sales results for the relevant year is at least equal to one of the two following amounts:
    - 85 percent of the amount from the Group Free Cash-Flow before dividend and acquisition/sales results, as provided in the Company's budget for the relevant year, or
    - the amount of the Group Free Cash-Flow before dividend and acquisition/sales results for the previous year with a 10 percent increase;

#### And

- the Group's Operating Margin for the relevant year is at least equal to one of the two following amounts:
  - 85 percent of the amount of the Group Operating Margin as provided in the Company's budget for

the relevant year, or

- the amount of the Group's Operating Margin from the previous year with a 10 percent increase;
- Subject to the aforementioned employment condition:
  - achieving both performance conditions for the year 2012 will lead to the beneficiaries acquiring 50 percent of the performance shares which they were granted; and
  - Achieving both performance conditions for the year 2013 will lead to the beneficiaries acquiring 50 percent of the remaining performance shares which they were granted.

#### Vesting and conservation periods

The free grant of performance shares proposed by the Atos Board of Directors on December 22<sup>nd</sup>, 2011, in accordance with the authorization given by the fourth resolution adopted at the General Meeting of the shareholders on July 1<sup>st</sup>, 2011, involves two plans (France and International). The two plans differ depending on whether the employee or director is linked to a company of the group based in France or overseas. The Chairman and CEO is subject to the performance share plan for France which is governed by the applicable French legislation.

For the plan mentioned above, the shares subject to performance conditions for the year 2012 will be vested on December 22<sup>nd</sup>, 2013, it being specified that they are also subject to the aforementioned employment condition; the beneficiaries are also required to remain owner their acquired shares for a period of two years, until December 22<sup>nd</sup>, 2015.

The shares subject to performance conditions for the year 2013 will be vested on March 17<sup>th</sup>, 2014, it being specified that they are also subject to the aforementioned employment condition; the beneficiaries are also required to remain owner their acquired shares for a period of two years, until March 17<sup>th</sup>, 2016.

#### Achievement of 2012 performance conditions for December 22<sup>nd</sup>, 2011 and March 29<sup>th</sup>, 2012 performance free share plans

Performance conditions have been achieved for the 2012 year.

Operating margin	2012
<b>Budget Achievement (%)</b>	<b>101.3%*</b>
85% year Budget or + 10% vs previous year met	<b>YES</b>
Free cash flow	2012
<b>Budget Achievement (%)</b>	<b>98.6%</b>
85% year Budget or +10 % vs previous year	<b>YES</b>
<b>Conditions met</b>	<b>YES</b>

(\*) Target budget adjusted to reflect actual 2012 exchange rates

#### E.4.3.2 Free grant of performance shares on December 22<sup>nd</sup>, 2011 to the Chairman and CEO

Share valuation method in the fair value determined according to IFRS 2 method recognized by the consolidated accounts (in euros)

Chairman and Chief Executive Officer	Plan Date	Share Type	Number of Shares	Acquisition Period	2011	2012	2013	2014	Total
Thierry Breton	22 <sup>nd</sup> December 2011	Issuance	32,500	12/22/2011 - 12/22/2013	11,420	463,479	452,058	-	926,957
Thierry Breton	22 <sup>nd</sup> December 2011	Issuance	32,500	12/22/2011 - 12/22/2014	10,077	408,973	408,973	85,657	913,680
<b>Total</b>			<b>65,000</b>		<b>21,498</b>	<b>872,451</b>	<b>861,031</b>	<b>85,657</b>	<b>1,840,637</b>

#### E.4.3.3 Performance shares becoming available during the year for the Chairman and CEO

During the year 2012, no performance shares granted to the Chairman and CEO became available.

### E.4.34 Reminder of the Terms and Conditions of the stock option plan dated December 23rd, 2008 of which the Chairman and CEO was one of the beneficiaries, taking into account Tranche 3 vesting on April 1<sup>st</sup>, 2012

#### Three-year Stock option plan issued in 2008 to the Chairman and CEO

Chairman and Chief Executive Officer	Plan Date	Nature of options	Option pricing models according to IFRS 2 method recognized by the consolidated accounts (in euros)	Number of options	Exercise price by % above the grant price (*)	Period of exercise
Thierry Breton	23rd December 2008 - Tranche 1	Subscription	1,054,669.68	233,334	5%	08/01/2010-03/31/2018
Thierry Breton	23rd December 2008 - Tranche 2	Subscription	809,665.51	233,333	25%	04/01/2011-03/31/2018
Thierry Breton	23rd December 2008 - Tranche 3	Subscription	590,332.49	233,333	50%	04/01/2012-03/31/2018

(\*) Grant price EUR 176

The triennial value of stock options was calculated according to a binomial model used in the Group's consolidated financial accounts. This value assumes the achievement of differentiated performance conditions for the three different quota lots (first, second and third tranches).

#### Reminder on performance conditions of the stock option plan dated December 23rd, 2008

**For the 1<sup>st</sup> tranche** (with initial exercise period beginning on April 1<sup>st</sup>, 2010 and which has been extended to August 1<sup>st</sup>, 2010 for members of the top management team):

The options acquisition price was set at an amount greater than the share price at date of grant, representing a 5 percent increase compared to the reference price (noting that reversing the downward trend and recovering stock prices were the top priorities when the new management team took office).

For the only options granted to the top management team (The Executive Director and both Deputies of the Chairman Executive Officer), the beginning of the exercise period was extended to 1<sup>st</sup> August 2010 - they are subject to the following additional performance conditions that must be achieved for at least three out of the four consecutive semesters (the reference period is one semester) due on December 31<sup>st</sup>, 2008, June 30<sup>th</sup>, 2009, December 31<sup>st</sup>, 2009 and June 30<sup>th</sup>, 2010:

- Free cash flow before dividends and excluding acquisitions and transfers at least equal to: 85 percent of the relevant semesters budget, or to 10 percent more than the semester result of the corresponding semester of the previous year (N-1); and
- Operational margin at least equal to: 85 percent of the relevant semesters budget or to 10 percent more than the semester result of the corresponding period of the previous year (N-1).



**For the 2<sup>nd</sup> tranche** (with the initial exercise period beginning on April 1<sup>st</sup>, 2011):

The exercise price for options was set at an amount greater than the share price on the date of grant, representing an increase in 25 percent compared to the reference price.

The following performance criteria must be achieved for two consecutive years (the reference period is one year) before the start of the acquisition period:

- ▶ Free cash flow before dividends and excluding acquisitions and transfers at least equal to 80 percent of the year's budget, or 10 percent more than the result of the previous year; and
- ▶ Operating margin at least equal to 80 percent of the year's budget, or 10 percent more than the result of the previous year.

**For the 3<sup>rd</sup> tranche** (with the initial acquisition period beginning on April 1<sup>st</sup>, 2012):

The exercise price for options was set at an amount greater than the share price on the date of grant, representing an increase in 50 percent compared to the reference price.

The following performance criteria must be achieved for two consecutive years (the reference period is one year) before the start of the acquisition period:

- ▶ Free cash flow before dividends and excluding acquisitions and transfers at least equal to 80 percent of the year's budget, or 10 percent more than the result of the previous year; and
- ▶ Operational margin at least equal to 80 percent of the year's budget, or 10 percent more than the result of the previous year.

#### Achievement of the stock option's performance conditions for Atos executives

##### A - Relating to the 1<sup>st</sup> tranche (exercise conditions at 85 percent of budget):

Performance conditions were verified for three out four semesters

	Second semester 2008	First semester 2009	Second semester 2009	First semester 2009
<b>Operating margin<sup>1</sup></b>				
Budget Achievement (%)	<b>74%</b>	<b>100%</b>	<b>94.5%</b>	<b>114.6%</b>
85% semester Budget or + 10% vs. corresponding semester of previous year	no	yes	yes	yes
	Second semester 2008	First semester 2009	Second semester 2009	First semester 2009
<b>Free cash flow</b>				
Budget Achievement (%)	<b>71%</b>	<b>312%</b>	<b>124%</b>	<b>368.2%</b>
85% semester Budget or + 10% vs. corresponding semester of previous year	no	yes	Yes	yes
<b>Conditions met</b>	<b>NO</b>	<b>YES</b>	<b>YES</b>	<b>YES</b>

<sup>1</sup>The operating margin for the second half of 2007 was EUR 154 million

Therefore, the Chairman and CEO acquired the Tranche 1 Options on August 1<sup>st</sup>, 2010.

# Risks, governance and common stock

## E.4 Executive compensation and stock ownership

### B - Relating to the 2<sup>nd</sup> tranche (exercise conditions at 80 percent of budget):

The achievements for 2009 and 2010 are the following:

<b>Operating margin</b>	<b>2009</b>	<b>2010</b>
Budget Achievement (%)	<b>96.70%</b>	<b>101.40%</b>
85% year Budget or +10 % vs previous year	yes	yes
<b>Free cash flow</b>	<b>2009</b>	<b>2010</b>
Budget Achievement (%)	<b>278.60%</b>	<b>113.30%</b>
85% year Budget or +10 % vs previous year	yes	yes
<b>Conditions met</b>	<b>YES</b>	<b>YES</b>

As a result, the Chairman and CEO acquired the Tranche 2 Options on 1<sup>st</sup> April 2011.

### C - Relating to the 3<sup>rd</sup> tranche (exercise conditions at 80 percent of budget):

It was decided for all beneficiaries (excluding the Chairman and CEO and Executive Committee members) to limit the objectives involved in only the first semester of 2011 to validate the performance of the 3<sup>rd</sup> tranche, provided the TOP plan for three years had achieved its

objectives by the end of this semester and the 1<sup>st</sup> year of tranche 3 options - 2010 - had already been validated.

Regarding the Chairman and CEO and the Executive Committee members, it was decided to adopt as objectives for all plans, two cumulative semesters on the basis of a corrected scope for the second half. Applying this last principle led to a tightening in the applicable performance conditions for the options tranche in question.

The achievements for 2010 and 2011 are the following:

<b>Operating margin</b>	<b>2010</b>	<b>2011*</b>
Budget Achievement (%)	<b>101.4%</b>	<b>100.1%</b>
<b>Free cash flow</b>	<b>2010</b>	<b>2011*</b>
Budget Achievement (%)	<b>113.3%</b>	<b>111.5%</b>
<b>Conditions met</b>	<b>YES</b>	<b>YES</b>

*\*Siemens IT Solutions and Services integrated from 2011 second semester*

Performance conditions for Tranche 3 were verified over two consecutive years. The date for acquiring Tranche 3 is April 1<sup>st</sup>, 2012.

Subsequent to the acquisition of the three tranches of this plan, on December 2013, the Chairman and CEO and the

two Deputies of the Chairman Executive Officer exercised 5,220 options each spread over the three tranches of the plan. Details of those exercises are presented in the proposed resolutions to the AGM section and below.

### E.4.3.5 Exercised Options for Stock Subscription or Purchase during the fiscal year by the Chairman and CEO

Name of the Executive	Plan Date (Grant Date)	Number of exercised options during the year	Exercise Price in euros
Thierry Breton Chairman and CEO	PLAN 23.12.08 Tranche 1	1,740	18.40
	PLAN 23.12.08 Tranche 2	1,740	22.00
	PLAN 23.12.08 Tranche 3	1,740	26.40
<b>TOTAL</b>		<b>5,220</b>	

### E.4.4 Fringe benefits of the Executive Director

Chairman and Chief Executive Officer	Employment contract		Supplementary Pension plan		Payments or Benefits effectively or potentially due in the event of termination or changing position		Non Compete Clause payment	
	YES	NO	YES	NO	YES	NO	YES	NO
Thierry Breton Chairman of the Management Directory Nov. 16 <sup>th</sup> 2008 - Feb. 10 <sup>th</sup> 2009 Chef Executive Officer Feb. 10 <sup>th</sup> 2009 to date		NO	YES			NO		NO

The Chairman and CEO does not have an employment contract and will not receive any severance payment at the end of his mandate. The terms of the supplementary

pension plan are described in paragraph "Compliance of global executive compensation with AFEP-MEDEF recommendations."

### E.4.5 Compliance of the Executive Director compensation with AFEP-MEDEF recommendations

The Board of Directors meeting held on December 22<sup>nd</sup>, 2011 took into account all components of the Chairman and CEO's remuneration and their competitive relevance. Upon review of the Executive Director Compensation scheme, the Board of Directors ensured the compliance of all components of the Chairman and CEO's compensation with the recommendations of the AFEP-MEDEF Code. This analysis was repeated and confirmed by the Board of Directors held on December 20<sup>th</sup>, 2012 during the annual review of the recommendations of the AFEP-MEDEF Enterprise Governance Code.

This compliance analysis refers to the following points of interest:

**Employment contract:** Because he was never an employee of the company, the Chairman and CEO is not bound by any employment contract.

**Fixed remuneration:** Since January 1st, 2012, the Chairman and CEO's fixed remuneration is set at EUR 1.35 million. The Board of Directors meeting held on May 30<sup>th</sup>, 2012 confirmed this fixed remuneration amount for the period of the current Chairman and CEO's mandate.

**Variable remuneration:** On December 22<sup>nd</sup>, 2011, the Board of Directors decided to maintain the on-target variable remuneration to 100 percent of the fixed remuneration, with the possibility, aligning all Executive Committee members, to achieve a maximum of 130 percent in case of over performance. The Board of Directors meeting held

on May 30<sup>th</sup>, 2012 confirmed this variable remuneration structure for the period of the current Chairman and CEO's mandate.

Demanding and clear operating performance criteria were established and documented to condition the obtaining of the variable part on achieving objectives. For the second semester of 2012, for example, the performance criteria were based on the budget objectives: 40 percent for the operating margin, 30 percent to generate free cash-flow and 30 percent to promote external revenue growth. To monitor Company performance more closely and establish a responsive way to follow its improvement plan, the objectives are set on a half-year basis.

**Severance pay:** there is no severance pay of any kind (golden parachutes, non-compete clauses etc.)

**Supplementary pension plan:** the Chairman and CEO benefits from the supplementary pension plan reserved for members of the Group's executive committee. The following items are noteworthy with regard to the AFEP-MEDEF recommendations: the beneficiary group is wider than the inner circle of executive directors. To benefit from this scheme, one must retire whilst maintaining a contractual link or corporate/administrative office with the Group or one of its entities; the pension paid by the company is the difference between, a) a maximum of 60 percent (based on years of contribution) of the reference salary based on the average of the past five years of only the fixed salary (excluding the variable compensation and any additional compensation) preceding retirement; and

b) the pension paid by other legal or conventional plans (including any applicable defined contribution plans). A minimum of 10 years of cumulated seniority is required to receive benefits under this plan, with a maximum of 15 years, such that a newcomer to the plan who is over 50 (e.g. aged 50+n years) receives a benefit based on x years of contributions, up to a maximum of five years. Each contribution year can vest a percentage of potential rights limited to fixed compensation (4 percent of fixed salary, or thus corresponding to 2 percent of total fixed + variable salary). Using only the fixed salary is preferred instead of using the total salary in order to avoid windfall and provide visibility over the amounts to be funded. It should be noted that the potential retirement rights represent only a small percentage of the overall compensation of the beneficiaries.

### **Performance Share plans and Option plans for Stock**

**Subscription or Purchase:** In 2012, the Chairman and CEO did not receive any Performance Shares or any Options to subscribe or purchase Shares of the Company.

**In conclusion, the analysis of the above items has led the Board to consider, in its meetings held on December 22<sup>nd</sup>, 2010, December 22<sup>nd</sup>, 2011, and December 20<sup>th</sup>, 2012 that the total compensation of the Chairman and CEO was fully consistent with the AFEP-MEDEF recommendations. Accurate information was disclosed to the market showing all the specific elements mentioned above in December 2011.**

**E.5.1 The submitted resolutions to the Annual General Meeting**

Resolutions submitted to the shareholders' vote will be published in the "Bulletin des Annonces Légales Obligatoires" (official legal gazette for listed companies)

and will be posted on the Atos group website ("Investors" section), as required by applicable laws and regulations (i.e. at least 35 days before the General Meeting).

**E.5.2 Board of Directors report to the Ordinary General Meeting on the transaction on the shares of the Company**

Dear Shareholders,

We hereby inform you that the following transactions have been made on the Company's shares by the Company's executive officers and directors and senior managers during 2012:

Name	Number of shares purchased	Number of shares sold	Date	Purchase price/ Sale price en euros
Colette Neuville	100		06/28/2012	45.05
	200		08/22/2012	46.98
	200		08/22/2012	46.98
<b>Aminata Niane</b>	<b>1</b>		<b>07/02/2012</b>	<b>40.17</b>
Jean Fleming	6		07/02/2012	40.17
		110	12/12/2012	55.36
		583	12/12/2012	55.36
		175	12/12/2012	55.36
	700		12/12/2012	25.00
	146		12/12/2012	30.00
<b>Thierry Breton</b>	<b>1,740</b>		<b>12/24/2012</b>	<b>18.40</b>
		<b>1,740</b>	<b>12/24/2012</b>	<b>51.91</b>
	<b>1,740</b>		<b>12/24/2012</b>	<b>22.00</b>
		<b>1,740</b>	<b>12/24/2012</b>	<b>51.91</b>
	<b>1,740</b>		<b>12/24/2012</b>	<b>26.40</b>
		<b>1,740</b>	<b>12/24/2012</b>	<b>51.91</b>
Jean-Marie Simon		6,721	09/06/2012	48.52
<b>Michel-Alain Proch</b>		<b>7,278</b>	<b>08/03/2012</b>	<b>46.60</b>
Charles Dehelly	2,434		12/12/2012	41.08
	1,740		12/24/2012	18.40
		1,740	12/24/2012	51.79
	1,740		12/24/2012	22.00
		1,740	12/24/2012	51.69
	1,740		12/24/2012	26.40
		1,740	12/24/2012	51.61
<b>Gilles Grapinet</b>	<b>1,740</b>		<b>12/24/2012</b>	<b>18.40</b>
		<b>1,740</b>	<b>12/24/2012</b>	<b>51.91</b>
	<b>1,740</b>		<b>12/24/2012</b>	<b>22.00</b>
		<b>1,740</b>	<b>12/24/2012</b>	<b>51.91</b>
	<b>1,740</b>		<b>12/24/2012</b>	<b>26.40</b>
		<b>1,740</b>	<b>12/24/2012</b>	<b>51.91</b>

### E.6.1 United Nations Global Compact

Since June 2010, Atos is a participant to the United Nations Global Compact, asserting its commitment to the ten principles in the areas of human rights, labor, the environment and anti-corruption which enjoy universal

consensus. Atos is fully and proactively committed, both at company and top management level, to conduct its business in accordance with these principles.

### E.6.2 Code of Ethics

Since 2010, Atos adopted a new Code of Ethics which covers a greater range of principles: as first and introductory principle, it reminds the employees the need to act honestly, impartially and with integrity in their daily professional activity and in compliance with the legal framework applicable in every country where Atos conducts its business.

Since January 2011, the Code is distributed to all employees. Some specific targeted employees, who are directly concerned by the principles in their day-to-day activity, are trained on the Code of Ethics. Training sessions throughout the world have been launched since the

beginning of 2011. Moreover, for all employment contracts signed as from January 1<sup>st</sup>, 2011, the Code is attached to the employment contract.

In addition, Atos suppliers, partners or third parties who assist Atos in its expansion must formally commit to respecting the principles of the Code. These principles are contained in the Supplier Sustainability Charter supplier they must sign.

Atos treats its employees as well as third parties with integrity, based on merits and qualifications prohibiting any form of discrimination.

#### E.6.2.1 No Bribery or Corruption

Atos refuses any form of corruption or dishonest or illegal practice with the aim to obtain a commercial advantage or other, as well as any money laundering. As participant

to the United Nations Global Compact, Atos subscribes to the anti-bribery in "all its forms, including extortion and bribery".

#### E.6.2.2 Fair competition

Atos treats its customers, suppliers, partners, intermediaries with respect and shall not take unfair advantage nor practice discriminatory conditions. As a consequence, Atos refuses that its employees or third

parties who assisting Atos in developing business take part in an agreement, understanding or concerted practice which would contravene the applicable laws and regulations concerning anti-competitive practices.

#### E.6.2.3 Conflicts of Interest

Atos undertakes to ensure that all decisions taken by one of its employees within its professional activity are taken objectively and impartially, in the interest of Atos and not in the employee's own interest, whether financial

or personal. As a consequence, employees are asked to inform the company in cases where they would be in a situation of conflict of interest with competitors, clients or suppliers of Atos.

### E.6.2.4 Protection of Atos assets – Fraud

The assets owned by Atos which consist in material such as hardware, or intellectual property rights or financial equity are used only for conducting Atos business and

pursuant to the law and rules defined by the Group: reporting must be of high quality, reliable and relevant, translating exactly the activities of the company.

### E.6.2.5 Protection of confidentiality and privileged information

Atos protects the confidential information, it owns or the one made available to Atos by its customers, suppliers or

partners. Moreover, Atos set up rules in order to prevent insider trading and insider misconduct (see Section E.6.4).

## E.6.3 Other applicable provisions

Atos Code of Ethics' principles are not the only mandatory provisions applicable within the organization. A standard of policies set up by the different departments and adopted by the Group governs the activities of each employee, who must comply with, such as rules on

delegation of authority, on applicable clauses to client and supplier contracts, on the selection of potential employees and their training or on the selection process for business partners.

## E.6.4 Privileged Information and insider trading

In order to ensure market transparency and integrity in Atos SE securities, the Company's aims at providing its investors and shareholders, under conditions that are equal for all, information on its activities and performance. The Company requires all senior managers or employees having access to critical information to follow the insider trading rules and regulations that can be found in the Prevention guide that was updated on December 20<sup>th</sup>, 2011.

### Insider trading

The use or disclosure of inside information constitutes a stock market regulation or legal offence which are liable to criminal, regulatory (Autorité des Marchés Financiers, the French Financial Market Authority) and civil proceedings. Accordingly, no employee may disclose any inside information to third parties or deal in Atos securities when he or she is in possession of any inside information.

### Dealing during closed periods

The employees who are likely to have access on a regular basis to privileged information must not deal in Atos SE securities, whether directly or indirectly, during any "closed period", which is defined as six weeks prior to

the publication of Atos SE' annual financial statements and four weeks prior to the publication of Atos SE' first semester financial statements or of the financial information concerning the first and third quarters.

The above limitation on dealing in Atos SE securities does not apply to the exercise by employees of stock options granted by Atos SE. The limitation does apply however to the sale of resulting shares.

### Hedging of stock-options and performance shares

All staff members are prohibited to put in place, by means of derivatives or otherwise, hedging operations (right to purchase or sell at a certain price or any other terms and conditions) against Atos SE stock price changes from their exposure to the potential value of:

- ▶ Stock-options they are entitled to until the beginning of such options' exercise period;
- ▶ Performance shares they were awarded, during acquisition and blocking periods.

### E.6.5 Internal rules and charter of Board of Directors

The Board of Directors has approved Internal Rules that were updated on December 22<sup>nd</sup>, 2011 and to which is attached a Charter of the Board of Directors and a Guide to the prevention of insider trading. The Charter of the Board of Directors summarizes the mission and obligations of the members of the Board of Directors. This Charter covers in particular the following points: prohibition to hold a corporate office and an employee contract, company interests, attendance, diligence, loyalty, independence, confidentiality, trading in the Group's shares, conflicts of interest, information of members. The following paragraphs are extracted from the Charter of the Atos SE Board of Directors

#### Appointment

Before accepting their mandate, each director must be aware of his rights and of the obligations binding upon him. In particular, he/she must acknowledge the applicable laws and regulations applicable to his/her office, the provisions of the Articles of Association of the Company, the Internal Rules of the Board of Directors, the Charter of the Board of Directors and the Guide to the prevention of insider trading. Directors must own in their own name at least one thousand nominee shares and, if they do not own such shares at appointment, they must acquire them within three months of their date of appointment.

#### Directorship and Employment are mutually exclusive

A senior manager who becomes a executive officer or director of the Company shall undertake to terminate his or her employment contract with the Company (if such employment contract exists), either by contractual termination or by resignation. This provision obviously does not apply to the director representing the employee shareholders.

#### Defending the interests of the Company

Each director represents all shareholders and must act at all times in their interest and in the interest of the Company. He or she must alert the Board of Directors of any event brought to his or her attention that he or she deems, could affect the interests of the Company.

#### Conflicts of interest

The director strives to strictly avoid any conflict that may arise between his or her own moral and material interests and those of the Company. Directors must inform the Board of Directors of any actual or potential conflict of interest that they are aware of. He/ She must abstain from participating in discussions and decisions on such matters where he or she should be in a situation of a conflict of interest. A conflict of interest arises when a director or a member of his or her family could personally benefit from the way the Company's business is conducted, or could maintain a relationship of any kind with the Company, its affiliates or its management that could compromise the director's judgment (particularly as a client, supplier, business banker, legal representative).

#### Attendance - Diligence

By accepting their mandate, each director agrees to spend the necessary amount of time and care in performing their duties. Unless prevented from doing so, each director must attend all Board meetings and the meetings of all Board Committees to which they belong. He or she shall keep informed about the work and specifics of the Company, including its stakes and values, by inquiring, if necessary, its management. He or she shall make a point of keeping updated on the knowledge that enables him or her to perform his or her functions.

The director shall request any documents that he or she considers essential to be able to deliberate on the issues on the agenda. If a director considers that he or she does not have full knowledge of the facts, it is his or her duty to inform the Board and to demand any essential information.

#### Loyalty

Each director is under an obligation of loyalty towards the Company. He or she shall not take any initiative that could harm the interests of the Company or other companies or entities within the Atos Group and shall act in good faith in all circumstances. He or she shall not take on any responsibilities on a personal basis in any company or business practicing any activities in direct competition with those of the Company without prior approval of the Chairman of the Board of Directors and of the Chairman of the Nomination and Remuneration Committee.



#### **Independence**

The director carries out his or her functions in complete independence. He or she undertakes to preserve in all circumstances, his or her independence of analysis, judgment, decision and action. He or she does not tolerate being influenced by any factor outside of the corporate interest, which he or she undertakes to protect. He or she commits to inform the Board of any known issue which appears to be of such a nature as to affect the interest of the Company.

#### **Confidentiality**

The Directors are required to uphold professional secrecy, which exceeds the mere obligation of discretion provided for in the law, in regards to any information gathered during or outside of the Board of Directors' meetings. They commit to keep strictly confidential any information that has not been publicly disclosed, of which they have been informed or become aware during their mandate, as well as the contents of discussions and votes of the Board of Directors and of its committees.

#### **Inside information and trading in the Company's securities**

Directors shall strictly refrain from using any privileged information he or she has access to, to his or her personal advantage or to the advantage of anyone else. He or she may not trade in the Company's securities other than in compliance with legal and regulatory provisions. He or She commits to comply with the "Guide to the prevention of insider trading" approved by the Board of Directors. Board members must inform the Autorité des Marchés Financiers (French Financial Market Authority), in accordance with applicable rules, of any dealings in the securities of the Company.

**E.7.1 Basic data**

Atos SE shares are traded on the Paris NYSE Euronext Market under code ISIN FR0000051732. The shares have been listed in Paris since 1995. The shares are not listed

on any other stock exchange and Atos SE is the only listed company in the Group.

**E.7.1.1 Information on stock**

<b>Number of shares:</b>	85,703,430
<b>Sector classification:</b>	Information Technology
<b>Main index:</b>	CAC AllShares
<b>Other indices:</b>	CAC IT, CAC IT20, CAC Next20, Euronext 100, SBF120
<b>Market:</b>	NYSE Euronext Paris Compartiment A
<b>Trading place:</b>	Euronext Paris (France)
<b>Tickers:</b>	ATO (Euronext)
<b>Code ISIN:</b>	FR0000051732
<b>Payability PEA/SRD:</b>	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 (Compartiment A)	Global Europe		Paris-Amsterdam-Brussels-Lisbon
Euronext CAC 70	Global Europe		Paris-Amsterdam-Brussels-Lisbon
Euronext 100	Global Europe	FR0003502079	Paris-Amsterdam-Brussels-Lisbon
SBF 80	Global	FR0003999473	Paris PX8
SBF 120	Global	FR0003999481	Paris PX4
SBF 250	Global	FR0003999499	Paris PX5
CAC IT20	Sector	QS0010989091	Paris CIT20
CAC IT	Sector	FR0003501980	Paris PXT
DJ Euro Stoxx Techno	Sector	EUR0009658541	Germany-Xetra SX8E
CAC Technology	Sector	QS0011017827	Paris
CAC Software & Computer Services	Sector	FR0000051732	Paris

*Sustainable Development: ASPI Eurozone, FTSE4Good, Europa EMP 100 Europa CAP 100, ECPI Ethical Index Euro*

### E.7.1.2 Free Float

The free-float of the Group shares exclude stakes held by the reference shareholders, namely the two main shareholders, Financière Daunou 17 (PAI Partners) holding 21.1 percent of the share capital as at December 31<sup>st</sup>, 2012, and Siemens Beteiligungen Inland GmbH (owned by Siemens AG, Siemens group) holding a stake of 14.6 percent of the share capital which it committed to keep until June 30<sup>th</sup>, 2016.

No other reference shareholder has announced its will to maintain a strategic shareholding in the Group's share capital. Stakes owned by the employees and the management, are also excluded from the free float.

As at December 31 <sup>st</sup> , 2012	Shares	% of share capital	% of voting rights
Treasury stock	137,193	0.2%	0.0%
PAI Partners	18,077,790	21.1%	21.1%
Siemens	12,483,153	14.6%	14.6%
Board of Directors	18,042	0.0%	0.0%
Employees	1,762,583	2.1%	2.1%
Free float	53,224,669	62.1%	62.1%
<b>Total</b>	<b>85,703,430</b>	<b>100.0%</b>	<b>100.0%</b>

### E.7.2 Stock ownership

Principal changes in the ownership of the Group's shares in the past three years have been as follows:

	December 31 <sup>st</sup> , 2012		December 31 <sup>st</sup> , 2011		December 31 <sup>st</sup> , 2010	
	Shares	%	Shares	%	Shares	%
PAI Partners	18,077,790	21.1%	17,855,541	21.4%	17,442,839	25.0%
Siemens	12,483,153	14.6%	12,483,153	14.9%	-	-
Pardus	-	-	-	-	1,821,869	2.6%
FMR Llc (Fidelity)	-	-	4,121,717	4.9%	3,498,744	5.0%
Board of Directors	18,042	0.0%	15,640	0.0%	14,640	0.0%
Employees	1,762,583	2.1%	1,820,548	2.2%	2,523,605	3.6%
Treasury stock	137,193	0.2%	202,370	0.2%	253,551	0.4%
Public	53,224,669	62.1%	47,067,799	56.3%	44,358,829	64.3%
<b>Total</b>	<b>85,703,430</b>	<b>100.0%</b>	<b>83,566,768</b>	<b>100.0%</b>	<b>69,914,077</b>	<b>100.0%</b>

The share ownership of the Board of Directors at of December 31<sup>st</sup>, 2012 is detailed in section E.3 (Report by the Chairman of the Board of Directors on Corporate Governance and Internal Control), and in section E.2 "Corporate Governance" of the reference document. The Group's shares which are owned by employees are mainly managed by Group mutual funds. As at December 31<sup>st</sup>, 2012, the shareholding of current and former Atos group employees into Atos SE (within mutual funds and group savings plan) represented an overall 2.06 percent of the share capital.

The treasury stock evolution is described below in section "E.7.7.6 Treasury stock and liquidity contract".

During 2012, the Group was informed of a downward shareholding threshold crossing from Siemens Beteiligungen Inland GmbH (Siemens group), of the "passive" threshold of 15 percent of the share capital and the voting rights, resulting from an increase in the number of Company shares. This crossing was made in January 9th, 2012 and was subsequently reported for the purpose of regularization.

### E.7.3 Dividend policy

During its meeting held on February 20<sup>th</sup>, 2013, the Board of Directors decided to propose at the next Ordinary General Meeting of shareholders the payment in 2013 of a dividend of 0.60 euro per share in 2013 on the 2012 results.

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

Fiscal period	Dividend paid per share (in EUR)
2011	€ 0.50
2010	€ 0.50
2009	-

### E.7.4 Shareholder Documentation

In addition to the Reference Document, which is published in English and French, the following information is available to shareholders:

- ▶ A half year report;
- ▶ Quarterly revenue and operational review;
- ▶ Regular press releases, regulated information and general Group's information, available through the Atos website at [www.atos.net](http://www.atos.net)

### E.7.5 Financial calendar

April 25 <sup>th</sup> , 2013	First quarter 2013 Revenue
May 29 <sup>th</sup> , 2013	Annual General Meeting
July 25 <sup>th</sup> , 2013	First half 2013 Results
October 25 <sup>th</sup> , 2013	Third quarter 2013 Revenue

### E.7.6 Contacts

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

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

[gilles.arditti@atos.net](mailto:gilles.arditti@atos.net)

Requests for information can also be sent by email to [investors@atos.net](mailto:investors@atos.net)

### E.7.7 Common stock

#### E.7.7.1 At December 31<sup>st</sup>, 2012

At December 31<sup>st</sup>, 2012, the Group's issued common stock amounted to EUR 85.7 million divided into 85,703,430 fully paid-up shares of EUR 1.00 par value each.

Compared to December 31<sup>st</sup>, 2011 share capital, the share capital was increased by the issuance of 2,136,662 new shares, split as follows: 570,510 new shares resulting from

the increase in the share capital reserved to the employees on December 12<sup>th</sup>, 2012, 860,045 new shares resulting from the exercise of stock subscription options, 30,093 new shares resulting the exercise of stock subscription warrants during the 2012 financial year and 676,014 new shares resulting from the payment of the dividend in the form of new shares.

### E.7.7.2 Over the 5 last five years

Year	Change in common stock	Date	New shares	Total number of shares	Common stock	Additional paid in capital	New common stock
					(in EUR million)		
<b>2008</b>	Exercise of stock options	03/31/2008	1,708	69,711,862	0.0	0	69.7
	Exercise of stock options	06/30/2008	2,746	69,714,608	0.0	0.1	69.7
	Exercise of stock options	12/31/2008	2,845	69,717,453	0.0	0.1	69.7
<b>2009</b>	Exercise of stock options	12/31/2009	3,009	69,720,462	0.0	0.1	69.7
<b>2010</b>	Exercise of stock options	03/31/2010	10,250	69,730,712	0.0	0.3	69.7
	Exercise of stock options	06/30/2010	10,526	69,741,238	0.0	0.2	69.7
	Exercise of stock options	09/30/2010	72,870	69,814,108	0.1	1.5	69.8
	Exercise of stock options	12/31/2010	99,969	69,914,077	0.1	2.2	69.9
<b>2011</b>	Exercise of stock options	03/31/2011	62,524	69,976,601	0.1	1.4	70.0
	SIS Acquisition	07/01/2011	12,483,153	82,459,754	12.5	401.7	82.5
	Exercise of stock options	10/04/2011	128,716	82,588,470	0.1	2.9	82.6
	Capital increase for employees	12/14/2011	950,468	82,538,938	1.0	25.9	82.5
	Exercise of stock options	12/30/2011	27,830	83,566,768	0.0	0.7	83.6
<b>2012</b>	Exercise of stock options	04/02/2012	180,732	83,747,500	0.1	4.4	83.7
	Exercise of warrants	05/30/2012	30,093	83,777,593	0.03	1.1	83.8
	Payment of the dividend with shares	06/29/2012	676,014	84,453,607	0.6	26.4	84.5
	Exercise of stock options	06/29/2012	141,347	84,594,954	0.1	3.8	84.5
	Exercise of stock options	10/01/2012	345,060	84,940,014	0.3	11.3	84.9
	Capital increase for employees	12/12/2012	570,510	85,510,524	0.5	22.8	85.5
	Exercise of stock options	12/31/2012	192,906	85,703,430	0.2	6	85.7

A total of 860,045 stock options were exercised during the period, representing 79.7 percent of the total number of stock options at December 31<sup>st</sup>, 2012.

### E.7.7.3 Threshold crossing

During the 2012 financial year, the Group was informed of a "passive" downwards shareholding threshold crossing of 15 percent of the share capital and voting rights by Siemens Beteiligungen Inland GmbH (owned by Siemens

AG- Siemens group), resulting from an increase in the number of shares of the Company. This crossing dating from January 9th, 2012 was subsequently reported for the purpose of regularisation.

	Date of reporting	Shares	% <sup>(1)</sup>	% of voting rights <sup>(2)</sup>
Siemens Beteiligungen Inland GmbH (Downward)	07/12/2012	12,483,153	14.64%	14.64%

<sup>(1)</sup>Percentage of the share capital on that date of reporting (14.94 percent of the share capital and voting rights as at January 9th, 2012, date of the threshold crossing.)

<sup>(2)</sup>In percentage of the share capital excluding treasury shares on that date. On the basis of a share capital composed, on that date, of 85,703,430 shares representing an equal amount of voting rights, pursuant to article 223-11.2 of the Règlement Général of the Autorité des Marchés Financiers (French Financial Market Authority General Regulations)

The Company was not informed of any other threshold crossing in 2012.

### E.7.7.4 Voting rights

Voting rights are in the same proportion as shares held. No shares carry double voting rights.

### E.7.7.5 Shareholders' agreements

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

group committed to keep its shareholding in the Company, amounting to 12,483,153 shares, until June 30<sup>th</sup>, 2016.

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

On the occasion of the acquisition by the Company from Siemens of Siemens' former subsidiary SIS, the Siemens

### E.7.7.6 Treasury stock and liquidity contract

#### Treasury Stock

As at December 31<sup>st</sup>, 2012, the company owned 137,193 shares which amounted to 0.16 percent of the share capital with a portfolio value of 7,249,907.58 Euros, based on December 31<sup>st</sup>, 2012 market price, and with book value of 5,041,889.09 euros. 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.

In February, March and May 2012, Atos SE transferred respectively 4,674, 41,563 and 18,940 shares to the employees pursuant to existing shares purchase plans.

44,045 shares were allocated under LTI 2007 and 2008 program and 21,132 shares were allocated under MIP 2007 and 2008 program.

#### Liquidity Contract

By Contract dating February 13<sup>th</sup>, 2006, Atos SE entrusted Rothschild & Cie Bank, for a one-year period, renewable by tacit consent, with the implementation of a liquidity contract compliant with the Deontology Charter of the AMAFI. 15 million euros were originally allocated for this purpose to the implementation of this contract. On July 1<sup>st</sup>, 2012, an amendment to the liquidity contract dated February 13<sup>th</sup>, 2006 was signed, under which the Company decided to make an additional cash contribution of 10

million euros in order to allow Rothschild & Cie Banque to ensure the continuity of the interventions under the contract.

The transactions carried out in 2012 under the liquidity contract are as follows:

Cumulated gross flows as at December 31 <sup>st</sup> , 2012	Cumulated Purchases	Cumulated Sales
Number of Shares	865,803	865,803
Average Sale/Purchase price	48.2473	48.3664
Total Amount of Purchases/Sales	41,772,628	41,875,764

### Legal Framework

The 23rd resolution of the General Meeting of 30 May 2012 renewed the authorisation to trade in the Group's shares. The number of shares purchased may not exceed 10 percent of the share capital of the Company, at any moment in time, such percentage applying to a capital adjusted in accordance with the operations which shall have an effect on the share capital subsequently to this general meeting, it being specified that in the case of shares purchased within a liquidity contract, the number of shares taken into account to determine the 10 percent limit shall correspond to the number of shares purchased from which shall be deducted the number of shares resold during the duration of the authorisation.

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

- ▶ to keep them and subsequently use them for payment or exchange in relation to possible external growth operations, in accordance with market practices accepted by the Autorité des Marchés Financiers (French Financial Market Authority), it being specified that the maximum amount of shares acquired by the Company to this end shall not exceed 5 percent of the share capital,
- ▶ to ensure liquidity and an active market of the Company's shares through an investment service provider acting independantly pursuant to a liquidity contract, in accordance with the professional conduct charter accepted by the Autorité des Marchés Financiers (French Financial Market Authority),
- ▶ to attribute or sell these shares to the executive officers and directors or to the employees of the Company and/or to the current or future affiliated companies, under the conditions and according to the terms set by applicable legal and regulatory provisions in particular in connection with (i) profit-sharing plans, (ii) the share purchase option regime laid down under articles L. 225-179 to L.225-197-3. of the Commercial Code, and (iii) the

free share issuance regime established by articles L. 225-197-1 to L. 225-197-3 of the Commercial Code and (iv) a company savings plan, as well as to carry out all hedging operations relating to these operations, under the terms and conditions laid down by market authorities and at such times as the board of directors or the person acting upon its delegation so decides,

- ▶ to remit the shares acquired upon the exercise of rights attached to securities giving the right, whether immediate or deferred, by reimbursement, conversion, exchange, presentation of a warrant or any other way, to the attribution of shares of the Company, as well as to carry out all hedging operations in relation to the issuance of such securities, under the terms and conditions laid down by market authorities and at such times as the Board of Directors or the person acting upon its delegation so decides, or,
- ▶ to cancel them as a whole or in part through a reduction of the share capital pursuant to the ninth resolution of the General Meeting held on 30 May 2012.

The maximum purchase price per share may not exceed EUR 65.10 (fees excluded).

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

As a result, the maximum amount of funds assigned to the share repurchasing program amounts to 545,196,225 euros as calculated on the basis of the share capital as at April 2<sup>nd</sup>, 2012.

This authorisation was granted for a period of eighteen (18) months as from May 30<sup>th</sup>, 2012.



### Renewal by the general meeting of May 29th, 2013 of the authorization granted to the Company to trade in its own shares.

#### Description of the share buy-back program submitted to approval of the General Meeting of May 29th, 2013:

In connection with the share buy-back program (and within the limit of 10 percent of the share capital), it is proposed to renew, during the General Meeting of May 29th, 2013, the authorization to repurchase shares which was granted during the General Meeting of May 30<sup>th</sup>, 2012 for 18 months, and which will expire on November 30<sup>th</sup>, 2013.

In accordance with the Règlement Général of the Autorité des Marchés Financiers (General Rules of the French Financial Market Authority) (Articles 241-1 to 241-7) and with article L.451-3 of the French Monetary and Financial Code, this description of program is aimed at detailing the objectives and the terms and conditions of the new share buy-back program by Atos SE (the "Company") which will be subject to authorization by the General Meeting of shareholders of May 29th, 2013.

The aims of this program are:

- ▶ to keep the shares or subsequently use them for payment or exchange in relation to possible external growth operations, in accordance with the market practices accepted by the Autorité des Marchés Financiers (French Financial Market Authority), it being specified that the maximum amount of shares acquired by the Company to this end shall not exceed 5 percent of the share capital,
- ▶ to ensure liquidity and an active market of the Company's share through an investment service provider acting independently pursuant to a liquidity contract, in accordance with the professional conduct charter accepted by the Autorité des Marchés Financiers (French Financial Market Authority),
- ▶ to attribute or sell these shares to the executive officers and directors or to the employees of the Company and/or to the current or future affiliated companies, under the conditions and according to the terms set by applicable legal and regulatory provisions in particular in connection with (i) profit-sharing plans, (ii) the share purchase option regime laid down under articles L. 225-179 to L.225-197-3. of the Commercial Code, and (iii) the free share issuance regime established by articles L. 225-197-1 to L. 225-197-3 of the Commercial Code and (iv) a company savings plan, as well as to carry out all hedging operations relating to these operations, under the terms

and conditions laid down by market authorities and at such times as the board of directors or the person acting upon its delegation so decides,

- ▶ to remit the shares acquired upon the exercise of rights attached to securities giving the right, whether immediate or deferred, by reimbursement, conversion, exchange, presentation of a warrant or any other way, to the attribution of shares of the Company, as well as to carry out all hedging operations in relation to the issuance of such securities, under the terms and conditions laid down by market authorities and at such times as the Board of Directors or the person acting upon its delegation so decides, or,
- ▶ to cancel these shares as a whole or in part through a reduction of the share capital.

The acquisitions, sale, transfers or exchange of shares may be done by all means, according to the regulations in force by one or more installments, on a regulated market, on a multilateral trading facility, via a systematic internaliser, or by mutual agreements, in particular by public offer or block transactions (that may amount to the whole of the program), and where required, by using derivative financial instruments (traded on a regulated market, on a multilateral trading facility, a systematic internaliser, or by mutual agreements), or warrants or securities giving right to Company's shares or by the setting up of optional strategies such as purchasing or selling purchase or sale options, or by issuing financial instruments that give rights through conversions, exchange, reimbursement, exercise of a bond of any other way, to the Company's shares owned by the latter, and at such times as the Board of Directors or the person acting upon its delegation, under the conditions provided by law, may determine, in accordance with applicable legal and regulatory provisions.

The maximum purchase price is set at EUR 81.99 per share and the number of actions which may be acquired is percent (theoretically 8,570,300 shares as calculated on the basis of the share capital as at December 31st, 2012). This maximum amount can be adjusted to take into account the share capital amount on the day of the general meeting.

As from its authorization by the General meeting of May 29th, 2013, this program will be in force until the next Annual General Meeting ruling on the 2013 financial year accounts without exceeding a maximum duration of 18 months, i.e. until November 29th, 2014.

### E.7.7.7 Potential common stock (stock option and convertible bond)

#### Potential dilution

Based on 85,703,430 shares in issue, the common stock of the Group could be increased by 19,491,030 new shares, representing 18.5 percent of the common stock after dilution. This dilution could occur with the exercise of

all stock subscription options granted to employees or through the conversion of the convertible bond issued in 2009 and 2011; or through the acquisition of performance shares as follows:

In shares	December 31 <sup>st</sup> , 2012	December 31 <sup>st</sup> , 2011	Change	% dilution
Number of shares outstanding	<b>85,703,430</b>	<b>83,566,768</b>	<b>2,136,662</b>	
From convertible bonds 2009	5,533,872	5,486,698	47,174	5.3%
From convertible bonds 2011	5,447,078	5,382,131	64,947	5.2%
From stock subscription options	7,542,780	8,531,235	-888,455	7.2%
Performance shares	967,300	991,050	-23,750	0.9%
Potential dilution	<b>19,491,030</b>	<b>20,391,114</b>	<b>-900,084</b>	<b>18.5%</b>
Total potential common stock	<b>105,194,460</b>	<b>103,957,882</b>	<b>1,236,578</b>	

66 percent of the total number of stock options granted to employees had a strike price that exceeds the stock market price as at December 30<sup>th</sup>, 2012 (EUR 52.81).

#### Stock options evolution

<b>Number of stock subscription options at December 31<sup>st</sup> 2011</b>	<b>8,531,235</b>
Stock subscription options granted in 2012	0
Stock subscription options exercised in 2012	-860,045
Stock subscription options cancelled in 2012	-28,330
Stock subscription expired in 2012	-100,680
<b>Number of stock subscription options at December 31<sup>st</sup> 2012</b>	<b>7,542,180</b>

The weighted average strike price of the above-mentioned options is summarized in the table below:

	December 31 <sup>st</sup> , 2012	Weighted average strike price (EUR)	Value (EUR million)	% total stock options
Strike price from EUR10 to EUR20	424,458	18.40	78	6%
Strike price from EUR20 to EUR30	2,424,956	24.74	60.0	32%
Strike price from EUR30 to EUR40	765,738	32.91	25.2	10%
Strike price from EUR40 to EUR50	1,365,866	48.00	65.6	18%
Strike price from EUR50 to EUR60	2,561,162	56.52	144.8	34%
<b>Total Stock options</b>	<b>7,542,180</b>	<b>40.22</b>	<b>303.3</b>	<b>100%</b>

	December 31 <sup>st</sup> , 2012	Weighted average strike price (EUR)	Value (EUR million)	% total stock options
Already exercisable end of 2012	7,370,225	40.76	294.6	98%
Exercisable in 2013	121,495	57.74	7.0	2%
Exercisable in 2014	50,000	34.73	1.7	1%
<b>Total Stock options</b>	<b>7,542,180</b>	<b>40.22</b>	<b>303.3</b>	<b>100%</b>

At the end of 2012, the weighted average strike price of stock options granted to employees was EUR 40.22 (+1.8 percent compared to EUR 39.49 at the end of December 2011).

### Current authorizations to issue shares and other securities

Pursuant to the resolution adopted by the General Meeting of May 30<sup>th</sup>, 2012, the following authorizations to issue shares and other securities are in force:

Authorization (euros)	Authorization amount (par value)	Use of the authorizations (par value)	Unused balance (par value)	Authorization
E.G.M. 05/30/2012 10 <sup>th</sup> resolution Share capital increase with preferential subscription right(*)	25,000,000	0	25,000,000	07/30/2014
E.G.M. 05/30/2012 11 <sup>th</sup> resolution Share capital increase without preferential subscription right (*)	12,500,000	0	12,500,000	07/30/2014
E.G.M. 05/30/2012 13 <sup>th</sup> resolution Share capital increase in the event of a Public Exchange Offer (*)	12,500,000	0	12,500,000	07/30/2014
E.G.M. 05/30/2012 14 <sup>th</sup> resolution Share capital increase to remunerate contribution in kind (*)	8,570,343	0	8,570,343	07/30/2014
E.G.M. 05/30/2012 16 <sup>th</sup> resolution Share capital increase through incorporation of reserves, benefits or premiums	Maximum amount which may be converted into share capital		n/a	07/30/2014
E.G.M. 05/30/2012 17 <sup>th</sup> resolution Share capital increase reserved to the employees	1,675,551	1,089,108	586,443	07/30/2014
E.G.M. 05/30/2012 18 <sup>th</sup> resolution Attribution of performance shares to the employees and executive officers and directors	857,034	0	857,034	07/30/2015
E.G.M. 05/30/2012 23 <sup>rd</sup> resolution Authorization to buy back the Company shares	10% of the share capital, adjusted at any moment	714,110 as at 12/31/2012	Around 9% of the share capital	11/30/2013
E.G.M. 05/30/2012 9 <sup>th</sup> resolution Share capital reduction	10% of the share capital adjusted as at the day of the reduction	0	10% of the share capital adjusted as at the day of the reduction	11/30/2013

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

The number of new authorized shares that may be issued (the sixteenth resolution being set aside) amounts to 27,532,586, representing 32.13 percent of the share capital updated on December 31<sup>st</sup>, 2012.

#### Bonds convertible into and/or exchangeable for new or existing shares (OCEANE)

On October 21<sup>st</sup>, 2009, the Company issued 5,414,771 bonds convertible into and/or exchangeable for new or existing shares (OCEANE) with a six-year and two-month term, for an aggregate amount of EUR 249,999,977.07. These bonds have a nominal share value of EUR 46.17. The bonds will be redeemed on January 1<sup>st</sup>, 2016 (or the next working day). The bonds are admitted to trading on NYSE Euronext Paris stock exchange under code ISIN FRO010816280. They are not subject to rating. The gross actuarial rate is 2.5 percent payable in arrears on January 1<sup>st</sup>, of each year (or the next working day). The conversion period for the bonds goes from October 29<sup>th</sup>, 2009 until the seventh working day included preceding the normal or anticipated repayment date. The Company may elect to allot new shares to be issued, or existing shares, or a combination of both. As at December 31<sup>st</sup>, 2012, no bond issued in 2009 had been converted into share nor amortized.

On July 1<sup>st</sup>, 2011, the Company issued 5,382,131 bonds convertible into and/or exchangeable for new or existing shares (OCEANE) with a five-year term, for an aggregate amount of EUR 249,999,985. These bonds have a nominal value of EUR 46.45. The bonds will be redeemed on July 1<sup>st</sup>, 2016 (or the next working day). The subscription of these bonds was reserved to Siemens Beteiligungen Inland GmbH. The annual actuarial rate is 1.5 percent (failing any conversion and/or exchange with shares and failing anticipated amortization) payable in arrears on January 1<sup>st</sup>, of each year (or the next working day). The bonds are not rated and will not be listed on a stock market nor publicly traded. The conversion period for the bonds goes from the issuance date until the seventh working day included preceding the normal or anticipated repayment date. The Company may elect to allot new shares to be issued or existing shares or a combination of both. As at December 31<sup>st</sup>, 2012, no bond issued in 2011 had been converted into share nor amortized. Siemens sold the convertible bond on March 1<sup>st</sup>, 2013 to other investors.

## E.7.8 Share trading performance

### E.7.8.1 Key figures

	2012	2011	2010	2009	2008
Highest (in EUR)	55.90	43.50	40.72	38.46	40.45
Lowest (in EUR)	34.54	30.24	29.82	16.51	15.01
Closing as of 31/12 (in EUR)	52.81	33.91	39.84	32.09	17.92
Average daily volume processed on					
<b>Euronext platform (in number of shares)</b>	<b>280,353</b>	<b>294,530</b>	<b>296,552</b>	<b>182,398</b>	<b>395,561</b>
<b>Free-float</b>	<b>62.1%</b>	<b>61.3%</b>	<b>71.1%</b>	<b>99.1%</b>	<b>98.4%</b>
Market capitalization as of 31/12 (in EUR million)	4,426	2,911	2,785	2,237	1,249
Enterprise Value as of 31/12* (in EUR million)	4,294	3,053	2,925	2,376	1,553
EV/revenue	0.47	0.44	0.58	0.46	0.28
EV/OMDA	5.41	4.71	5.5	4.7	3.3
EV/OM	7.40	7.04	8.7	8.2	5.8
P/E (year-end stock price ÷ normalized basic EPS)	12.5	15.6	12.7	6.9	12.2

\*Assuming that (Enterprise Value) = (Net Debt) + (Market Capitalization)

### E.7.2 Market capitalization

Based on a closing share price of EUR 52.81 on December 31<sup>st</sup>, 2012 and 85,703,430 shares in issue, the market capitalization of the Group at December 31<sup>st</sup>, 2012 was EUR 4 526 million up by +50.76 percent compared to EUR 2 833 million at the end of December 2011.

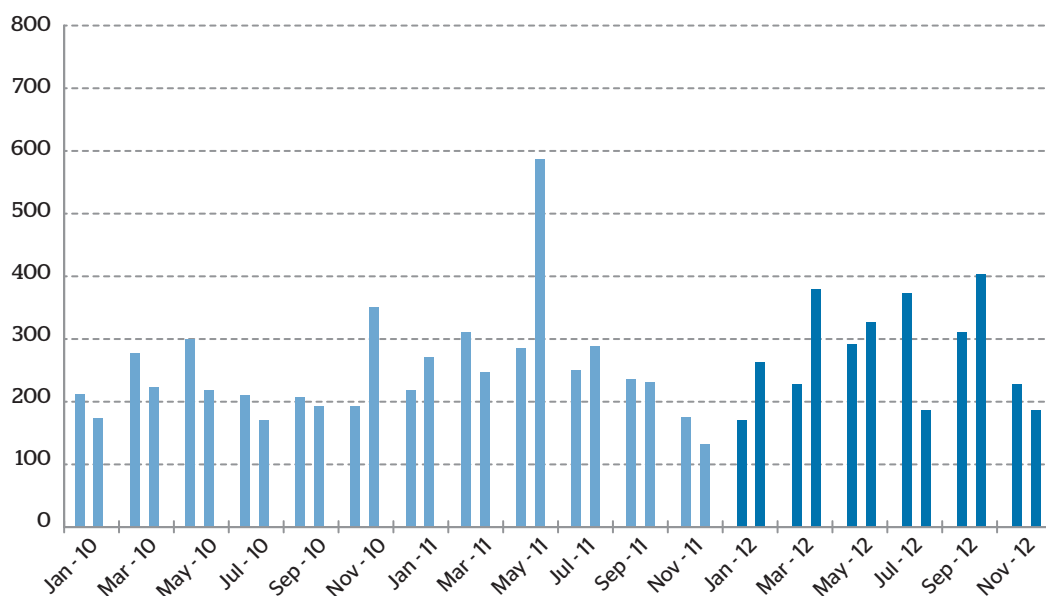
In terms of market capitalization as of December 31<sup>st</sup>, 2012, Atos was ranked 64<sup>th</sup> (vs. 75<sup>th</sup> in 2011) within the SBF 120 index, which includes the largest companies by market capitalization on the Paris exchange.

### E.7.3 Traded volumes

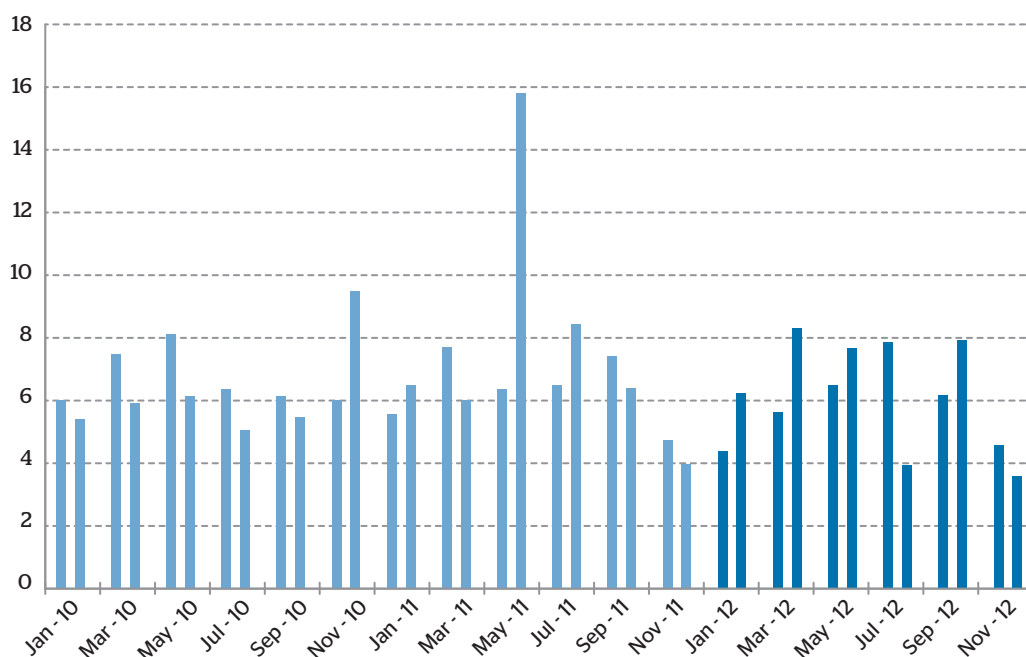
	Trading Volume (including non NSC platform)	
	(in thousands of shares)	(in EUR million)
1 <sup>st</sup> Quarter 2012	16,221	660
2 <sup>nd</sup> Quarter 2012	22,300	994
3 <sup>rd</sup> Quarter 2012	17,900	865
4 <sup>th</sup> Quarter 2012	15,600	822
<b>Total</b>	<b>72,021</b>	<b>3,342</b>

In 2012, the average daily number of shares traded reached 439 thousand on all electronic platform (of which 280 thousand on Euronext), compared to 437 thousand in 2011 (of which 295 thousand on Euronext).

#### Monthly trading volume (million euro)



Monthly trading volume (million of shares)



#### E.7.8.4 2012 and subsequent key trading dates

On **February 23<sup>rd</sup>, 2012**, Atos announced its 2011 annual results. Thanks to the continued roll-out of the TOP<sup>2</sup> Program, operating margin was EUR 442 million, representing +6.2 percent of revenue compared to +4.7 percent in 2010. Revenue was EUR 6,812 million, representing a rise in of +0.3 percent. During the fourth quarter, revenues increased by +2.2 percent. The book to bill ratio stood at 103 percent in 2011. Net Income stood at EUR 182 million, up +116 percent compared to 2010.

On **April 25<sup>th</sup>, 2012**, Atos reported revenue for the first quarter of 2012. The Group reported revenue of EUR 2,163 million, representing an organic increase of 2.4 percent compared to the same period last year, at same scope and exchange rates. The Group confirmed its objectives for 2012 as communicated on February 23<sup>rd</sup>, 2012. Net cash stood positive at EUR 34 million at the end of March 2012. The Group finalized the alliance with EMC<sup>2</sup> and VMware to create Canopy.

On **May 30<sup>th</sup>, 2012**, Atos held its Annual Shareholders' Meeting. All resolutions submitted by the Board of Directors have been approved by a large majority. The change of status from a SA (French Société Anonyme) to a SE (Societas Europaea) was approved with a majority of 99.70 percent. The dividend payment of EUR 0.50 per share and the option for payment of the dividend in either shares or cash were also approved.

On **July 27<sup>th</sup>, 2012**, Atos announced its results for the first half of 2012. The transformation Program TOP<sup>2</sup> allowed an operating margin at EUR 248.8 million, representing 5.7 percent of revenue compared to 3.7 percent in the first half of 2011. Revenue was EUR 4,366 million, representing +76 percent. Net Income Group share stood at EUR 102 million. The Group generated in the first semester of 2012 EUR 129 million of free cash flow, leading to a net cash position of EUR 101 million at the end of June 2012. Major deals were announced: McGraw-Hill in the US and renewal contract with our first German bank customer.

On **October 25<sup>th</sup>, 2012**, Atos announced its revenue for the third quarter of 2012. Order entry was EUR 2,532 million, up +23 percent year-on-year, leading to a book to bill ratio of 116 percent. Revenue was EUR 2,181 million, representing an organic growth of +0.2 percent compared to the third quarter of 2011. Free cash flow was EUR 32 million, leading to net cash increasing to EUR 112 million at the end of September 2012. The Group announced to focus on the execution of its transformation Program TOP<sup>2</sup> and confirm all 2012 objectives.

On **February 21<sup>st</sup>, 2013**, Atos announced its 2012 annual results. Revenue was EUR 8,844 million, representing +0.8 percent organic growth compared to 2011 revenue at constant scope and exchange rates. Book-to-bill ratio was 113 percent in 2012 thanks to major bookings in Managed

# Risks, governance and common stock

## E.7 Common stock evolution and performance

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Services and in BPO, and at the end of the year in Systems Integration. Operating margin was EUR 5800 million, representing 6.6 percent of revenue compared to 4.8 percent in 2011 at constant scope and exchange rates. The Group generated in 2012 EUR 259 million of free cash flow, leading to a net cash position of EUR 232 million at the end of 2012. Net income Group share stood at EUR 224 million compared to EUR 182 million in 2011 statutory.

The Group announced the decision to carve-out Atos payment and merchant transactional activities around Atos Worldline and specific transactional businesses, which is expected to be finalized by mid-2013.

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

### E.7.8.5 Share value for "ISF" purposes

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The closing share price on December 31<sup>st</sup>, 2012 was EUR 52.81. The average closing share price over the last 30 stock

market trading days of 2012 was EUR 53.75 compared to EUR 33.99 for the same period in 2011.

### E.7.8.6 Purchase or sale by the group of its own shares

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The Group purchased or sold its own shares in 2012 as described within the section "E.7.7.6 Treasury stock and liquidity contract". At December 31<sup>st</sup>, 2012, the Group held

137,193 shares as treasury stock, but none related to the liquidity contract.





## APPENDIX

1	Definitions	353
2	AMF cross-reference table	358

### F.1 Definitions

Financial terms and Key Performance Indicators	Business Key Performance Indicators
<ul style="list-style-type: none"> <li>Operational Capital Employed</li> <li>Current and non-current</li> <li>DSO</li> <li>Net debt</li> <li>Gross margin and indirect costs</li> <li>Operating margin</li> <li>EBITDA</li> <li>Gearing</li> <li>Interest cover ratio</li> <li>Leverage ratio</li> <li>Operating income</li> <li>Normalized net income</li> <li>ROCE (Return On Capital Employed)</li> <li>EPS</li> <li>Cash flow from operations</li> <li>Free Cash Flow</li> <li>Change in net debt</li> <li>Attrition rate</li> </ul>	<ul style="list-style-type: none"> <li>External revenue</li> <li>Organic growth</li> <li>Book-to-bill</li> <li>TCV (Total Contract Value)</li> <li>Backlog/Order cover</li> <li>Order entry/bookings</li> <li>Pipeline</li> <li>Legal staff</li> <li>Full Time Equivalent (FTE)</li> <li>Subcontractors</li> <li>Interims</li> <li>Direct staff</li> <li>Indirect staff</li> <li>Permanent staff</li> <li>Temporary staff</li> <li>Ratio S</li> <li>Turnover</li> <li>Utilization rate and non-utilization rate</li> </ul>
Business terms	Market terms
<ul style="list-style-type: none"> <li>BPO</li> <li>CMM</li> <li>CRM</li> <li>ERP</li> <li>LAN</li> <li>MMS</li> <li>TCO</li> <li>SCM</li> <li>WAN</li> <li>SEPA</li> </ul>	<ul style="list-style-type: none"> <li>Consensus</li> <li>Dilutive instruments</li> <li>Dividends</li> <li>Enterprise Value (EV)</li> <li>Free float</li> <li>Free float capitalization</li> <li>Market capitalization</li> <li>PEG (Price Earnings Growth)</li> <li>PER (Price Earnings Ratio)</li> <li>Volatility</li> </ul>

#### F.1.1 Financial terms

**Operational capital employed:** Operational capital employed comprises net fixed assets and net working capital, but excludes goodwill and net assets held for sale.

**Current and non-current assets or liabilities:** A current and non-current distinction is made between assets and liabilities on the balance sheet. Atos has classified as current assets and liabilities those that Atos expects to realize, use or settle during its normal cycle of operations, which can extend beyond 12 months following the

period-end. Current assets and liabilities, excluding the current portion of borrowings and financial receivables, represent the Group's working capital requirement.

**DSO:** (Days' Sales Outstanding). DSO is the amount of trade accounts receivables (including work in progress) expressed in days' revenue (on a last-in, first-out basis). The number of days is calculated in accordance with the Gregorian calendar.

**Net debt:** Net debt comprises total borrowings (bonds, finance leases, short and long-term bank loans, securitization and other borrowings), short-term financial assets and liabilities bearing interest with a maturity of less than 12 months, less cash and cash equivalents (transferable securities, cash at bank and in hand).

**Gross margin and Indirect costs:** Gross margin is composed of revenue less the direct costs of goods sold. Direct costs relate to the generation of products and/or services delivered to customers, while indirect costs include all costs related to indirect staff (defined hereafter), which are not directly linked to the realization of the revenue. The operating margin comprises gross margin less indirect costs.

**Operating margin:** Operating margin comprises operating income before major capital gains or losses on the disposal of assets, major reorganization and rationalization costs, impairment losses on long-term assets, net charge to provisions for major litigations and the release of opening balance sheet provisions no longer needed.

**EBITDA:** (Earnings Before Interest, Tax, Depreciation and Amortization). For Atos, EBITDA is based on Operating margin less non-cash items and is referred to as OMDA (Operating Margin before Depreciation and Amortization)

**OMDA** (Operating Margin before Depreciation and Amortization) is calculated as follows:

Operating margin

- ▶ Less - Depreciation of fixed assets (as disclosed in the "Financial Report")
- ▶ Less - Operating net charge of provisions (composed of net charge of provisions for current assets and net charge of provisions for contingencies and losses, both disclosed in the "Financial Report")
- ▶ Less - Net charge of provisions for pensions (as disclosed in the "Financial Report")
- ▶ Less - Equity-based compensation

**Gearing:** The proportion, expressed as a percentage of net debt to total shareholders' equity (Group share and minority interests).

**Interest cover ratio:** Operating margin divided by the net cost of financial debt, expressed as a multiple.

**Leverage ratio:** Net debt divided by OMDA.

**Operating income:** Operating income comprises net income before deferred and income taxes, net financial expenses, share of net income from associates and the results of discontinued operations.

Normalized net income: Net income (Group share) before unusual, abnormal and infrequent items, net of tax.

**ROCE** (return on capital employed): ROCE is net income (Group share), before the net cost of financial debt (net of tax) and the depreciation of goodwill, divided by capital employed.

**EPS** (earnings per share): Basic EPS is the net income divided by the weighted-average number of common shares outstanding during the period. Diluted EPS is the net income divided by the diluted weighted-average number of common shares for the period (number of shares outstanding + dilutive instruments with dilutive effect). **Normalized EPS** is based on normalized net income.

**Cash flow from operations:** Cash flow coming from the operations and calculated as a difference between the OMDA (Operating Margin DA), the net capital expenditures and the change in working capital.

**Free cash flow:** Represents the change in net cash or net debt, excluding equity changes, dividends paid to shareholders, net material acquisitions / disposals.

**Change in net debt** (cash): Change in net debt or net cash.

## F1.2 Business KPI's (Key Performance Indicators)

### Revenue

**External Revenue:** External Revenue related to Atos' sales to third parties (excluding VAT and pass-through sales with low margin).

**Organic growth:** Organic growth represents the percent growth of a unit based on a constant scope and exchange rates basis of which is excluded revenue from acquisitions and cessions of the year having an impact inferior or equal to 0.3 percent of the Group total revenue.

**Book-to-bill:** A ratio expressed in percentage terms based on order entry in the period divided by revenue of the same period.

**TCV (Total Contract Value):** The total value of a contract at signature (prevision or estimation) over its duration. It represents the firm order and contractual part of the contract excluding any clause on the decision of the client, as anticipated withdrawal clause, additional option or renewal.

**Order entry/bookings:** The TCV, orders or amendments signed during a defined period. When an offer is won (contract signed), the total contract value is added to the backlog and the order entry is recognized.

**Backlog/Order cover:** The value of signed contracts, orders and amendments that remain to be recognized over their contract lives.

**Pipeline:** The value of revenues that may be earned from outstanding commercial proposals issued to clients. Qualified pipeline applies an estimated percentage likelihood of proposal success.

### Human Resources

**Legal staff:** The total number of employees under Atos employment contracts at the end of the period. Legal staff includes those on long sickness or long absence, apprentices, trainees, and employees on maternity leave, but excludes subcontractors and interims.

**FTE (Full-time equivalent staff):** The total number of staff calculated using information from time sheets on the basis of working time divided by standard contractual workable time per employee. In general, a person working on a full time contract is considered as one FTE, whereas a person working on a part time contract would be less considered than one FTE.

Calculations are based on contractual working time (excluding overtime and unpaid holidays) with potential workable time (in hours or days) = nominal time + overtime balance - unpaid vacation. For subcontractors and interim staff, potential workable hours are based on the number of hours billed by the supplier to Atos.

**Subcontractors:** External subcontractors are third-party suppliers. Outsourced activities (e.g. printing or call center activities) and fixed price subcontracting are excluded from the recorded number of subcontractors or interims.

**Interims:** Staff from an agency for temporary personnel. Interims are usually used to cover seasonal peaks or for situations requiring staff for a short period of time.

**Direct Staff:** Direct staff includes permanent staff and subcontractors, whose work is billable to a third party.

**Indirect staff:** Indirect staff includes permanent staff or subcontractors, who are not billable to clients. Indirect staff is not directly involved in the generation of products and/or services delivered to clients.

**Permanent staff:** Permanent staff members have a contract for an unspecified period of time.

**Temporary staff:** Temporary staff has a contract for a fixed or limited period of time.

**Ratio S:** Measures the number of indirect staff as a percentage of total FTE staff, including both own staff and subcontractors.

**Staff turnover and attrition rate (for legal staff):** Turnover and attrition rates indicate the proportion of legal staff that has left the Group (voluntary and/or involuntary) in a defined period:

- ▶ Turnover measures the percentage of legal staff that has left the business in a defined period.
- ▶ Attrition measures the percentage of legal permanent staff that has voluntarily left the business in a defined period. Attrition rate is a ratio based on total voluntary leavers in the period on an annual basis divided by the average number of permanent staff in the period.

**Utilization rate and non-utilization rate:** Utilization rate + non-utilization rate = 100 percent of workable time for direct FTE, which excludes legal vacations, long-term sickness, long-term sabbaticals and parental leave. Workable time is composed of billed time, inactivity that is billable but not billed (exceptional holidays, sickness, on the bench which is between two assignments, other inactivity as delegation), and non-billable time (pre-sales, training, management meetings, research and

development and travel). Utilization rate measures the proportion of workable time (hours or days) of direct FTE (own staff excluding subcontractors) that is billed to customer. The ratio is expressed in percentage terms based on billed hours divided by workable hours excluding vacations. Non-utilization rate measures the workable time (hours or days) of direct FTE (own staff excluding subcontractors) that is not billed or is non-billable to clients.

### F1.3 Business terms

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**BPO** (Business Process Outsourcing): Outsourcing of a business function or process. e.g. administrative functions such as accounting, HR management, call centers, etc.

**CMM** (Capability Maturity Model): CMM is a method for evaluating and measuring the competence of the software development process in an organization on a scale of 1 to 5. CMMI, is the CMM Integration.

**CRM** (Customer Relationship Management): Managing customer relationships (after-sales service, purchasing advice, utilization advice, customer loyalty) has become a strategic component of a company's successful operation. Not only does CRM facilitate efficiency, it also leads to higher sales by building customer loyalty.

**ERP** (Enterprise Resource Planning): An ERP system is an integrated management software system built in modules, which is capable of integrating sales, manufacturing, purchasing, accounting and human resources systems into an enterprise-wide management information system.

**LAN** (Local Area Network): A local network that connects a number of computers within a single building or unit.

**MMS** (Multimedia Message Service): A message capable of carrying text, sounds, fixed or animated color images, generally sent to a mobile phone.

**TCO** (Total Cost of Ownership): Total cost of ownership is quantification of the financial impact of deploying an information technology product over its life cycle.

**SCM** (Supply Chain Management): A system designed to optimize the logistics chain, aimed at improving cost management and flexibility.

**WAN** (Wide Area Network): A long-distance network that generally comprises several local networks and covers a large geographical area.

**SEPA** (Single Euro Payments Area): Regulating initiative from European countries involving the creation of a specific zone where all transactions will be considered as domestic in terms of billing (no longer cross-border electronic payments surcharge).

## F1.4 Market terms

**Consensus:** Opinion that emerges from the financial community, in which financial analysts play a prominent role. Consensus can relate to earnings outlook (individual stock consensus) or to a group of companies in the same sector (market consensus).

**Dilutive instruments:** Financial instruments such as bonds, warrants, stock subscription options, free shares, which could be converted into shares and have therefore a potential dilutive impact on common stock.

**Dividends:** Cash or stock payments from a company's profits that are distributed to stockholders.

**Enterprise Value (EV):** Market capitalization + debt.

**Free float:** Free float is the proportion of a Company's share capital that is regularly traded on the stock exchange. It excludes shares in the six categories listed below (source Euronext):

- ▶ Shares held by Group companies: Shares of the listed company held by companies that it controls within the meaning of Article 233/3 of the French Commercial Code.
- ▶ Shares held by founders: shares held directly or indirectly by the founders (individuals or family group) when these founders have managerial or supervisory influence (management positions, control by voting rights, influence that is a matter of public knowledge, etc.).
- ▶ Shares held by the State: Interests held directly by the State, or by public sector or other companies which are themselves controlled by the State.

- ▶ Shares within the scope of a shareholders' agreement: Shares subject to a shareholders' agreement within the meaning of Article 233/10 and 11 of the French Commercial Code, and other than those held by founders or the State.
- ▶ Controlling interest: Shares held by juridical persons (other than founders or the State) exercising control within the meaning of article 233/3 of the French Commercial Code.
- ▶ Interests considered stable: Interests exceeding 5 percent, which have not declined by 1 percent age point or more, excluding the impact of dilution, in the three preceding years. This category also includes shareholders that, in addition to or in association with the link represented by share ownership, have recently entered into significant industrial or strategic agreements with the Group.

**Free-float capitalization:** The share price of a company multiplied by the number of free-float shares as defined above.

**Market capitalization:** The share price of a company multiplied by the number of its shares in issue.

**PER (Price Earnings Ratio):** Market capitalization divided by net income for a trailing (or forward) 12-month period.

**PEG (Price Earnings Growth):** Price-earnings ratio divided by year-on-year earnings growth.

**Volatility:** The variability of movements in a share price, measured by the standard deviation of the ratio of two successive prices.

**F.2.1 Cross reference table for the Reference Document**

This document is a full free translation of the original French text. The original document has been filed with the Autorité des Marchés Financiers (AMF) on April 3rd, 2013, in accordance with article 212-13 of the AMF's general regulations. After filing, this document as a Reference Document could be used to support a financial operation if accompanied by a prospectus duly approved by the AMF.

The cross-reference table below refers to the main articles of Commission Regulation (CE) n° 809-2004 implementing the Prospectus Directive.

Chapter	Information	Sections
<b>1.</b>	<b>PERSONS RESPONSIBLE</b>	
1.1.	All persons responsible for the information given in the Registration Document and, as the case may be, for certain parts of it, with, in the latter case, an indication of such parts. In the case of natural persons including members of the issuer's administrative, management or supervisory bodies indicate the name and function of the person; in case of legal persons indicate the name and registered office.	A.4.1
1.2.	A declaration by those responsible for the registration document that, having taken all reasonable care to ensure that such is the case, the information contained in the registration document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. As the case may be, a declaration by those responsible for certain parts of the registration document that, having taken all reasonable care to ensure that such is the case, the information contained in the part of the registration document for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.	A.4.2
<b>2.</b>	<b>STATUTORY AUDITORS</b>	
2.1.	Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).	A.4.3
2.2.	If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, indicate details if material.	N/A
<b>3.</b>	<b>SELECTED FINANCIAL INFORMATION</b>	
3.1.	Selected historical financial information regarding the issuer, presented for each financial year for the period covered by the historical financial information, and any subsequent interim financial period, in the same currency as the financial information. The selected historical financial information must provide the key figures that summarise the financial condition of the issuer.	A.5.1; A.5.2
3.2.	If selected financial information for interim periods is provided, comparative data from the same period in the prior financial year must also be provided, except that the requirement for comparative balance sheet information is satisfied by presenting the year end balance sheet information.	N/A
<b>4.</b>	<b>RISK FACTORS</b>	
	Prominent disclosure of risk factors that are specific to the issuer or its industry in a section headed "Risk Factors".	E.1

Chapter	Information	Sections
<b>5.</b>	<b>INFORMATION ABOUT THE ISSUER</b>	
51.	History and development of the issuer	
511.	the legal and commercial name of the issuer	E.211; E.212
512.	the place of registration of the issuer and its registration number	D.21.2
513.	the date of incorporation and the length of life of the issuer, except where indefinite	D.21.2
514.	the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office);	D.21.2
515.	the important events in the development of the issuer's business	A.5.3; A.6.1
<b>5.2.</b>	<b>Investment</b>	
521.	A description, (including the amount) of the issuer's principal investments for each financial year for the period covered by the historical financial information up to the date of the registration document;	N/A
522.	A description of the issuer's principal investments that are in progress, including the geographic distribution of these investments (home and abroad) and the method of financing (internal or external);	N/A
523.	Information concerning the issuer's principal future investments on which its management bodies have already made firm commitments.	N/A
<b>6.</b>	<b>BUSINESS OVERVIEW</b>	
61.	Principal activities	
611.	A description of, and key factors relating to, the nature of the issuer's operations and its principal activities, stating the main categories of products sold and/or services performed for each financial year for the period covered by the historical financial information; and	A.1; A.2; B.2.1; B.3.3
612.	An indication of any significant new products and/or services that have been introduced and, to the extent the development of new products or services has been publicly disclosed, give the status of development.	B.2.2; B.2.3; B.2.4; B.3.3
<b>6.2.</b>	<b>Principal markets</b>	
	A description of the principal markets in which the issuer competes, including a breakdown of total revenues by category of activity and geographic market for each financial year for the period covered by the historical financial information.	A.1; B.1.2; B.3.2;
63.	Where the information given pursuant to items 6.1 and 6.2. has been influenced by exceptional factors, mention that fact	B.3.2; B.3.3
64.	If material to the issuer's business or profitability, a summary information regarding the extent to which the issuer is dependent, on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes.	B.3.2.7; E.11.2
65.	The basis for any statements made by the issuer regarding its competitive position	B.1.2
<b>7.</b>	<b>ORGANIZATIONAL STRUCTURE</b>	
71.	If the issuer is part of a group, a brief description of the group and the issuer's position within the group.	D.5.3
72.	A list of the issuer's significant subsidiaries, including name, country of incorporation or residence, proportion of ownership interest and, if different, proportion of voting power held	D.4.7.4; Note 29

Chapter	Information	Sections
<b>8.</b>	<b>PROPERTY, PLANTS AND EQUIPMENT</b>	
8.1.	Information regarding any existing or planned material tangible fixed assets, including leased properties, and any major encumbrances thereon.	D4.7.4; Note 13
8.2.	A description of any environmental issues that may affect the issuer's utilization of the tangible fixed assets	C.4
<b>9.</b>	<b>OPERATING AND FINANCIAL REVIEW</b>	
<b>9.1.</b>	<b>Financial Condition</b>	
	To the extent not covered elsewhere in the registration document, provide a description of the issuer's financial condition, changes in financial condition and results of operations for each year and interim period, for which historical financial information is required, including the causes of material changes from year to year in the financial information to the extent necessary for an understanding of the issuer's business as a whole.	D1; D3
<b>9.2.</b>	<b>Operating Results</b>	
9.2.1.	Information regarding significant factors, including unusual or infrequent events or new developments, materially affecting the issuer's income from operations, indicating the extent to which income was so affected.	D1; D3
9.2.2.	Where the financial statements disclose material changes in net sales or revenues, provide a narrative discussion of the reasons for such changes.	D1; D3
9.2.3.	Information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations.	D1; D3
<b>10.</b>	<b>CAPITAL RESOURCES</b>	
10.1.	Information concerning the issuer's capital resources (both short and long term)	D3; E.7
10.2.	An explanation of the sources and amounts of and a narrative description of the issuer's cash flows	D3.2
10.3.	Information on the borrowing requirements and funding structure of the issuer;	D3.3
10.4.	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the issuer's operations.	N/A
10.5.	Information regarding the anticipated sources of funds needed to fulfill commitments referred to in items 5.2.3. and 8.1	D3.3
<b>11.</b>	<b>RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES</b>	
	Where material, provide a description of the issuer's research and development policies for each financial year for the period covered by the historical financial information, including the amount spent on issuer-sponsored research and development activities	B.2
<b>12.</b>	<b>TREND INFORMATION</b>	
12.1.	The most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the registration document	B.1; B.2; B.3.3; D1
12.2.	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.	B.1; B.2; B.3.3; D1



Chapter	Information	Sections
<b>13.</b>	<b>PROFIT FORECASTS OR ESTIMATES</b>	
	If an issuer chooses to include a profit forecast or a profit estimate the registration document must contain the information set out in items 13.1 and 13.2	N/A
13.1.	A statement setting out the principal assumptions upon which the issuer has based its forecast, or estimate. There must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies; the assumptions must be readily understandable by investors, be specific and precise and not relate to the general accuracy of the estimates underlying the forecast.	N/A
13.2.	A report prepared by independent accountants or auditors stating that in the opinion of the independent accountants or auditors the forecast or estimate has been properly compiled on the basis stated and that the basis of accounting used for the profit forecast or estimate is consistent with the accounting policies of the issuer.	N/A
13.3.	The profit forecast or estimate must be prepared on a basis comparable with the historical financial information.	N/A
13.4.	If a profit forecast in a prospectus has been published which is still outstanding, then provide a statement setting out whether or not that forecast is still correct as at the time of the registration document, and an explanation of why such forecast is no longer valid if that is the case.	N/A
<b>14.</b>	<b>ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES AND SENIOR MANAGEMENT</b>	
14.1.	Names, business addresses and functions in the issuer of the following persons and an indication of the principal activities performed by them outside that issuer where these are significant with respect to that issuer:	
	a) members of the administrative, management or supervisory bodies	A.6.2; D.2.2.4; E.3.1.1
	b) partners with unlimited liability, in the case of a limited partnership with a share capital	N/A
	c) founders, if the issuer has been established for fewer than five years; and	N/A
	d) any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business.	A.6.2
	The nature of any family relationship between any of those persons.	
	In the case of each member of the administrative, management or supervisory bodies of the issuer and of each person mentioned in points (b) and (d) of the first subparagraph, details of that person's relevant management expertise and experience and the following information:	D.2.2.4
	(a) the names of all companies and partnerships of which such person has been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies;	A.6.2
	(b) any convictions in relation to fraudulent offences for at least the previous five years;	N/A
	(c) details of any bankruptcies, receiverships or liquidations with which a person described in (a) and (d) of the first subparagraph who was acting in the capacity of any of the positions set out in (a) and (d) of the first subparagraph was associated for at least the previous five years;	N/A

Chapter	Information	Sections
	(d) details of any official public incrimination and/or sanctions of such person by statutory or regulatory authorities (including designated professional bodies) and whether such person has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.	N/A
	If there is no such information to be disclosed, a statement to that effect is to be made	E.2.2.4
<b>14.2.</b>	<b>Administrative, Management, and Supervisory bodies and Senior Management conflicts of interests</b>	
	Potential conflicts of interests between any duties to the issuer, of the persons referred to in item <b>14.1.</b> , and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect must be made.	E.2.2.4
	Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to in item <b>14.1</b> was selected as a member of the administrative, management or supervisory bodies or member of senior management.	N/A
	Details of any restrictions agreed by the persons referred to in item <b>14.1</b> on the disposal within a certain period of time of their holdings in the issuer's securities.	N/A
<b>15.</b>	<b>REMUNERATION AND BENEFITS</b>	
	In relation to the last full financial year for those persons referred to in points (a) and (d) of the first subparagraph of item <b>14.1.</b> :	
15.1.	The amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to such persons by the issuer and its subsidiaries for services in all capacities to the issuer and its subsidiaries by any person.	E.4
	That information must be provided on an individual basis unless individual disclosure is not required in the issuer's home country and is not otherwise publicly disclosed by the issuer.	E.4
15.2.	The total amounts set aside or accrued by the issuer or its subsidiaries to provide pension, retirement or similar benefits.	
<b>16.</b>	<b>BOARD PRACTICES</b>	
	In relation to the issuer's last completed financial year, and unless otherwise specified, with respect to those persons referred to in point (a) of the first subparagraph of 141 :	
16.1.	Date of expiration of the current term of office, if applicable, and the period during which the person has served in that office.	E.2.2.4
16.2.	Information about members of the administrative, management or supervisory bodies' service contracts with the issuer or any of its subsidiaries providing for benefits upon termination of employment, or an appropriate negative statement.	E.2.2.4
16.3.	Information about the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committee operates.	E.3.1
16.4.	A statement as to whether or not the issuer complies with its country's of incorporation corporate governance regime(s). In the event that the issuer does not comply with such a regime, a statement to that effect must be included together with an explanation regarding why the issuer does not comply with such regime.	E.3.1; E.4.5

Chapter	Information	Sections
<b>17.</b>	<b>EMPLOYEES</b>	
171.	Either the number of employees at the end of the period or the average for each financial year for the period covered by the historical financial information up to the date of the registration document (and changes in such numbers, if material) and, if possible and material, a breakdown of persons employed by main category of activity and geographic location. If the issuer employs a significant number of temporary employees, include disclosure of the number of temporary employees on average during the most recent financial year.	D1.8
172.	Shareholdings and stock options	B.4.6
	With respect to each person referred to in points (a) and (d) of the first subparagraph of item <b>14.1</b> , provide information as to their share ownership and any options over such shares in the issuer as of the most recent practicable date.	E.4; E.7.1; E.7.2
173.	Description of any arrangements for involving the employees in the capital of the issuer	B.4.6
<b>18.</b>	<b>MAJOR SHAREHOLDERS</b>	
18.1.	In so far as is known to the issuer, the name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest or, if there are no such persons, an appropriate negative statement.	E.7.1; E.7.2
18.2.	Whether the issuer's major shareholders have different voting rights, or an appropriate negative statement.	E.7.7.4
18.3.	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control and describe the measures in place to ensure that such control is not abused.	E.7.1; E.7.2
18.4.	A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer	E.7
<b>19.</b>	<b>RELATED PARTY TRANSACTIONS</b>	
	Details of related party transactions (which for these purposes are those set out in the Standards adopted according to the Regulation (EC) No 1606/2002), that the issuer has entered into during the period covered by the historical financial information and up to the date of the registration document, must be disclosed in accordance with the respective standard adopted according to Regulation (EC) No 1606/2002 if applicable.	D.5.5; Note 27
	If such standards do not apply to the issuer the following information must be disclosed	
	a) The nature and extent of any transactions which are - as a single transaction or in their entirety - material to the issuer. Where such related party transactions are not concluded at arm's length provide an explanation of why these transactions were not concluded at arms length. In the case of outstanding loans including guarantees of any kind indicate the amount outstanding.	N/A
	b) The amount or the percentage to which related party transactions form part of the turnover of the issuer	N/A

Chapter	Information	Sections
<b>20.</b>	<b>INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION</b>	
<b>20.1.</b>	<b>Historical Financial Information</b>	
	Audited historical financial information covering the latest three financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year. Such financial information must be prepared according to Regulation (EC) No 1606/2002, or if not applicable to a Member State national accounting standards for issuers from the Community. For third country issuers, such financial information must be prepared according to the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 or to a third country's national accounting standards equivalent to these standards. If such financial information is not equivalent to these standards, it must be presented in the form of restated financial statements.	A.5; D.3; F.2.2
	The last two years audited historical financial information must be presented and prepared in a form consistent with that which will be adopted in the issuer's next published annual financial statements having regard to accounting standards and policies and legislation applicable to such annual financial statements.	D.4
	If the issuer has been operating in its current sphere of economic activity for less than one year, the audited historical financial information covering that period must be prepared in accordance with the standards applicable to annual financial statements under the Regulation (EC) No 1606/2002, or if not applicable to a Member State national accounting standards where the issuer is an issuer from the Community. For third country issuers, the historical financial information must be prepared according to the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 or to a third country's national accounting standards equivalent to these standards. This historical financial information must be audited.	N/A
	If the audited financial information is prepared according to national accounting standards, the financial information required under this heading must include at least:	
	(a) balance sheet;	D.4.4
	(b) income statement	D.4.2
	(c) a statement showing either all changes in equity or changes in equity other than those arising from capital transactions with owners and distributions to owners;	D.4.6
	(d) cash flow statement;	D.4.5
	(e) accounting policies and explanatory notes	D.4.7
	The historical annual financial information must be independently audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view, in accordance with auditing standards applicable in a Member State or an equivalent standard.	D.3.1
<b>20.2.</b>	<b>Pro forma financial information</b>	
	In the case of a significant gross change, a description of how the transaction might have affected the assets and liabilities and earnings of the issuer, had the transaction been undertaken at the commencement of the period being reported on or at the date reported.	D.1.2
	This requirement will normally be satisfied by the inclusion of pro forma financial information	D.1.2
	This pro forma financial information is to be presented as set out in Annex II and must include the information indicated therein.	D.1.2
	Pro forma financial information must be accompanied by a report prepared by independent accountants or auditors.	D.1.2

Chapter	Information	Sections
<b>20.3.</b>	<b>Financial statements</b>	
	If the issuer prepares both own and consolidated annual financial statements, include at least the consolidated annual financial statements in the registration document.	D4
<b>20.4.</b>	<b>Auditing of historical annual financial information</b>	D4.1
	A statement that the historical financial information has been audited.	
20.4.1.	If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.	D3.1
20.4.2.	Indication of other information in the registration document which has been audited by the auditors.	N/A
20.4.3.	Where financial data in the registration document is not extracted from the issuer's audited financial statements state the source of the data and state that the data is unaudited.	N/A
<b>20.5.</b>	<b>Age of latest financial information</b>	
20.5.1.	The last year of audited financial information may not be older than one of the following:	
	(a) 18 months from the date of the registration document if the issuer includes audited interim financial statements in the registration document;	D4
	(b) 15 months from the date of the registration document if the issuer includes unaudited interim financial statements in the registration document	D4
<b>20.6.</b>	<b>Interim and other financial information</b>	
20.6.1.	If the issuer has published quarterly or half yearly financial information since the date of its last audited financial statements, these must be included in the registration document. If the quarterly or half yearly financial information has been reviewed or audited, the audit or review report must also be included. If the quarterly or half yearly financial information is unaudited or has not been reviewed state that fact.	N/A
20.6.2.	If the registration document is dated more than nine months after the end of the last audited financial year, it must contain interim financial information, which may be unaudited (in which case that fact must be stated) covering at least the first six months of the financial year.	N/A
	The interim financial information must include comparative statements for the same period in the prior financial year, except that the requirement for comparative balance sheet information may be satisfied by presenting the years end balance sheet.	
<b>20.7.</b>	<b>Dividend policy</b>	
	A description of the issuer's policy on dividend distributions and any restrictions thereon	E.2.2.3; E.7.3
20.7.1.	The amount of the dividend per share for each financial year for the period covered by the historical financial information adjusted, where the number of shares in the issuer has changed, to make it comparable.	E.7.3
<b>20.8.</b>	<b>Legal and arbitration proceedings</b>	
	Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.	E.1.4

Chapter	Information	Sections
<b>20.9.</b>	<b>Significant change in the issuer's financial or trading position</b>	
	A description of any significant change in the financial or trading position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published, or provide an appropriate negative statement.	D.4.7
<b>21.</b>	<b>ADDITIONAL INFORMATION</b>	
<b>21.1.</b>	<b>Share Capital</b>	
	The following information as of the date of the most recent balance sheet included in the historical financial information:	
21.1.1.	The amount of issued capital, and for each class of share capital:	
	(a) the number of shares authorised;	E.7
	(b) the number of shares issued and fully paid and issued but not fully paid;	E.7
	(c) the par value per share, or that the shares have no par value; and	E.7
	(d) a reconciliation of the number of shares outstanding at the beginning and end of the year. If more than 10% of capital has been paid for with assets other than cash within the period covered by the historical financial information, state that fact.	E.7
21.1.2.	If there are shares not representing capital, state the number and main characteristics of such shares.	N/A
21.1.3.	The number, book value and face value of shares in the issuer held by or on behalf of the issuer itself or by subsidiaries of the issuer.	E.7
21.1.4.	The amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription.	E.7
21.1.5.	Information about and terms of any acquisition rights and or obligations over authorised but unissued capital or an undertaking to increase the capital.	N/A
21.1.6.	Information about any capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option and details of such options including those persons to whom such options relate.	E.7
21.1.7.	A history of share capital, highlighting information about any changes, for the period covered by the historical financial information.	E.7
<b>21.2.</b>	<b>Memorandum and Articles of Association</b>	
21.2.1.	A description of the issuer's objects and purposes and where they can be found in the memorandum and articles of association.	E.2.2
21.2.2.	A summary of any provisions of the issuer's articles of association, statutes, charter or bylaws with respect to the members of the administrative, management and supervisory bodies.	E.2
21.2.3.	A description of the rights, preferences and restrictions attaching to each class of the existing shares.	E.7
21.2.4.	A description of what action is necessary to change the rights of holders of the shares, indicating where the conditions are more significant than is required by law.	E.2
21.2.5.	A description of the conditions governing the manner in which annual general meetings and extraordinary general meetings of shareholders are called including the conditions of admission.	E.2

Chapter	Information	Sections
21.2.6.	A brief description of any provision of the issuer's articles of association, statutes, charter or bylaws that would have an effect of delaying, deferring or preventing a change in control of the issuer.	E.2
21.2.7.	An indication of the articles of association, statutes, charter or bylaw provisions, if any, governing the ownership threshold above which shareholder ownership must be disclosed	E.2
21.2.8.	A description of the conditions imposed by the memorandum and articles of association statutes, charter or bylaw governing changes in the capital, where such conditions are more stringent than is required by law.	N/A
<b>22.</b>	<b>MATERIAL CONTRACTS</b>	
	A summary of each material contract, other than contracts entered into in the ordinary course of business, to which the issuer or any member of the group is a party, for the two years immediately preceding publication of the registration document.	B.3.2.7
	A summary of any other contract (not being a contract entered into in the ordinary course of business) entered into by any member of the group which contains any provision under which any member of the group has any obligation or entitlement which is material to the group as at the date of the registration document.	N/A
<b>23.</b>	<b>THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST</b>	
231.	Where a statement or report attributed to a person as an expert is included in the Registration Document, provide such person's name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to the effect that such statement or report is included, in the form and context in which it is included, with the consent of the person who has authorised the contents of that part of the Registration Document.	N/A
232.	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.	N/A
<b>24.</b>	<b>DOCUMENTS ON DISPLAY</b>	
	A statement that for the life of the registration document the following documents (or copies thereof), where applicable, may be inspected:	
	(a) the memorandum and articles of association of the issuer	E.2.2.1; E.2.2.2
	(b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the registration document;	E.7
	(c) the historical financial information of the issuer or, in the case of a group, the historical financial information for the issuer and its subsidiary undertakings for each of the two financial years preceding the publication of the registration document.	E.7
	An indication of where the documents on display may be inspected, by physical or electronic means.	E.7
<b>25.</b>	<b>INFORMATION ON HOLDINGS</b>	
	Information relating to the undertakings in which the issuer holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses.	D.4.7.2

## F.2.2 Cross reference table for the Financial Report

The present reference document includes all the items of the financial report, in accordance with article L.451-1-2 of Monetary and Financial Code ("Code Monétaire et

Financier"), as required by article 222-3 of AMF's general regulations. The cross-reference table below refers to the main articles of the financial report:

Information	Sections
Company financial statements	D5
Consolidated financial statements	D4
Annual Report	A.4.3; B.2; B.4; C; D.2; D.3; D.4; D.5; E.1; E.2; E.3; E.4; E.5; E.7
Certificate of the Annual Financial Report responsible	A.4.2
Statutory auditors' report on the Company financial statements	D.51
Statutory auditors' report on the consolidated financial statements	D.41
Statutory auditors fees	D.47.4 - note 30
Report of the Chairman of the Board of Directors on Corporate Governance and Internal Control	E.2.2.3; E.3; E.4; E.7.7.5
Statutory auditors' report, on the report prepared by the Chairman of the Board of Directors, in accordance with article L.225-235 of French Commercial Code (Code de Commerce)	E.3.3

In accordance with the requirements of Article 28 of EC regulation n° 809-2004 dated April 29th 2004 relating to documents issued by issuers listed on markets of states members of the European Union ("Prospectus Directive"), the following elements are enclosed by reference:

- ▶ the consolidated accounts for the year ended December 31<sup>st</sup>, 2011 under IFRS, the related statutory auditors' reports and the Group management report presented within the registration document ("document de référence") n° D12-0288 filed with the Autorité des Marchés Financiers (AMF) on April 5<sup>th</sup>, 2012;

- ▶ the consolidated accounts for the year ended December 31<sup>st</sup>, 2010 under IFRS, the related statutory auditors' reports and the Group management report presented within the registration document ("document de référence") n° D11-0210 filed with the Autorité des Marchés Financiers (AMF) on April 1<sup>st</sup>, 2011.





## LOCATIONS AND CONTACTS

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Atos is present in main cities to support our customers. The addresses, phone and fax numbers of our main offices can be found on the Locations page on our website atos.net. Details of current job opportunities can be found in our

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#### Legal & compliance

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## 2012 Registration Document

This document is a full free translation of the original French text. In case of discrepancies, the French version shall prevail. The original document has been filed with the Autorité des Marchés Financiers (AMF) on April 3<sup>rd</sup>, 2013, in accordance with article 212-13 of the AMF's general regulations. This document can be used for a specific financial operation, if completed by a prospectus approved by the AMF. This document has been issued by the Company and commits its signatories.

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