
Atos to acquire Bull to create a European global leader in Cloud, IT Security solutions, and Big Data

May 26th, 2014

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Creating a European leader in Cloud, IT Security solutions, and Big Data

A

▶ **Transaction overview**

B

▶ **Bull: a unique opportunity to access strategic technology and create the European IT leader in Cloud and critical technologies**

C

▶ **Strong value creation potential and attractive financial profile**

Planned acquisition of Bull by Atos

- 1 Atos and Bull announce that they have reached an agreement to combine their operations**
- 2 Atos intends to launch a cash public offer of €4.90 per Bull share**
- 3 The offer price implies a 30% premium over the 3-month VWAP (22% premium vs. closing price as of 23 May 2014)**
- 4 Offer unanimously supported by both Atos's and Bull's Board of Directors**
- 5 Undertaking by Crescendo Industries and Pothar Investments to tender their shares (representing 24.2% of share capital)**
- 6  dedicated to Big Data & Cybersecurity solutions**

A compelling strategic fit

1	COMPLEMENTARY TECHNOLOGIES AND SKILLS IN CRITICAL SEGMENTS	<ul style="list-style-type: none">▶ Strong acceleration in :<ul style="list-style-type: none">• Cloud• Big Data• Cybersecurity Solutions
2	STRENGTHENED POSITIONS	<ul style="list-style-type: none">▶ Reinforced positions in selected clients /segments / geographies, such as Manufacturing, Healthcare, and Public sectors, and in France▶ Allow cross-selling of Atos offerings
3	SUBSTANTIAL SYNERGIES (€80 million)	<ul style="list-style-type: none">▶ Performance improvement and efficiencies due to the implementation of substantial synergies (e.g., SG&A)▶ Scale effects in certain geographies (e.g., reduced purchasing and real estate costs)

An attractive transaction financial profile

1

- ▶ **Significant cost synergies potential backed by a detailed plan and estimated at €80m per year on a run-rate basis. Full synergies reached after only 2 years**

2

- ▶ **EPS accretive transaction from Year 1 of the integration with above 10% accretion per annum within 24 months of integration**

3

- ▶ **Atos's strong integration track record based on proven methodologies (TOP, TOP², TOP^{tier1}, Wellbeing@Work,...)**

4

- ▶ **A preserved solid financial structure with flexibility for Atos to further implement its strategy**

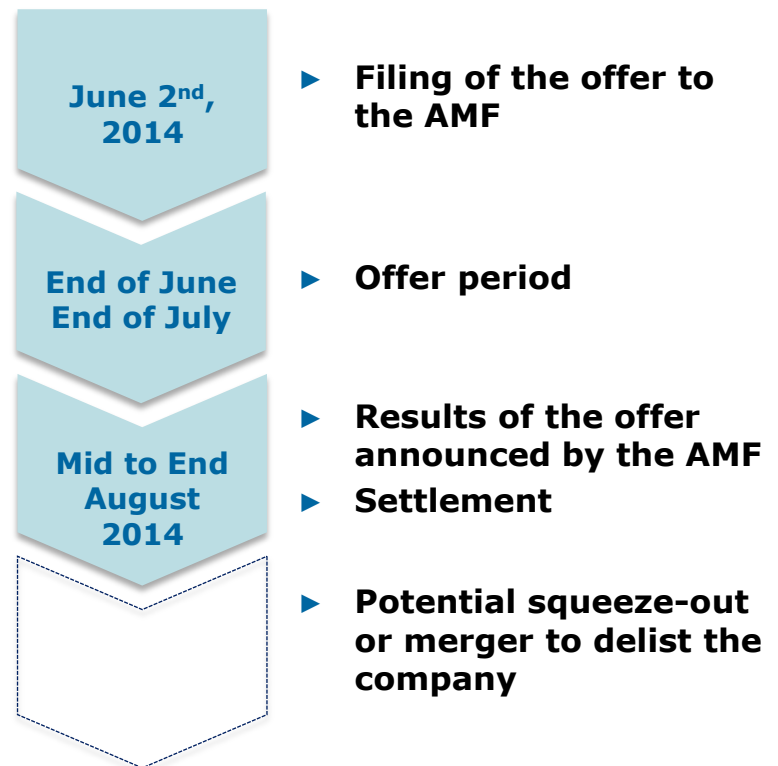
A transaction fully in line with 4 key Ambition 2016 Atos objectives

1	▶ Enhance European #1 position in Cloud services in Europe	
2	▶ Anchor Atos global leadership in Managed Services	
3	▶ Bring to market disruptive and innovative offerings and pursue strategic partnerships with technology leaders	
4	▶ Acquisitions with financial discipline in specific geographies and segments	

Indicative timeline of the transaction

- ▶ **Atos offer with acceptance threshold of 50% + 1 share of Bull's share capital**
 - 24.2% already secured with undertakings of Crescendo Industries and Pothar Investments
- ▶ **Intention to ultimately delist Bull**
 - Squeeze-out procedure if 95% shareholding ultimately reached or implementation of a merger
- ▶ **No condition precedent relating to antitrust clearance**

Key dates



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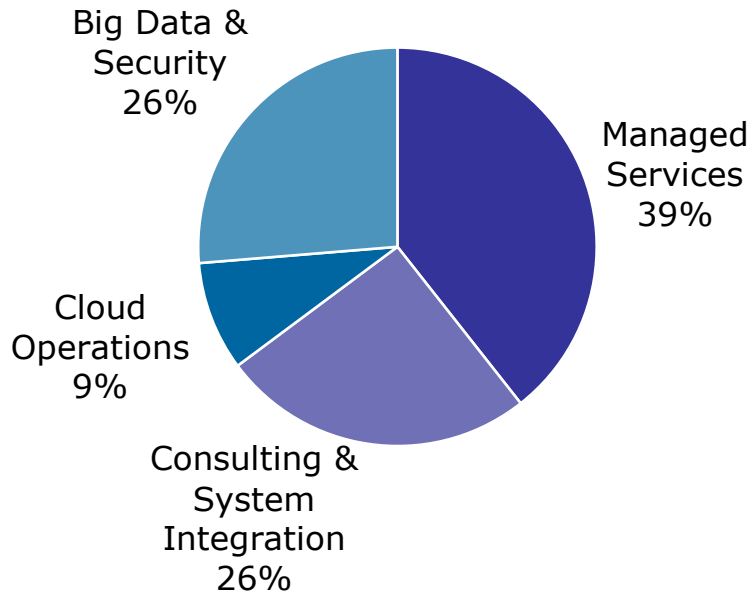
- ▶ **Bull: a unique opportunity to access strategic technologies and create the European global IT leader in Cloud and critical technologies (Big Data and Cybersecurity)**

C

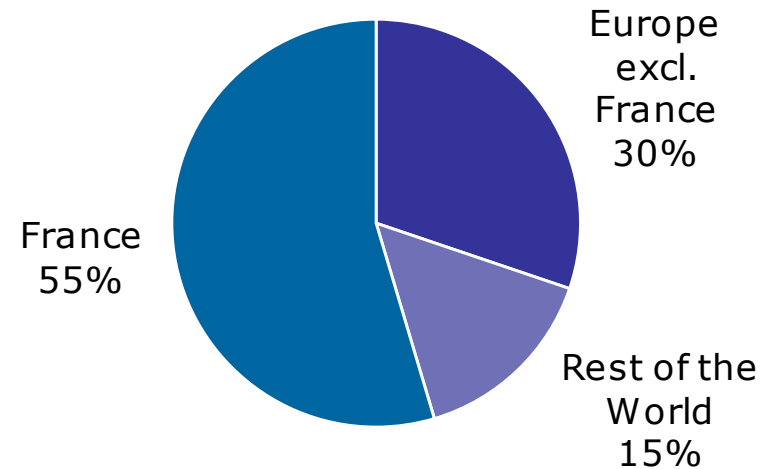
- ▶ **Strong value creation potential and attractive financial profile**

A compelling acquisition opportunity...

2013 revenue breakdown

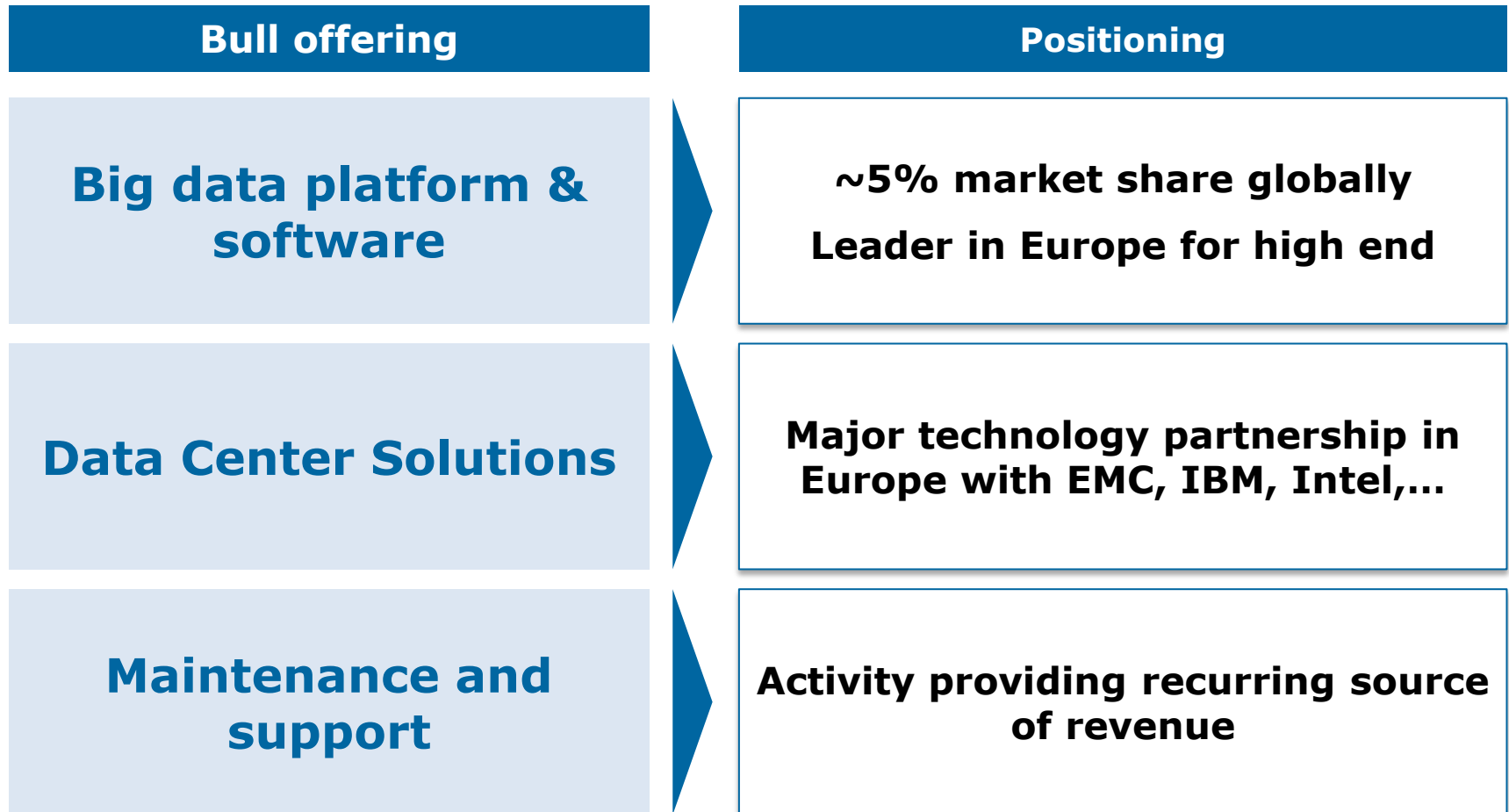


€1,262 million revenue



An activity organized around 2 complementary divisions

Business portfolio - Data Infrastructure

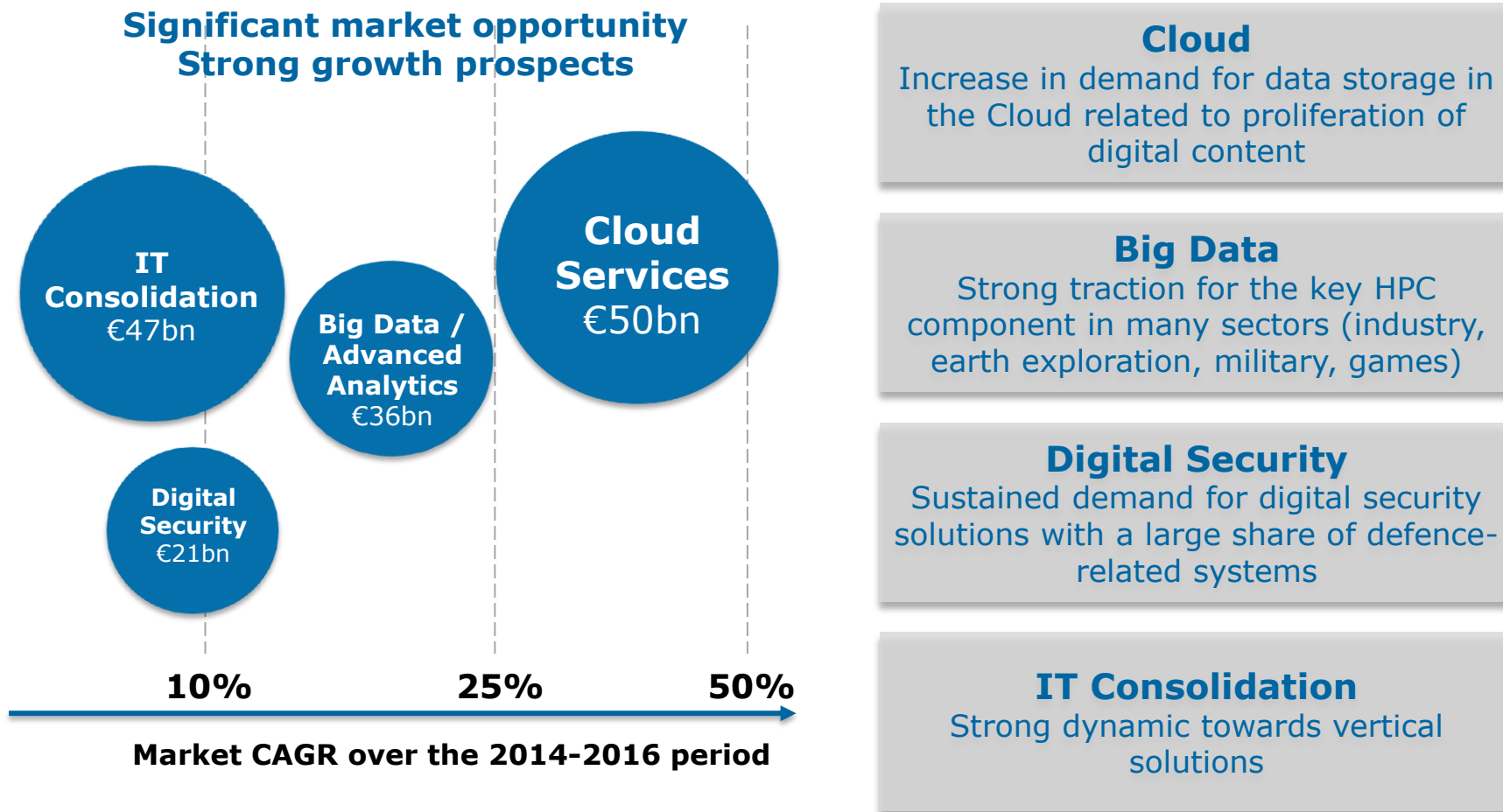


An activity organized around 2 complementary divisions

Business portfolio - Data Management

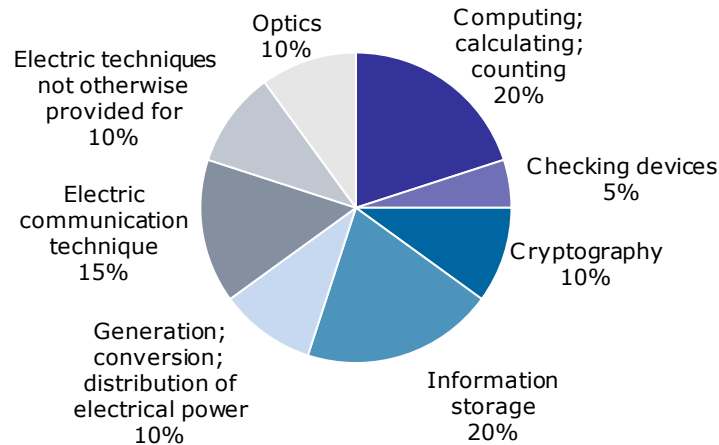
	Bull offering	Positioning
Integration	<ul style="list-style-type: none">▶ System Integration projects▶ Application management▶ Technology Services▶ Software Solutions	Among main players in Europe
Security	<ul style="list-style-type: none">▶ Security standard products▶ Security custom products▶ Security services (Security Operation Centers, Intelligence, Threat protection)	Strong player across the value chain with 1,000 high-skilled engineers
Cloud Operations	<ul style="list-style-type: none">▶ IaaS▶ Fast Connect (agile dev.)▶ PaaS▶ Numergy partnership	Competitive positioning based on integrated offers (70% in France)

... Operating on highly attractive market segments



Strong intellectual property and engineering capabilities

Bull patent portfolio: 1,900 patents



- ▶ **High relevance to different areas of Atos business**
- ▶ **High defensive power in these areas of business**
- ▶ **C. 600 patents in the US**
- ▶ **High licensing / divestment potential on specific assets**

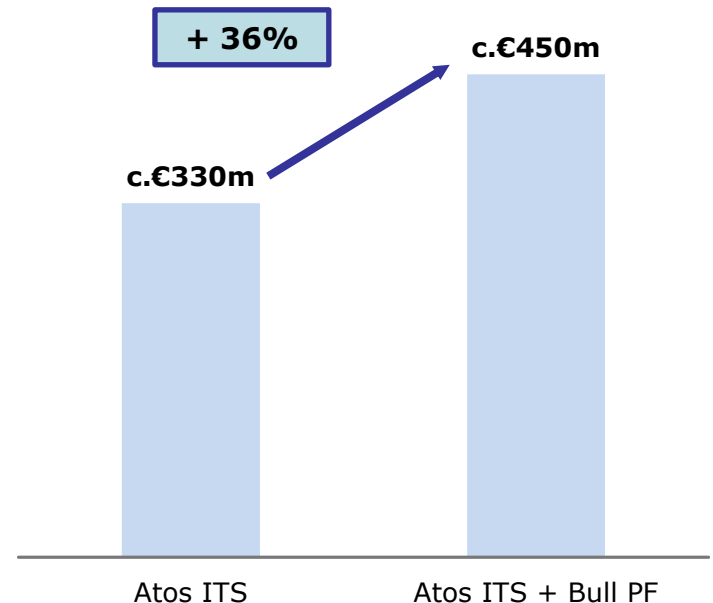
- ▶ **50 % product-centric patents**
- ▶ **40 % system and method**
- ▶ **10% software-centric**

Creation of the #1 European in Cloud operations with significant increase in reach

Complementary offering, capabilities and technologies

- ▶ **Roll-out opportunity outside of Europe of new offering brought by Bull:**
 - **PaaS, SaaS, encryption, identification and access management**
- ▶ **New technical capabilities (e.g. Security Operation Centers, Cloud engineering)**
- ▶ **Accelerated time-to-market on new technologies**
- ▶ **Cross-selling opportunities for Atos's technologies**

Pro forma impact on revenue

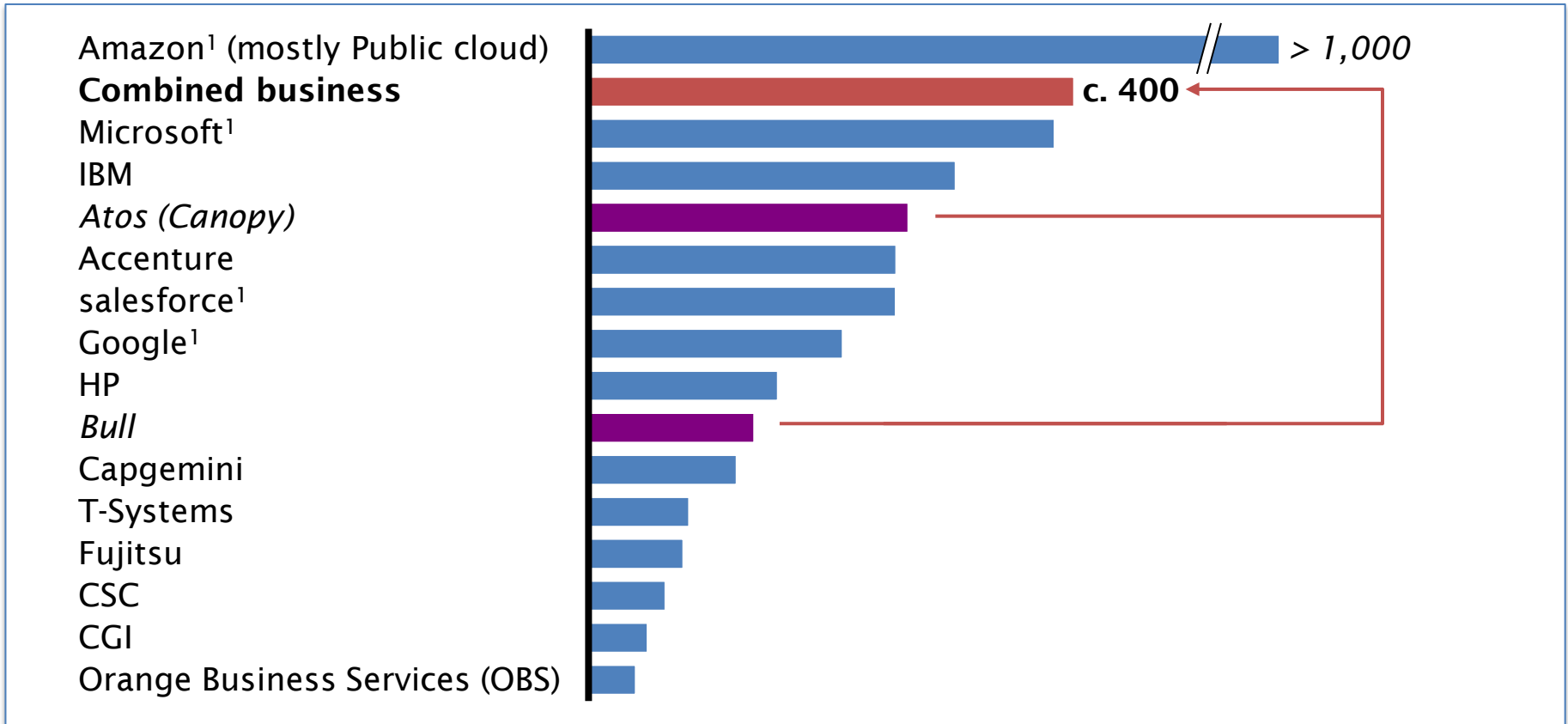


Increased positioning in Cloud Services including Canopy

- ▶ **Larger customer reference base increasing awareness**

Creation of the #1 European in Cloud operations with significant increase in reach

Revenues for top Cloud players Western Europe, €m

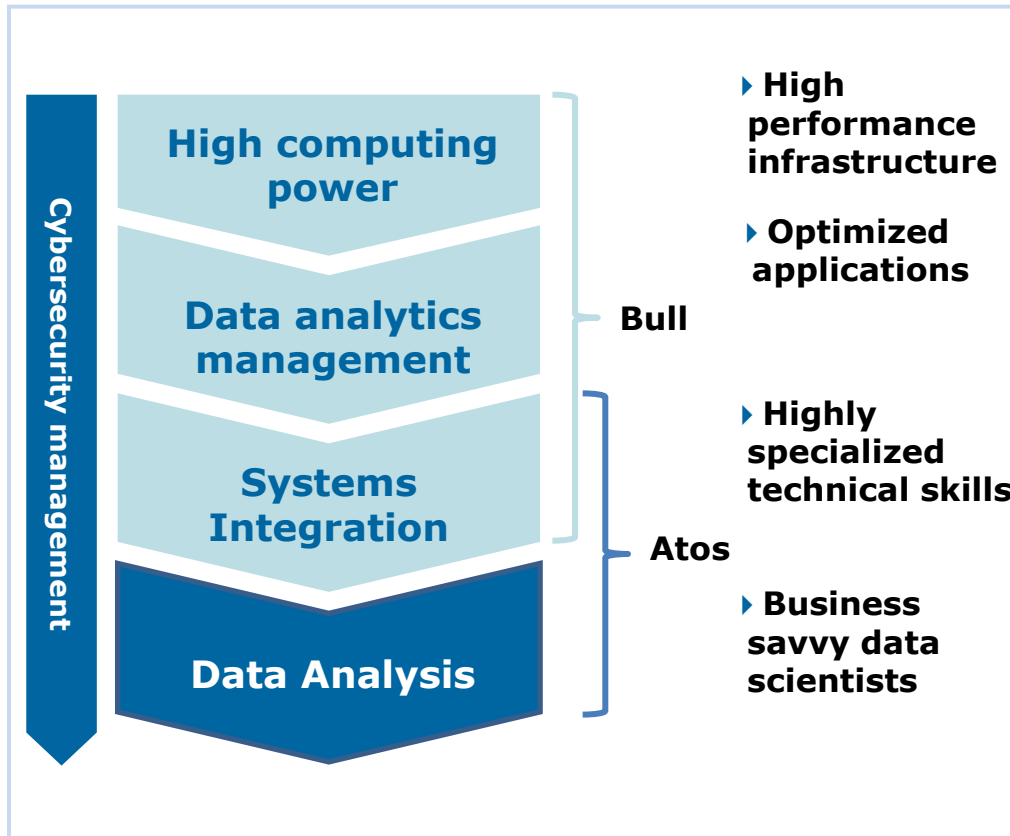


¹ Assuming Europe represents the same share of global cloud business for these players as for IBM – Not mentioned in TDC's "Top 10 European Cloud Professional Services Vendor"

Sources: TBR, IDC, Synergy Research Group

Acceleration of Big Data offerings

Client needs



Opportunity

- ▶ Digitization of businesses across all sectors
- ▶ Client need a solution "End To End", from Hardware and Infrastructure to Software and Analytics
- ▶ The level of sophistication increases : clients increasingly look for a one-stop-shop across the whole value chain
- ▶ Bull distinctive HPC offering in particular in Hardware and Software well complements Atos capabilities in Systems Integration and Analytics

Evolution of Big Data activities with integration of high computing power, data analytics management, and Cybersecurity management

Vertical integration on Big Data

- ▶ Strengthening in HPC with Bull established position and competitive technology
- ▶ Expansion of Atos's service offering and scaling-up of the HPC business
 - Combination of Atos vertical market knowledge and large customer base with Bull expertise

Pro forma impact on 2013 revenue

€200m

Combined revenue

Cybersecurity management

High computing power

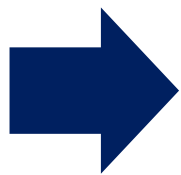
Data analytics management

Systems Integration

Data Analysis

Bull

Atos



- ▶ Positioning of the Big Data activity to capture a growing opportunity
- ▶ Inclusion of high computing power and data analytics management components in Atos offerings
- ▶ competitive technology acquired in both high-end and lower-end HPC markets

An increased offer relevance in Cybersecurity

Client needs



- ▶ **An increased importance of data within the company IT boundaries**



- ▶ **An increased portion of data in the cloud**



- ▶ **An exponentially growing portion of data on mobile devices**

Opportunity

- ▶ **Digitization of businesses comes with an increased value of data**
- ▶ **Protecting data within the company becomes more critical as data are outside the company, in the cloud, and/or on mobile devices**
- ▶ **Bull recognized solutions and skills in cybersecurity, built in the demanding Defense sector**

→ Additional Atos capabilities to accompany its clients in protecting their data assets

Creation of a leading Cybersecurity services and technologies provider with more than 2,000 Cybersecurity specialists

- ▶ Integration of a €130m Cybersecurity business
- ▶ Creation of a leading service provider
 - Stronger track record in selected segments (leverage on competencies and best practices)
 - Stronger Security assets to fertilize other practices

Pro forma impact on 2013 revenue

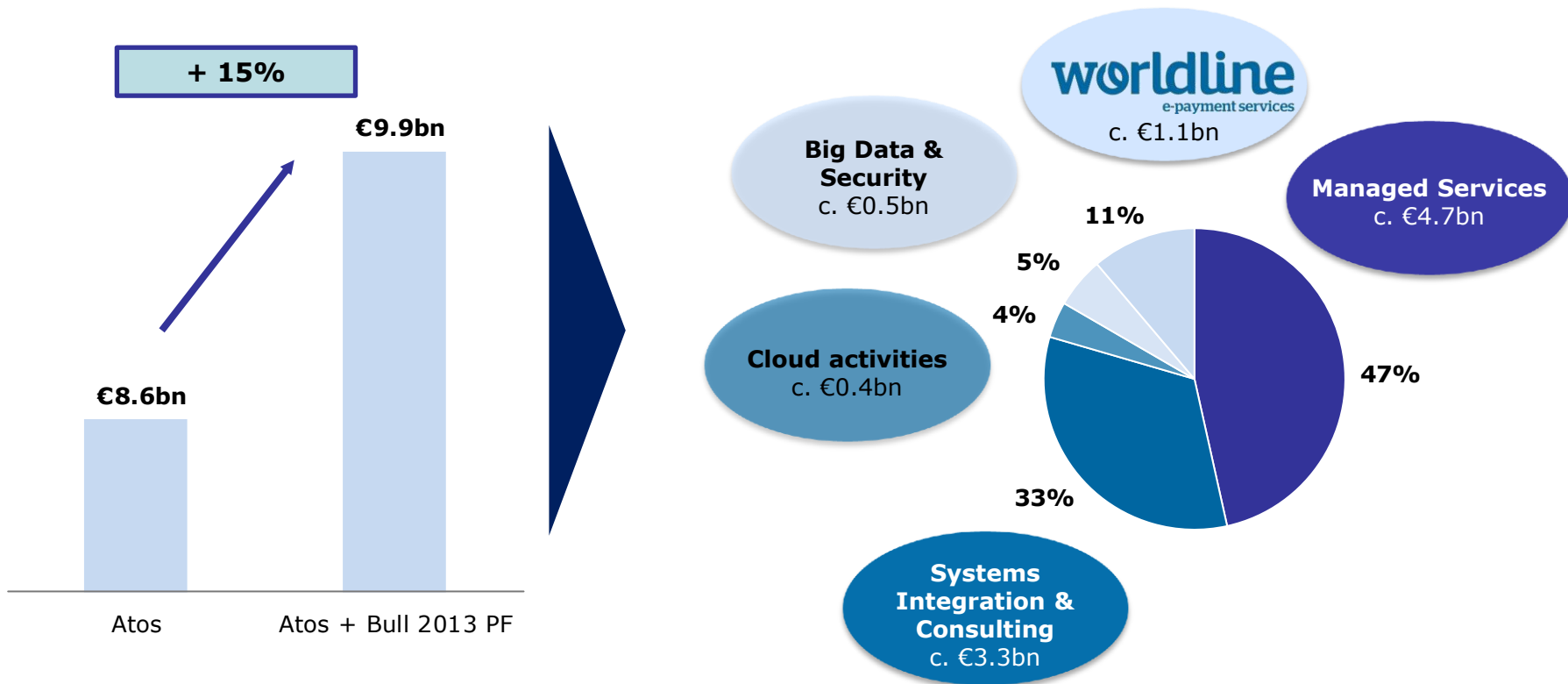


- ▶ Significant increase in scale and broadening of the offer to better position the business unit

A step further towards becoming a Tier 1 and THE preferred European global IT brand

Pro forma combined revenues

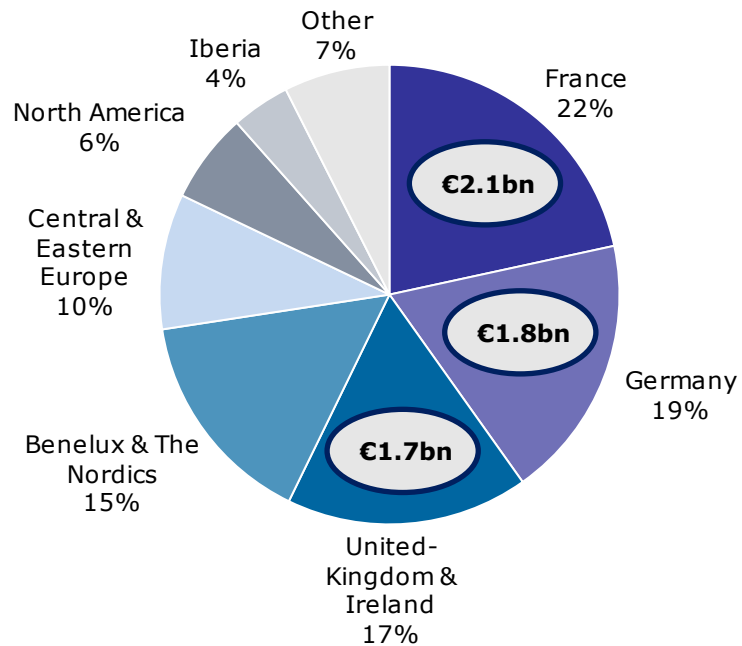
2013 pro forma revenue



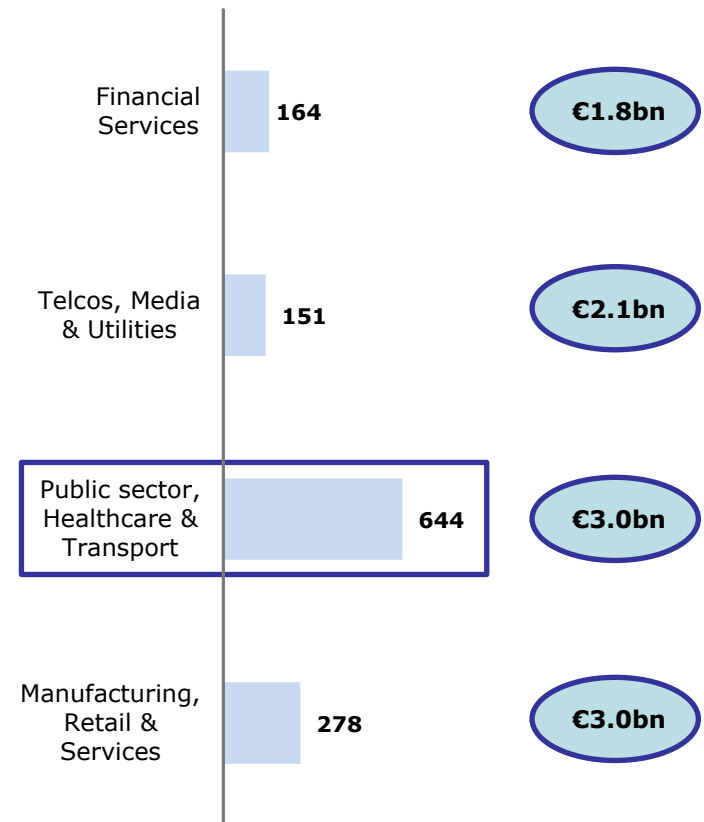
A step further towards becoming a Tier 1 company and THE preferred European global IT brand

Focus on reinforced verticals and geographies

Combined geographical breakdown of (2013 PF)



Revenue contribution by vertical (€m)



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New group profile

In € million – 2013 pro forma revenue

	Bull	Atos		Combined
Cloud services	112	280	▶	392
Big Data & Cybersecurity	330	160	▶	490
Managed Services	500	4,190	▶	4,690
Consulting & Systems Integration	320	2,870	▶	3,190
Worldline	-	1,115	▶	1,115
Total	1,262	8,615	▶	9,877

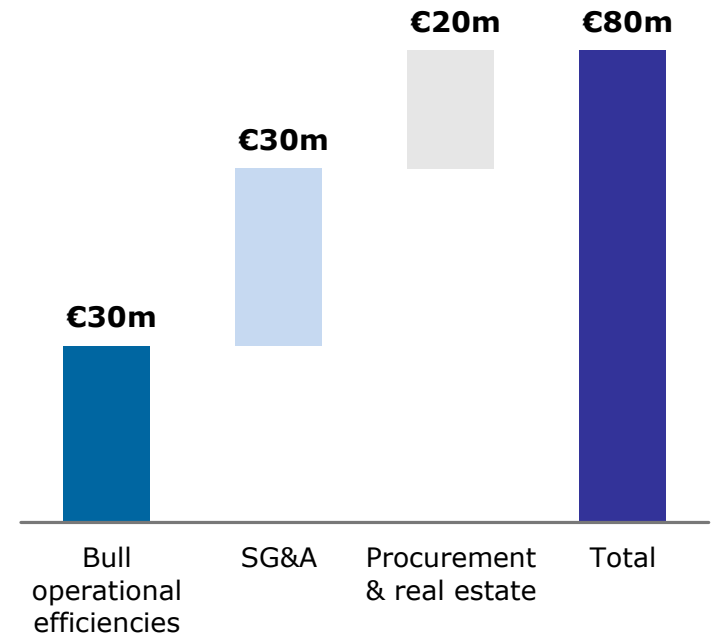
Summary of main revenue synergy sources

Cloud	<ul style="list-style-type: none">▶ Complete Atos offering to enable growth throughout Europe (e.g., PaaS Agarik web development and hosting)▶ Increase win-rate through increased size and relevance, particularly in France
Big Data	<ul style="list-style-type: none">▶ Increase scale of HPC business, combining Atos vertical market knowledge, large customer base and system integration capabilities
Cybersecurity	<ul style="list-style-type: none">▶ Cross-sell of Bull expertise in Cybersecurity on Atos base, leveraging geographical footprint▶ Increase win-rate on large deals where security is a deal-maker
Managed Services	<ul style="list-style-type: none">▶ Cross-sell maintenance services, leveraging deep expertise in 3rd party support▶ Upsell HPC product & solutions leveraging Atos presence in Manufacturing (R&D)▶ Limit erosion of Escala business by shifting Atos procurement From IBM to Bull
Systems Integration	<ul style="list-style-type: none">▶ Cross-sell of Atos offers in Defense, Public Sector and Banking▶ Upsell Bull's offers leveraging Atos presence in new geographies
	Additional potential of at least 1% revenue organic growth enhancement (not factored in EPS accretion)

€80m cost synergies within 24 months

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

Breakdown of annual synergies



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

An attractive transaction profile providing high return to Atos' shareholders

AN EPS¹ ACCRETIVE TRANSACTION

- ▶ **EPS accretive transaction from Year 1 of the integration**
- ▶ **Above 10% accretion per annum within 24 months of integration**

FREE CASH FLOW CONTRIBUTION

- ▶ **A transaction securing the high-end of the 2016 Ambition for the free cash flow plan**

A PRESERVED SOUND FINANCIAL STRUCTURE

- ▶ **Balance sheet optimisation with use of cash to fund the acquisition**
- ▶ **A preserved sound financial structure with flexibility for Atos to further implement its strategy**

(1) Undiluted earnings per share including synergies — assuming 80% of excess purchase price allocated in write-up and amortized over useful life of assets

Key take-aways

- ▶ **Major step** for Atos to anchor its European leadership in Cloud, Big Data, and cybersecurity and **Acceleration** of Atos' 2016 Ambition
- ▶ Atos becoming **European #1 in Cloud Services** in Europe
- ▶ **Enhancement of Atos offerings and footprint** mainly in France but also in geographies such as Iberia, Poland, Africa, and Brazil
- ▶ **Attractive transaction** for Bull shareholders with a **30% premium**
- ▶ **Above 10% Atos' EPS accretion** per annum within 24 months of integration
- ▶ **Unanimous support** of both Atos and Bull Board of Directors and **commitment** of Crescendo Industries and Pothar Investments to tender their 24.2% stake

From Questions to Answers

Thank you

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