



---

# **2014 Financial Report**

2014 figures qualified as estimates under R. AMF 2004-04

---

## CONTENTS

Contents.....	2
A Operational Review.....	3
A.1 Executive Summary .....	3
A.2 Statutory to constant scope and exchange rates reconciliation.....	6
A.3 Revenue Profile.....	7
A.4 Performance by Service Line.....	8
A.5 Performance by Business Units .....	11
A.6 Revenue by Market .....	17
A.7 Portfolio .....	18
A.8 Human Resources .....	19
B Objectives .....	21
C Financial review.....	22
C.1 Income statement.....	22
C.2 Cash Flow .....	25
C.3 Financing policy .....	27
D Consolidated financial statements.....	29
D.1 Statutory Auditors' report on the consolidated financial statements for the year ended December 31, 2014 .....	29
D.2 Consolidated Income Statement.....	30
D.3 Consolidated statement of comprehensive income.....	31
D.4 Consolidated statement of financial position .....	32
D.5 Consolidated cash flow statement .....	33
D.6 Consolidated statement of changes in shareholders' equity.....	34
D.7 Appendices to the consolidated financial statements.....	35
E Locations and contacts .....	96
E.1 Headquarters.....	96
E.2 Corporate Functions .....	96
E.3 Global organization .....	96
E.4 Implantations .....	97
Full index.....	98

## A OPERATIONAL REVIEW

### A.1 Executive Summary

In 2014, the Group implemented operational changes that are reflected in the 2014 figures:

- The Transport Sub-market that used to be part of the PHT (Public, Health & Transport) Global Market was transferred to MRS (Manufacturing, Retail & Services) – renamed to “MRT” (Manufacturing, Retail & Transport) - except for a few Transportation accounts (c. 25%) that were transferred to PHT - renamed to “PH” (Public & Health).
- The Consulting & Technology Services Global Service Line was merged within Systems Integration in the relevant Business Units where it became a practice to create the new C&SI (Consulting & Systems Integration) Global Service Line.

In addition to these two operational transfers and as a consequence of the Bull acquisition, the “Big Data & Cyber-security” Service Line was created as of September 1, 2014, based on related activities acquired from Bull and the ones from Systems Integration and also from Managed Services.

Representing 51% of the Group in 2014, **Managed Services** revenue was € 4,577 million, +4.6% year-on-year and down -2.0% at constant scope and exchange rates. Growth materialized in the United Kingdom, mostly benefiting from the ramp-up of major BPO contracts in the Public sector. Revenue also grew in Other BUs thanks to an increase of activity on existing contracts with global customers in Asia Pacific, through additional volumes in Public & Health in the Middle-East, and in Financial Services in India. Globally, revenue significantly increased in Cloud although not fully compensating for the ramp-down of some contracts and price pressure in continental Europe.

During the fourth quarter, Managed Services revenue was down -1.4% organically, which was an improvement compared to the first nine months of the year thanks to the BPO activity in the UK and a better revenue evolution in France thanks to contracts signed in June.

Operating margin was € 364.4 million, representing 8.0% of revenue. Operating margin increased in the United Kingdom thanks to revenue growth and in North America with project margin improvement on large contracts and strong actions on direct and indirect costs. These positive effects were impacted by anticipated price decline and the phase-out of some contracts in continental Europe. As a result, operating margin was -60 basis points compared to 2013.

Revenue in **Consulting & Systems Integration** was € 3,136 million in 2014, up +8.5% year-on-year and down -1.1% at constant scope and exchange rates. Revenue grew strongly in Public & Health, particularly in the UK in Application Management, in France thanks to several new projects, in Central & Eastern Europe both in Consulting and Systems Integration, and in Spain thanks to some hardware sales. This positive evolution was impacted by reduced programs or base effects in some large accounts in Telcos, Media & Utilities.

During the fourth quarter, revenue in Consulting & Systems Integration was almost stable, an improvement on the first nine months of the year when it was -1.5% thanks to a strong activity in the Public sector in France and in Central & Eastern Europe, which offset the lack of new projects in Germany.

Operating margin was € 233.3 million, representing 7.4% of revenue. The improvement of +90 basis points compared to 2013 came mainly from SG&A optimization in Continental Europe. In spite of a loss of circa €-20 million on the Transport for Greater Manchester project (TfGM), gross margin remained stable thanks to the acceleration of global delivery and the industrialization of operations combined with strong workforce management including the closure of the Frankfurt location. As a consequence, utilization rate increased to 82% in 2014.

Created in September 2014 as part of the Bull integration, revenue for the **Big Data & Cyber-security** Service Line was € 240 million for the last four months of the year, representing organic growth of +14.0% compared to the same period in 2013. Revenue growth was driven by the Big Data practice based on strong activity in High Performance Computing (HPC), with sales in Germany to the Climate Computing Center and in Benelux & The Nordics to Dutch Universities, and with sales of the newly launched bullion machine to French public organizations. Customer demand in the Security practice is strongly accelerating particularly for encryption and access management solutions.

Operating margin was € 52.3 million, representing 21.8% of revenue, an improvement of +60 basis points compared to the same period in 2013, which usually represents the largest part of the annual activity.

On a standalone basis, **Worldline** increased its revenue by +2.8%. From a contributive perspective to Atos, revenue was € 1,099 million, stable compared to 2013. Revenue growth materialized in Merchant

Services & Terminals thanks to a strong performance in Commercial Acquiring, Private Label Cards & Loyalty services, and Online services. The strong activity of the terminal business during the fourth quarter partly compensated for the decline in the first nine months of the year due to the time required to obtain national certificates for the new range of terminals. Financial Processing & Software Licensing was stable thanks to the strong momentum in Online Banking Services and Payment Software Licensing activities, particularly in Asia with existing clients. It compensated for the effect of the re-insourcing of one banking processing contract in France. In Mobility & e-Transactional Services, e-Ticketing achieved double-digit growth while e-Government Collection was impacted by a price reduction on one contract in the UK.

During the fourth quarter, Worldline grew +4.0% organically on a standalone basis. From a contributive perspective to Atos, Worldline revenue was up +0.4%. The difference comes from the digital transformation services delivered to Atos customers as part of the sales synergies program, notably in the field of machine-to-machine connectivity.

Operating margin was € 170.4 million, representing 15.5% of revenue, an improvement of +60 basis points compared to 14.9% in 2013 at constant scope and exchange rates. This performance was achieved in Merchant Services & Terminals and in Financial Processing & Software Licensing thanks to an increase in transaction volumes and costs optimization as part of the TEAM program.

By **Business Unit**, the Group revenue was almost stable over the year with contrasted evolution across geographies. United Kingdom and Other BUs, in particular India, Middle-East & Africa and Asia Pacific, posted a strong commercial performance thanks to BPO activity in the Public sector, outsourcing services in Financial Services and storage capacity in Telcos, Media & Utilities. France and Iberia showed encouraging signs of recovery in the second half of the year following several quarters of significant decline. Benelux & The Nordics experienced volumes contraction from Telecom operators and Germany was impacted as planned by the already mentioned price decrease on the Siemens account, the end of the transition period with Bayer, as well as a decrease in demand in Systems Integration in Telcos, Media & Utilities.

The Group focused on protecting or enhancing its operational profitability by executing the Tier One program through industrialization, global delivery from offshore locations, and continuous optimization of SG&A. As part of this program, the Group is constantly optimizing its pension schemes resulting in a positive effect of circa € 50 million (in the Netherlands) which follows the positive effect of circa € 40 million in 2013 (in the Netherlands and in the United Kingdom). As a result, 6 out of 9 Business Units either stabilized or improved their operating margin rate during 2014, in a challenging market environment for some large European economies. After a difficult first half, France operating margin rate was 5.6% in 2014, benefiting from the combined effects of new Managed Services contracts signed in June and from the integration of Bull activities and its positive margin seasonality pattern. Germany is engaged in a strong transformation plan with the objective to reduce both direct and indirect costs in line with the level of the activity. These actions will fully materialize in 2015.

The Group **order entries** in 2014 totaled € 9.1 billion, representing a book to bill ratio of 101%. During the fourth quarter, thanks to its innovative offerings, Atos signed several contracts which are going to fuel organic growth as early as the first half of 2015. In Germany, the Group signed with K+S (new logo) in Managed Services and extended its Systems Integration contract with Symrise. In France, new contracts were signed in Systems Integration with a large retailer and in Managed Services for the national railway and extended the scope of its contract with one of the Big Four accounting firms. Two Managed Services contracts were signed with two local Governments in the United Kingdom. Atos renewed its Managed Services contract with Microsoft and fertilized on the Siemens account in North America. In Benelux, contracts were renewed in Managed Services with a European institution and a large Dutch bank. A new Application Management contract was signed with Volkswagen in Brazil. The Big Data & Cyber-security Service Line signed new deals for HPC infrastructures and services in France and in Brazil.

Worldline renewed in 2014 all its major processing contracts, notably in Germany and in Belgium and strengthened its European leadership position in e-wallet processing with contracts signed with Paylib in France, BCMC and Sixdots in Belgium, and Sparda-Bank in Germany (Masterpass). Worldline also won deals contracts in the fourth quarter, including the contract with EDF in France for multi-channel solutions.

The **full backlog** was € 16.2 billion at the end of 2014, representing 1.7 year of revenue, compared to € 15.2 billion at the end of 2013. The increase came mostly from the integration of Bull, which contributed mainly to Manufacturing, Retail & Transportation and Public & Health.

Representing 6.8 months of revenue at the end of 2014, the **full qualified pipeline** was € 5.5 billion, compared to € 5.3 billion at the end of 2013.

The **total number of Group employees** was 85,865 at the end of December 2014, compared to 76,320 at the end of December 2013. 9,197 staff joined the Group from Bull on September 1st, 2014.

The number of direct employees at the end of December 2014 was 79,044, up +12% compared to the beginning of the year and +1% excluding Bull scope effect. Direct headcount represented 92.1% of the total Group headcount at the end of 2014, at the same level as at end of 2013.

Almost 6,000 direct employees were recruited in offshore countries, of which two third in India, as part of the strategy to accelerate offshore delivery.

Indirect staff was 6,821. The increase came mostly from the Bull integration. Excluding Bull effect, Indirect staffs were reduced by -9% as a consequence of the continued SG&A cost reduction induced by the Tier One Program.

Attrition was 10.1% at Group level of which 17.9% was in offshore countries.

Number of staff in offshore countries increased by +17% year-on-year, reaching 18,101, and representing 21% of total staff with a majority located in India.

## A.2 Statutory to constant scope and exchange rates reconciliation

In 2014, the Group implemented operational changes that are reflected in the 2014 figures:

- The Transport Sub-market that used to be part of the PHT (Public, Health & Transport) Global Market was transferred to MRS (Manufacturing, Retail & Services) – renamed to “MRT” (Manufacturing, Retail & Transport) - except for a few Transportation accounts (c. 25%) that were transferred to PHT - renamed to “PH” (Public & Health).
- The Consulting & Technology Services Global Service Line was merged within Systems Integration in the relevant Business Units where it became a practice to create the new C&SI (Consulting & Systems Integration) Global Service Line.

In addition to these two operational transfers and as a consequence of the Bull acquisition, the “Big Data & Cyber-security” Service Line was created as of September 1, 2014, based on related activities acquired from Bull and the ones from Systems Integration.

The organizational changes that happened in 2014 have been reflected into the Business Unit, Service Line, and Global Market reporting of revenue and operating margin in 2013 for comparative purposes.

Revenue in 2014 amounted to € 9,051 million, +5.1% compared to € 8,615 million in 2013, and -1.1% compared to 2013 revenue at constant scope and exchange rates.

2013 revenue at constant scope and exchange rates reflects the following internal transfers between the Service Lines:

- The transfer of Consulting in the United Kingdom & Ireland, Germany, Benelux & The Nordics, France, Iberia, and Latin America to Consulting & Systems Integration (C&SI),
- Technology Services to C&SI;
- The carve-out of Worldline: as a consequence the HTTS & Specialized Business Service Line was discontinued and the Specialized Businesses component was merged into C&SI except for BPO that was merged into Managed Services.

<i>In € million</i>	<b>FY 2014</b>	<b>FY 2013</b>	<b>% growth</b>
Statutory revenue	9,051	8,615	+5.1%
Scope effect		508	
Exchange rates effect		28	
<b>Revenue at constant scope and exchange rates</b>	<b>9,051</b>	<b>9,151</b>	<b>-1.1%</b>
Operating margin	701.9	645.2	+8.8%
Scope effect		55.5	
Exchange rates effect		0.6	
<b>Operating margin at constant scope and exchange rates</b>	<b>701.9</b>	<b>701.3</b>	<b>+0.1%</b>
<i>as % of revenue</i>	<i>7.8%</i>	<i>7.7%</i>	

Net scope effect on revenue amounted to € 508 million and was related to the acquisitions of Bull (France, August 2014), Cambridge Technology Partners (Central & Eastern Europe, June 2014), WindowLogic (Asia-pacific, July 2013) and the disposals of Metrum (The Netherlands, January 2014) and of Atos Formation (France, March 2013).

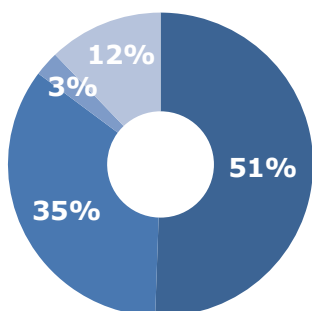
At Group level, exchange rates effect on revenue amounted to € 28 million mainly resulting from the British pound strengthening versus the euro (+5.4%) and from the Turkish lira (-13.4%), the Argentina peso (-33.0%) and the Brazilian real (-8.8%) depreciating versus the euro.

On operating margin net scope effect amounted to € 55.5 million and exchange rates effect was € 0.6 million.

## A.3 Revenue Profile

### A.3.1 By Service Line

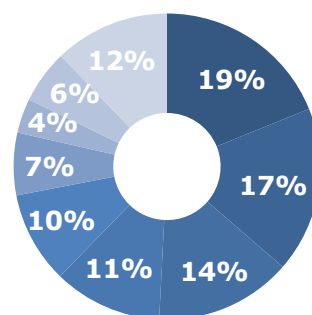
In 2014, 72% of the revenue base was generated by multi-year contracts, deriving from multi-year Managed Services contracts (51% of total revenue including BPO), Worldline transactional services (12%), and Application Management contracts and Atos Worldgrid (respectively 7% and 2% included in Systems Integration).



<i>In € million</i>	<b>FY 2014</b>
Managed Services	4,577
Consulting & Systems Integration	3,136
Big Data & Cyber-security	240
<b>Total IT Services</b>	<b>7,952</b>
<b>Worldline</b>	<b>1,099</b>
<b>TOTAL GROUP</b>	<b>9,051</b>

### A.3.2 By Business Unit

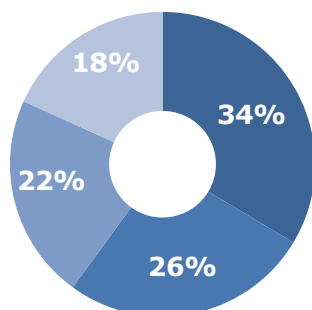
Europe remained the Group's main operational base, generating 86% of total revenue in 2014 at constant scope and exchange rates.



<i>In € million</i>	<b>FY 2014</b>
United-Kingdom & Ireland	1,707
Germany	1,587
France	1,305
Benelux & The Nordics	1,038
Central & Eastern Europe	877
North America	597
Iberia	330
Other BUs	511
<b>Total IT Services</b>	<b>7,952</b>
<b>Worldline</b>	<b>1,099</b>
<b>TOTAL GROUP</b>	<b>9,051</b>

### A.3.3 By Markets

The Group provides IT services and solutions to many industry sectors. Customers are addressed through four global markets which are Manufacturing Retail & Transportation, Public & Health, Telcos, Media & Utilities, and Financial Services.



<i>In € million</i>	<b>FY 2014</b>
Manufacturing, Retail & Transportation	3,041
Public & Health	2,390
Telcos, Media & Utilities	1,970
Financial Services	1,649
<b>TOTAL GROUP</b>	<b>9,051</b>

## A.4 Performance by Service Line

In € million	Revenue				Operating margin		Operating margin %	
	FY 2014	FY 2013*	% yoy	% organic	FY 2014	FY 2013*	FY 2014	FY 2013*
Managed Services	4,577	4,670	+4.6%	-2.0%	364.4	403.1	8.0%	8.6%
Consulting & Systems Integration	3,136	3,173	+8.5%	-1.1%	233.3	206.8	7.4%	6.5%
Big Data & Cyber-security	240	210	N/A	+14.0%	52.3	44.6	21.8%	21.2%
Corporate costs**					-118.4	-116.6	-1.5%	-1.4%
<b>Total IT Services</b>	<b>7,952</b>	<b>8,053</b>	<b>N/A</b>	<b>-1.2%</b>	<b>531.6</b>	<b>537.9</b>	<b>6.7%</b>	<b>6.7%</b>
<b>Worldline***</b>	<b>1,099</b>	<b>1,098</b>	<b>N/A</b>	<b>+0.1%</b>	<b>170.4</b>	<b>163.5</b>	<b>15.5%</b>	<b>14.9%</b>
<b>TOTAL GROUP</b>	<b>9,051</b>	<b>9,151</b>	<b>+5.1%</b>	<b>-1.1%</b>	<b>701.9</b>	<b>701.3</b>	<b>7.8%</b>	<b>7.7%</b>

\* at constant scope and exchange rates

\*\* Corporate costs excludes Global delivery Lines costs allocated to the Services Lines

\*\*\* Worldline reported +2.8% organic growth on a stand alone basis

### A.4.1 Managed Services

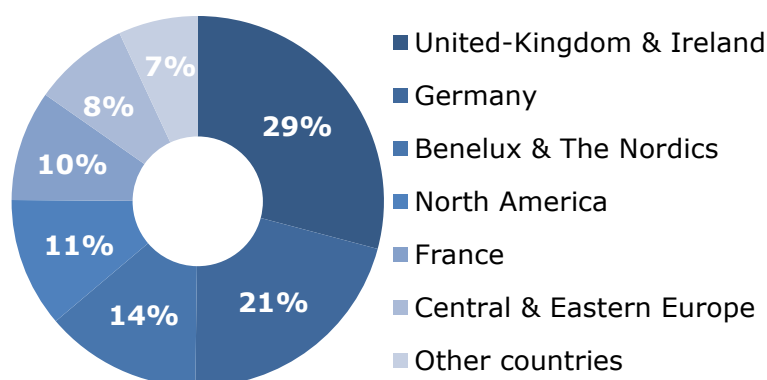
In € million	FY 2014	FY 2013*	% yoy	% organic
Revenue	4,577	4,670	+4.6%	-2.0%
Operating margin	364.4	403.1		
Operating margin rate	8.0%	8.6%		

\* at constant scope and exchange rates

2014 **revenue** in Managed Services, including BPO, was € 4,577 million, up +4.6% year-on-year and down -2.0% at constant scope and exchange rates. Growth materialized in the United Kingdom, largely benefiting from BPO activities thanks to the ramp-up of the DWP PIP and NS&I transition contracts and over-compensating the decline in volumes of the DWP WCA contract. Managed Services also grew in Other BUs (+8.4%), in particular in Asia-Pacific where revenue increased by +8.2% thanks to ramp-ups of existing contracts with Global customers and higher resale volumes with a large bank, and in India, Middle-East & Africa, up +24.0% through additional volumes in the Public Sector in the Middle East and in Financial Services in India. In the other geographies, Managed Services did not generate enough new business and closed 2014 with decreasing revenues in Germany, in absence of transition revenue and price reductions on the Siemens account. Managed Services in Germany was also impacted by the completion of the Bayer transition, the ramp-down of contracts with E-plus/Telefonica, and the impact from several contracts phase-out. Benelux & The Nordics was down -7.9% despite the contribution of the new Cloud contract with a large electronics company. This was mainly due to some contracts phase-out such as KPN, price pressure, mainly in Financial Services, and the base effect of the build project completed for PostNord in 2013. France and Central & Eastern Europe both posted a decrease of -7.0%, contracts signed and delivered during the year could only partly compensate lower volumes notably in Austria, and the base effect of several Public sector and Manufacturing projects successfully delivered in 2013. North America was slightly down (-1.5%), McGraw-Hill and other customers ramp-ups partly compensated for less revenue with Siemens. Finally, Iberia was down -5.1% due to a specific one-off project delivered in 2013 for European institutions.

**During the fourth quarter**, Managed Services revenue was down -1.4% organically, which was an improvement compared to the first nine months of the year thanks to the BPO activity in the UK and a better revenue evolution in France thanks to contracts signed in June.

### Managed Services revenue profile by geographies





**Operating margin** in Managed Services decreased by -60 basis points reaching 8.0% of revenue, mainly due to anticipated price decline and the ramp-down of some contracts in continental Europe, not fully compensated by productivity measures and strong actions on both direct and indirect costs such as purchasing and internal projects. Nevertheless, several Business Units performed well with margin gains more particularly in the United Kingdom primarily thanks the successful ramp-up of major public contracts, India, Middle-East & Africa (€+3.7 million) mainly driven by margin impact of additional volumes, and North America (€+2.6 million) mainly thanks to productivity gains on Siemens and strong actions on indirect costs.

#### A.4.2 Consulting & Systems Integration

<i>In € million</i>	<b>FY 2014</b>	<b>FY 2013*</b>	<b>% yoy</b>	<b>% organic</b>
Revenue	3,136	3,173	+8.5%	-1.1%
Operating margin	233.3	206.8		
Operating margin rate	7.4%	6.5%		

\* at constant scope and exchange rates

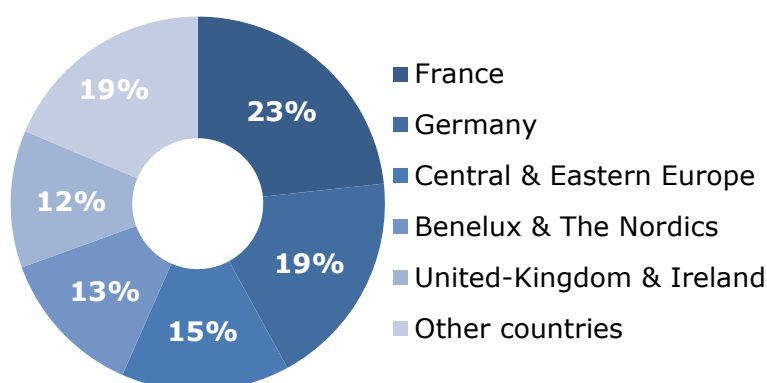
Consulting & Systems Integration **revenue** reached € 3,136 million, up +8.5% year-on-year and down -1.1% at constant scope and exchange rates.

Consulting grew by +6.8%, driven by continuing traction of the United Kingdom (+8.4%) which benefitted from new contracts with an Airline company and a mail delivery firm while activities in the Public Sector remained strong. Consulting also benefited from the growth of Cambridge Technology Partners in Switzerland.

Revenue in Systems Integration decreased by -1.7% compared to 2013 at constant scope and exchange rates. Public Sector strongly grew (+8.2%), particularly in the UK in Application Management, in France thanks to several new projects, in Central & Eastern Europe with several projects in Slovakia, and also in Spain with some hardware sales. Revenue declined in Telco, Media & Utilities primarily with KPN in Benelux and E-plus in Germany, as well as the ramp-down of the contract with a large media company in the UK. Financial Services faced the base effect in North America related to the AIG datacenter migration project completed in 2013, and the renewal conditions with LCH Clearnet in France. Lastly, Retail & Transportation was almost stable.

**During the fourth quarter**, Consulting & Systems Integration was almost stable, improving compared to -1.5% for the first nine months of the year, thanks to a strong activity in the Public sector in France and in Central & Eastern Europe offsetting a lack of new projects in Germany.

#### Consulting & Systems Integration revenue profile by geographies



Consulting & Systems Integration **operating margin** was € 233.3 million, representing 7.4% of revenue. The +90 basis points improvement compared to 6.5% in 2013 mainly came from the increased business in Central & Eastern Europe, continuing SG&A optimization in continental Europe, and in Benelux from the outcome of the agreement with the Dutch pension fund which more than compensated some overrun costs with Nokia in the Nordics. North America operating margin was impacted by the base effect on revenue for the AIG contract mentioned above. In 2014, the UK faced a loss of circa € 20 million on the difficult project with the Transport for Greater Manchester (TfGM), and the base effect from the pension plan amendment recorded the prior year. Despite the loss on TfGM, the Service Line maintained a stable

gross margin thanks to global delivery acceleration and industrialization combined with strong workforce management including the closure of the Frankfurt location. Finally, utilization rate in Consulting & Systems Integration increased to 82% in 2014.

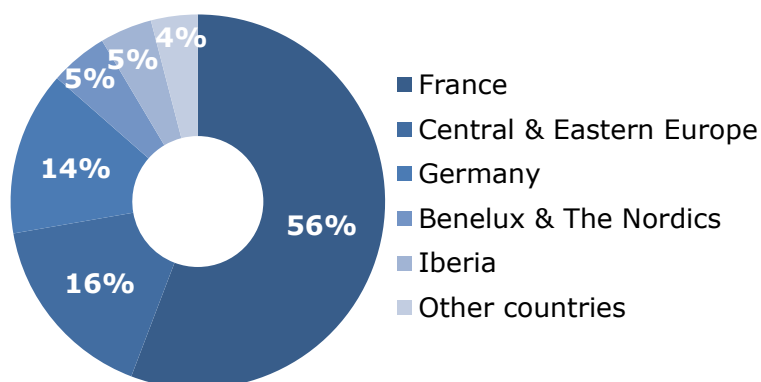
#### A.4.3 Big Data & Cyber-security

<i>In € million</i>	<b>FY 2014</b>	<b>FY 2013*</b>	<b>% organic</b>
Revenue	240	210	+14.0%
Operating margin	52.3	44.6	
Operating margin rate	21.8%	21.2%	

\* at constant scope and exchange rates

Created in September 2014 as part of the Bull integration, **revenue** for the Big Data & Cyber-security Service Line was € 240 million for the last four months of the year, representing organic growth of +14.0% compared to the same period in 2013. Revenue growth was driven by the Big Data practice based on strong activity in High Performance Computing (HPC), with sales in Germany to the Climate Computing Center and in Benelux & The Nordics to Dutch Universities, and with sales of the newly launched bullion machine to French public organizations. Customer demand in the Security practice is strongly accelerating particularly for encryption and access management solutions.

#### Big Data & Cyber-security revenue profile by geographies



**Operating margin** was € 52.3 million, representing 21.8% of revenue, an improvement of +60 basis points compared to the same period in 2013, which usually represents the largest part of the annual activity.

#### A.4.4 Worldline

A detailed review of Worldline 2014 results can be found at [worldline.com](http://worldline.com), in the investors section.

<i>In € million</i>	<b>FY 2014</b>	<b>FY 2013*</b>	<b>% organic</b>
Revenue	1,099	1,098	+0.1%
Operating margin	170.4	163.5	
Operating margin rate	15.5%	14.9%	

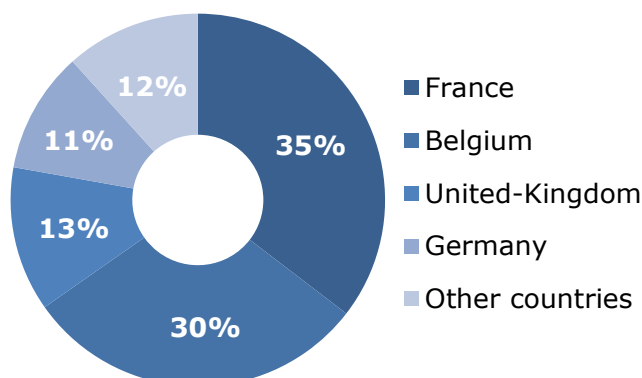
\* at constant scope and exchange rates

On a standalone basis, Worldline increased its **revenue** by +2.8%. From a contributive perspective to Atos, revenue was € 1,099 million, stable compared to 2013. Revenue growth materialized in Merchant Services & Terminals thanks to a strong performance in Commercial Acquiring, Private Label Cards & Loyalty services, and Online services. The strong activity of the terminal business during the fourth quarter partly compensated for the decline in the first nine months of the year due to the time required to obtain national certificates for the new range of terminals. Financial Processing & Software Licensing was stable thanks to the strong momentum in Online Banking Services and Payment Software Licensing activities, particularly in Asia with existing clients. It compensated for the effect of the re-insourcing of one banking processing contract in France.

In Mobility & e-Transactional Services, e-Ticketing achieved double-digit growth while e-Government Collection was impacted by a price reduction on one contract in the UK.

During the fourth quarter, Worldline grew +4.0% organically on a standalone basis. From a contributive perspective to Atos, Worldline revenue was up +0.4%. The difference comes from the digital transformation services delivered to Atos customers as part of the sales synergies program, notably in the field of machine-to-machine connectivity.

### Worldline revenue profile by geographies



**Operating margin** was € 170.4 million, representing 15.5% of revenue, an improvement of +60 basis points compared to 14.9% in 2013 at constant scope and exchange rates. This performance was achieved in Merchant Services & Terminals and in Financial Processing & Software Licensing thanks to an increase in transaction volumes growth and costs optimization as part of the TEAM program.

## A.5 Performance by Business Units

In € million	Revenue				Operating margin		Operating margin %	
	FY 2014	FY 2013*	% yoy	% organic	FY 2014	FY 2013*	FY 2014	FY 2013*
United-Kingdom & Ireland	1,707	1,616	+3.6%	+5.6%	143.9	131.9	8.4%	8.2%
Germany	1,587	1,688	-4.4%	-6.0%	110.7	126.5	7.0%	7.5%
France	1,305	1,327	+28.0%	-1.6%	73.3	89.1	5.6%	6.7%
Benelux & The Nordics	1,038	1,117	-4.2%	-7.1%	128.7	125.0	12.4%	11.2%
Central & Eastern Europe	877	895	+0.5%	-2.0%	72.6	68.0	8.3%	7.6%
North America	597	614	-1.6%	-2.7%	44.8	45.7	7.5%	7.4%
Iberia	330	325	+1.7%	+1.5%	10.9	12.2	3.3%	3.8%
Other BUs	511	471	+1.5%	+8.5%	59.0	54.0	11.5%	11.5%
Global structures**					-112.3	-114.6	-1.4%	-1.4%
<b>Total IT Services</b>	<b>7,952</b>	<b>8,053</b>	<b>N/A</b>	<b>-1.2%</b>	<b>531.6</b>	<b>537.9</b>	<b>6.7%</b>	<b>6.7%</b>
<b>Worldline***</b>	<b>1,099</b>	<b>1,098</b>	<b>N/A</b>	<b>+0.1%</b>	<b>170.4</b>	<b>163.5</b>	<b>15.5%</b>	<b>14.9%</b>
<b>TOTAL GROUP</b>	<b>9,051</b>	<b>9,151</b>	<b>+5.1%</b>	<b>-1.1%</b>	<b>701.9</b>	<b>701.3</b>	<b>7.8%</b>	<b>7.7%</b>

\* at constant scope and exchange rates

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

\*\*\* Worldline reported +2.8% organic growth on a stand alone basis

The Group **revenue** was almost stable over the year with contrasted evolution across geographies. United Kingdom and Other BUs, in particular India, Middle-East & Africa and Asia Pacific, posted a strong commercial performance thanks to BPO activity in the Public sector, outsourcing services in Financial Services and storage capacity in Telcos, Media & Utilities. France and Iberia showed encouraging signs of recovery in the second half of the year following several quarters of significant decline. Benelux & The Nordics experienced volumes contraction from Telecom operators and Germany was impacted as planned by the already mentioned price decrease on the Siemens account, the end of the transition period with Bayer, as well as a decrease in demand in Systems Integration in Telcos, Media & Utilities.

The Group focused on protecting or enhancing its **operational profitability** by executing the Tier One program through industrialization, global delivery from offshore locations, and continuous optimization of SG&A. As part of this program, the Group is constantly optimizing its pension schemes resulting in a positive effect of circa € 50 million (in the Netherlands) which follows the positive effect of circa € 40 million in 2013 (in the Netherlands and in the United Kingdom). As a result, 6 out of 9 Business Units either stabilized or improved their operating margin rate during 2014, in challenging market environment for some large European economies. After a difficult first half, France operating margin rate was 5.6% in

2014, benefiting from the combined effects of new Managed Services contracts signed in June and from the integration of Bull activities and its positive margin seasonality pattern. Germany is engaged in a strong transformation plan with the objective to reduce both direct and indirect costs in line with the level of the activity. These actions will fully materialize in 2015.

#### A.5.1 United Kingdom & Ireland

<i>In € million</i>	<b>FY 2014</b>	<b>FY 2013*</b>	<b>% yoy</b>	<b>% organic</b>
Revenue	1,707	1,616	+3.6%	+5.6%
Operating margin	143.9	131.9		
<i>Operating margin rate</i>	<i>8.4%</i>	<i>8.2%</i>		

*\*constant scope and exchange rates*

**Revenue** was € 1,707 million, up €+90 million or +5.6% compared to 2013 at constant scope and exchange rates.

The strong performance of the Business Unit is mainly attributable to Managed Services (+8.4%) with BPO benefiting from the ramp-up of the DWP PIP contract and from the NS&I transition which together more than offset lower volumes on the DWP WCA contract. On core Managed Services, new projects and increased volumes overcompensated the ramp-down of several contracts in the Public sector, Telco, Media & Utilities, and Financial Services.

Consulting & Systems Integration also grew in the Public sector thanks to a new Application Management contract with the Post Office, increased project activity with Nuclear Decommissioning Agency, incremental resale, and client investment in application development projects, more than compensating the impact of legacy contracts coming to an end or ramping-down. Consulting & Systems Integration was impacted in Telco, Media & Utilities by the ramp-down of the contract with a large media company, and was stable in Manufacturing, Retail & Transportation.

**Operating margin** reached € 143.9 million, representing 8.4% of revenue, an improvement by €+12 million compared to 2013 at constant scope and exchange rates, in spite of the circa € 20 million loss incurred on TfGM.

Operating margin in Managed Services reached 8.3% of revenue, an increase of €+33.4 million compared to 2013 at constant scope and exchange rates thanks to the successful execution of the DWP PIP contract and improved costs efficiency which more than offset the base effect related to last year one-offs on pensions and ramp-down of some contracts.

Operating margin in Consulting & Systems Integration decreased by €-21.0 million compared to 2013 at constant scope and exchange rates due to the loss recorded on TfGM. Higher margin from new or ramping-up contracts and cost base improvement (including reduced overheads and improved pyramid management) fully compensated for last year pensions credits.

#### A.5.2 Germany

<i>In € million</i>	<b>FY 2014</b>	<b>FY 2013*</b>	<b>% yoy</b>	<b>% organic</b>
Revenue	1,587	1,688	-4.4%	-6.0%
Operating margin	110.7	126.5		
<i>Operating margin rate</i>	<i>7.0%</i>	<i>7.5%</i>		

*\*constant scope and exchange rates*

**Revenue** was €1,587 million, down by -6.0% compared to 2013 at constant scope and exchange rates.

Managed Services revenue contracted by -8.4%, particularly affected by committed price decrease and the end of transition activities with Siemens. Manufacturing, Retail & Transportation was also impacted by the end of the transition at Bayer and ramp-downs of several contracts. Financial Services was mainly impacted by lower resale volume and ending contracts. Telco, Media & Utilities experienced the ramp-up of a new contract with Coriant which could not fully compensate for the ramp-down of contracts with E-plus and the termination of several contracts.

In Consulting & Systems Integration, revenue decreased by -4.9% despite a good performance in the Public & Health sector. Telco, Media & utilities was impacted by new contractual terms with E-plus, the end of the transition with Nokia and declining volumes. Manufacturing, Retail & Transportations was down by -3.2% as a new project with a large car manufacturer could not fully compensate for the ramp-down of Thyssen and several smaller accounts. Finally, Financial Services suffered from lower volumes with a large German bank.

Big Data & Cyber-security revenue was strongly up, driven by the strong HPC activity in Public & Health.

**Operating margin** reached €110.7 million or 7.0% of revenue. Strong savings actions were undertaken, notably through the optimization of direct and indirect costs and an important management of the external workforce. Combined with the impact from the closure of the Frankfurt site, it allowed Consulting & Systems Integration to improve its operating margin by circa € 5 million while Managed Services profitability decreased by circa € 20 million as a result of the challenging conditions described above. Operating margin in Big Data & Security grew by €+1.1 million compared to 2013 thanks to the strong revenue increase of the Service Line.

### A.5.3 France

<i>In € million</i>	<b>FY 2014</b>	<b>FY 2013*</b>	<b>% yoy</b>	<b>% organic</b>
Revenue	1,305	1,327	+28.0%	-1.6%
Operating margin	73.3	89.1		
<i>Operating margin rate</i>	5.6%	6.7%		

*\*constant scope and exchange rates*

At € 1,305 million, **revenue** in France was up +28.0% year-on-year thanks to Bull integration and down -1.6% organically. This trend reflected a contrasted situation with double-digit growth in Big Data & Cyber-Security, stability in Consulting & Systems Integration, and -7.0% in Managed Services.

Managed Services faced the end of several contracts in Manufacturing, Retail & Transportation, Public & Health, and Telco, Media & Utilities partially offset by the ramp-up of new contracts signed during the second quarter of 2014. Financial Services grew mainly thanks to higher volumes with a large French bank.

Consulting & Systems Integration revenue was stable with contrasted trends throughout markets. Revenue grew in Public & Health grew thanks to more volumes and fertilization with European Institutions, and in Manufacturing, Retail & Transportation thanks to the ramp-up of several new projects. Telco, Media & Utilities was impacted by scope reductions on a large account of the Telcos sector and the lack of new business with a large customer in the energy sector. This was only partially offset by the ramp-up of several new contracts, notably in the energy sector. Finally, Financial Services suffered from the renewal conditions with LCH Clearnet.

Big Data & Cyber-security revenue strongly grew, driven by a strong demand for hardware and bullion HPC products with French administrations.

**Operating margin** reached € 73.3 million. The Business Unit was primarily impacted by the lack of revenue in Managed Services and a higher level of offshored subcontractors on new contracts while the onshore salary expenses did not reduce rapidly enough.

Consulting & Systems Integration succeeded to improve its profitability by +100 basis points through a strong cost monitoring, which generated savings in maintenance and Rent & Lease, but also in personal costs.

Operating margin in Big Data & Security increased by €+4.5 million reflecting the strong revenue growth and a more favorable mix between product sales and maintenance services compared to last year.

#### A.5.4 Benelux & The Nordics

<i>In € million</i>	<b>FY 2014</b>	<b>FY 2013*</b>	<b>% yoy</b>	<b>% organic</b>
Revenue	1,038	1,117	-4.2%	-7.1%
Operating margin	128.7	125.0		
<i>Operating margin rate</i>	<i>12.4%</i>	<i>11.2%</i>		

*\*constant scope and exchange rates*

**Revenue** in 2014 was down -7.1% organically. The Business Unit continued to cope with a low demand, in both Consulting & Systems Integration and Managed Services while Big Data & Cyber-security strongly grew.

In Managed Services, Telco, Media & Utilities faced the termination of several contracts, notably with KPN in the Netherlands and in Belgium. Financial Services was mainly impacted by the renewal conditions of a large contract in the Netherlands. Manufacturing, Retail & Transportation was impacted by the ramp-down of one contract in Finland, partially offset by new contracts in the Netherlands. Public & Health was stable thanks to the ramp-up of the Dutch Ministry of Economy contract which offset the base effect of the transition program at PostNord.

Consulting & Systems Integration was impacted by the end of several projects with KPN in Telcos, the ramp-downs on several customers in Manufacturing, and costs reduction programs in various institutions in Financial Services. This was only partly compensated by new contracts with Dutch institutions in Public & Health.

Big Data & Cyber-security increased by €+8 million, mainly thanks to HPC sales to Dutch Universities and a project with an Oceanic Research Institute in the Netherlands.

**Operating margin** in Benelux & The Nordics improved by +120 basis points to € 128.7 million. This performance included the result of circa € 50 million resulting from the optimization of the pension scheme. Excluding this positive effect, Consulting & Systems Integration margin was flat despite revenue decline which has been mitigated by a strong monitoring of the cost base and a significant reduction of non-quality costs.

In Managed Services, operating margin was primarily impacted by declining revenue and therefore overcapacity that had not been totally resorbed yet at year end.

Finally, Big Data & Cyber-security operating margin increased thanks to the strong revenue growth.

#### A.5.5 Central & Eastern Europe

<i>In € million</i>	<b>FY 2014</b>	<b>FY 2013*</b>	<b>% yoy</b>	<b>% organic</b>
Revenue	877	895	+0.5%	-2.0%
Operating margin	72.6	68.0		
<i>Operating margin rate</i>	<i>8.3%</i>	<i>7.6%</i>		

*\*constant scope and exchange rates*

**Revenue** in Central & Eastern Europe decreased by -2.0% compared to 2013 at constant scope and exchange rates. Managed Services was down by -7.0% as a consequence of several projects completed last year in Public & Health and in Manufacturing, Retail & Transportation in Poland, in Slovakia and in Austria, which were only partly compensated by the ramp-up of several contracts in Financial Services and in Telcos, Media & Utilities.

Consulting & Systems Integration was up by +5.0% thanks to a strong consulting activity of Cambridge Technology Partners in Switzerland and new projects started in the Slovakian Public sector, compensating for the ramp-down of the Ashgabat project successfully completed in 2013.

Big Data & Cyber-security declined by €-11 million due to lower project volumes, in particular in Switzerland.

**Operating margin** reached € 72.6 million or 8.3% of revenue, up by +70 basis points on a like-for-like basis. Managed Services profitability declined in line with revenue decrease while Consulting & Systems Integration operating margin was up by €+18.2 million thanks to improvements on projects with the Public sector in Turkey and new projects in several countries (but more specifically in Slovakia and Italy). Finally, Big Data & Cyber-security profitability improved thanks to the collection of unpaid aged receivables on several contracts.

#### A.5.6 North America

<i>In € million</i>	<b>FY 2014</b>	<b>FY 2013*</b>	<b>% yoy</b>	<b>% organic</b>
Revenue	597	614	-1.6%	-2.7%
Operating margin	44.8	45.7		
<i>Operating margin rate</i>	7.5%	7.4%		

*\*constant scope and exchange rates*

**Revenue** reached € 597 million, down -2.7% compared to 2013 at constant scope and exchange rates. From a sequential point of view, the Business Unit achieved to reduce the organic decrease within Consulting & Systems Integration compared to the first six-month period of 2014, as the largest part of the AIG Data Center migration project closure negative effect was reported in the first semester of 2013. As a result of this base effect, Consulting & Systems Integration revenue in 2014 was down by -11.7% organically. This decrease was partially offset by upselling at on two large accounts.

Managed Services was down by -1.5% as the ramp-up of several contracts in particular in the Telco, Media, & Utilities and Public & Health Markets partly compensated for volume reductions and contract terminations in Financial Services and Manufacturing, Retail & Transportation.

Revenue in Big Data & Cyber-security benefitted from a new HPC deal in the Public & Health market.

Profitability improved to 7.5% of revenue. **Operating margin** grew in Managed Service with project margin improvements on Siemens, reductions in indirect costs, and offshore increase. Consulting & Systems Integration operating margin was down by €-5.6 million due to revenue reduction and investments in dedicated sales resources. Operating margin in Big Data & Cyber-security was up by up €+2.0 million, positively impacted by the HPC sale mentioned above.

#### A.5.7 Iberia

<i>In € million</i>	<b>FY 2014</b>	<b>FY 2013*</b>	<b>% yoy</b>	<b>% organic</b>
Revenue	330	325	+1.7%	+1.5%
Operating margin	10.9	12.2		
<i>Operating margin rate</i>	3.3%	3.8%		

*\*constant scope and exchange rates*

**Revenue** in Iberia reached € 330 million, up by +1.5% organically, to be compared to -6.2% organic decrease posted in 2013.

Revenue in Managed Services was down by €-4 million, mainly due to the base effect related to a specific one-off project delivered in 2013 for European institutions, partly offset by a good level of sales in Financial Services and Manufacturing, Retail & Transportation.

Consulting & Systems Integration increased by €+4 million, driven by the Public Sector which more than compensated decreasing activity on two large customers in the Manufacturing and Telco sectors.

**Operating margin** was € 10.9 million at 3.3% of revenue, down by €-1.3 million, impacted by the base effect already mentioned in Managed Services, partly compensated by a better productivity and a strong and efficient indirect costs control in Consulting & Systems Integration.

### A.5.8 Other BUs

<i>In € million</i>	<b>FY 2014</b>	<b>FY 2013*</b>	<b>% yoy</b>	<b>% organic</b>
Revenue	511	471	+1.5%	+8.5%
Operating margin	59.0	54.0		
<i>Operating margin rate</i>	<i>11.5%</i>	<i>11.5%</i>		

\*constant scope and exchange rates

In Other BUs, revenue was up +8.5% organically and operating margin increased by €+4.9 million.

#### Major Events

**Revenue** was up +10.5%, reflecting the ramp-up of several projects for the Olympics Games in the next years.

As a consequence, **operating margin** was up by €+0.4 million compared to last year.

#### Asia-Pacific

**Revenue** grew by +4.5% over 2014. Organic growth was fully driven by Managed Services, in particular in Hong-Kong thanks to increased volumes in Financial Services with a large bank in Hong Kong, with Microsoft and a ramp-up with a large European bank. Consulting & Systems Integration and Big Data & Cyber-security were flat compared to last year.

**Operating margin** increased by €+1.1 million compared to last year. This derived mostly from the incremental margin due to higher revenues in Managed Services as well as the implementation of cost reduction measures in Consulting & Systems Integration in China and in Thailand.

#### Latin America

**Revenue** was nearly stable compared with last year at -0.6%. Good performances recorded in Consulting & Systems Integration but did not fully offset less revenue in Managed Services while Big Data & Security was remaining stable. As a result, **operating margin** was down by €-3.7 million.

#### IMEA

**Revenue** grew by +28.1%. Consulting & Systems Integration was strongly up thanks to a one-time project in South Africa, compensating for the end of a project with a large oil-field services company in India. Managed Services was up +24.0% driven by the Middle East with Sidra and in India a new contract with a large bank.

**Operating margin** rose by €+7.7 million mainly thanks in Indian operations which benefitted from an increase in the demand from the European Business Units, from the depreciation of the Indian Rupee, and from increasing revenue.

#### Cloud and Enterprise Software

The unit is encompassing Canopy, blueKiwi, and Yunano. In 2014, the Group continued to invest mainly in Cloud in order to build this unit which is a strong lever for future growth. **Revenue** growth was mainly driven by new customers, particularly in Infrastructure as a Service (IaaS).

**Operating Margin** was negative by €-27.8 million considering the costs of the central structure for Cloud and social networking activities while margins are performed by the operations and booked in the Business Units. This figure also reflects the level of investments made to launch and operate this unit. The investment has been fully expensed during the year.

### A.5.9 Global structures costs

Global structures costs decreased by €-3.6 million compared to 2013 at constant scope and exchange rates as a result of the continuous optimization of the Group central functions.



## A.6 Revenue by Market

<i>In € million</i>	Revenue		
	FY 2014	FY 2013*	% organic
Manufacturing, Retail & Transportation	3,041	3,140	-3.1%
Public & Health	2,390	2,228	+7.3%
Telcos, Media & Utilities	1,970	2,097	-6.0%
Financial Services	1,649	1,687	-2.2%
<b>TOTAL GROUP</b>	<b>9,051</b>	<b>9,151</b>	<b>-1.1%</b>

\* at constant scope and exchange rates

### A.6.1 Manufacturing, Retail & Transportation

Manufacturing, Retail & Transportation remained the largest Market of the Group in 2014 and represented 34% of the Group total revenue. It decreased by -3.1% over the year to reach € 3,041 million. A large part of the decrease came from the committed price decrease on the Siemens account, as already mentioned. Manufacturing, Retail & Transportation revenue was also impacted by the end of several contracts in Germany and in Benelux & The Nordics, not yet fully compensated by the ramp-up of several new contracts.

In this market, the top 10 clients represented 39% of revenue with Siemens, a large car manufacturer, a large electronics company, a large aircraft manufacturer, Vehicle and Operator Services Agency (VOSA), Carl Zeiss, RAG, Daimler, Volkswagen, and Thyssen Krupp.

### A.6.2 Public & Health

Public & Health was the second market of the Group with 26% and totalized revenue of € 2,390 million, representing an increase by +7.3% compared to 2013. Growth was primarily driven by significant new contracts delivered in the United Kingdom and thanks to one large contract in Germany.

35% of the revenue in this market was realized with 10 main clients: Department of Work & Pensions and Ministry of Justice in the UK, European Union Institutions, the French Ministry of Ecology, the National Police of Switzerland, NHS Scotland, NDA (Nuclear Decommissioning Authority), SNCF, the UK Border Agency and The German federal Agency for Employment.

### A.6.3 Telcos, Media & Utilities

Revenue in Telcos, Media & Utilities was € 1,970 million and represented 22% of the total Group revenue. It decreased by -6.0% in 2014, mainly resulting from the business reduction with KPN in Benelux and E-plus in Germany, due and with one large media company in the United Kingdom & Ireland.

Main clients were: a large media in the UK, EDF, KPN, Nokia, McGraw-Hill, Orange, Telecom Italia, Microsoft, GDF-Suez, and a large oil-field services company. Top 10 main clients represented 61% of the total Telcos, Media & Utilities Market revenue.

### A.6.4 Financial Services

Financial Services was the fourth Market of the Group and represented 18% of the total revenue at € 1,649 million, down by -2.2% compared to 2013. The Market benefitted from the successful ramp-up of a the BPO contract with NS&I in the United Kingdom and new projects in Central & Eastern Europe, in India, Middle-East & Africa and in Asia-Pacific and was impacted by scope reductions and contracts ending with MetLife, a base effect with AIG in North America, as well as declining volumes in Germany and in Benelux & The Nordics.

In this Market, 50% of the 2014 revenue was generated with the 10 main clients being: National Savings & Investments (NS&I), the largest German bank, BNP Paribas, ING, a large bank in Hong Kong, Achmea, Credit Agricole, La Poste, Société Générale, and Morgan Stanley.

## A.7 Portfolio

### A.7.1 Order entry and book to bill

The **total Group order entries** reached **€ 9,113 million**, representing a **book-to-bill ratio of 101%**.

At the occasion of Bull integration, order entry recognition rules have been harmonized in the third quarter after an in-depth review of main the on-going contracts with the Group key clients, to take into account the Atos and Bull track record with their customers.

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

	Order Entry			Book to bill		
	H1	H2	FY 2014	H1	H2	FY 2014
Manufacturing, Retail & Transportation	1,673	1,682	3,354	116%	105%	110%
Public & Health	941	1,241	2,182	93%	90%	91%
Telcos, Media & Utilities	914	975	1,889	98%	94%	96%
Financial Services	832	855	1,688	106%	99%	102%
<b>Total Group</b>	<b>4,360</b>	<b>4,753</b>	<b>9,113</b>	<b>104%</b>	<b>97%</b>	<b>101%</b>

Book-to-bill for the Group reached 101% in 2014. By market, book-to-bill was 110% in Manufacturing, Retail & Transportation (118% excluding Siemens) with several new contracts in Managed Services that were signed in Germany with a large aircraft manufacturer and K+S, in France with PWC, in the UK with Royal Mail, and in Benelux & The Nordics with a large electronics company. Book-to-bill reached 102% in Financial Services through signatures with National Savings & Investments in the UK and with a large institution in Asia-Pacific and one contract both in the Netherlands and in Germany during the second half of the year. Book-to-bill was 96% in Telcos, Media & Utilities as the Group secured future revenue with the renewal of a large media company contract in the UK. In this market, other deals in Managed Services were won such as one with Microsoft Online Services in North America, with EDF in France, and with an oil-field company in Benelux & The Nordics. Public sector & Health reached 91%. In this market, the Group reinforced its footprint in Central & Eastern Europe with the signature of a new contract in Consulting & Systems Integration with Polimeks and new contracts in Benelux & The Nordics in Managed Services.

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

	Order Entry	Book to bill
	FY 2014	FY 2014
Managed Services	4,523	99%
Consulting & Systems Integration	3,136	100%
Big Data & Cyber-security	342	143%
<b>Total IT Services</b>	<b>8,002</b>	<b>101%</b>

**Managed Services** book-to-bill ratio was 99% in 2014. Contracts renewed over the period were, among other, a large media company in the UK (TM&U) and NS&I (FS) in the UK, a large bank in Hong Kong (FS) in APAC. Main new contracts were with a large aircraft manufacturer (MRT) in Germany and in France, Royal Mail Group (MRT) in the UK, a large electronics company (MRT) in BTN, Microsoft (TM&U) in NAM

**Consulting & Systems Integration** achieved a book-to-bill ratio of 100% during the first half-year mainly benefiting from the renewal of a large car manufacturer (MRT) in France and new contract with Polimeks in CEE (PH).

**Big Data & Cyber-security** achieved a book-to-bill ratio of 143% during the year mainly thanks contracts related to HPC for DKRZ in Germany and Ministerio de Ciência Tecnologia & Inovação (MCTI) in Brazil but produced and billed from France.

## A.7.2 Full backlog

The full backlog at the end of December 2014 amounted to €16.2 billion, representing 1.7 year of revenue, compared € 15.2 billion at the end of 2013. The step-up mostly came from the integration of Bull, which mainly contributed to Manufacturing, Retail & Transportation and Public & Health.

## A.7.3 Full qualified pipeline

The full qualified pipeline totaled € 5.5 billion at the end of 2014, compared to € 5.3 billion at the end of December 2013. It represented 6.8 months of revenue for the Group, and more than 9 months in Germany, Benelux & The Nordics, and Central & Eastern Europe.

## A.8 Human Resources

The **total number of Group employees** was **85,865** at the end of December 2014, compared to 76,320 at the end of December 2013. 9,197 staff joined the Group from Bull on September 1<sup>st</sup>, 2014.

The number of direct employees at the end of December 2014 was 79,044, up +12% compared to the beginning of the year and +1% excluding Bull scope effect. Direct headcount represented 92.1% of the total Group headcount at the end of 2014, at the same level as at end of 2013.

Indirect staff was 6,821. The increase came mostly from the Bull integration. Excluding Bull effect, Indirect staff continued to be reduced by -9% as a consequence of the continued SG&A cost reduction induced by the Tier One Program.

Headcount evolution in 2014 by Business Units is the following:

	Opening January 2014	Adaptation of organization	Adjusted opening	Acquisition of Bull	Scope	Hiring	Leavers	Dismissal, restruct. & other	Closing December 2014
United-Kingdom & Ireland	9,626	-630	8,996	187	0	1,656	-1,040	-55	9,744
Germany	7,883	0	7,883	432	0	171	-263	-269	7,954
France	9,280	0	9,280	3,946	0	618	-545	-196	13,103
Benelux & The Nordics	6,231	0	6,231	232	-97	252	-469	-212	5,937
Central & Eastern Europe	7,660	-44	7,616	838	258	2,160	-914	-321	9,637
North America	3,721	0	3,721	148	-488	481	-397	-405	3,060
Iberia	4,886	-460	4,426	907	0	265	-251	-229	5,118
Other BUs	16,146	-442	15,704	622	0	5,663	-3,285	-955	17,750
Global Structures	50	1	51	332	0	1	-2	-311	71
<b>IT Services Directs</b>	<b>65,483</b>	<b>-1,575</b>	<b>63,908</b>	<b>7,644</b>	<b>-327</b>	<b>11,267</b>	<b>-7,166</b>	<b>-2,953</b>	<b>72,374</b>
<b>Worldline Directs</b>	<b>5,048</b>	<b>1,575</b>	<b>6,623</b>	<b>0</b>	<b>0</b>	<b>547</b>	<b>-412</b>	<b>-88</b>	<b>6,670</b>
<b>Total Direct</b>	<b>70,531</b>	<b>0</b>	<b>70,531</b>	<b>7,644</b>	<b>-327</b>	<b>11,814</b>	<b>-7,578</b>	<b>-3,041</b>	<b>79,044</b>
<b>Total Indirect</b>	<b>5,789</b>	<b>0</b>	<b>5,789</b>	<b>1,553</b>	<b>-7</b>	<b>476</b>	<b>-430</b>	<b>-560</b>	<b>6,821</b>
<b>TOTAL GROUP</b>	<b>76,320</b>	<b>0</b>	<b>76,320</b>	<b>9,197</b>	<b>-334</b>	<b>12,290</b>	<b>-8,008</b>	<b>-3,601</b>	<b>85,865</b>

Number of **staff in offshore countries** increased by +17% year-on-year, reaching **18,101**, and representing 21% of total staff with a majority located in India.

### A.8.1 Changes in scope

The figures presented reflect the acquisitions of Bull (+9,197, August 2014) and Cambridge Technology Partners (+258, June 2014) as well as the disposals of Metrum (-104, January 2014) and on-site services activities in the US (-488, July 2014).

### **A.8.2 Hiring**

The volume of recruitments reached +12,290 in the total workforce, representing 16% of the headcount as of January 1, 2014. Direct staff represented 96% of the total volume of recruitments.

Direct hiring was primarily made in Poland with +984 and in Romania with +524 to strengthen the Global Managed Services factories. The UK recruited 1,656 employees to cover the ramp-up of contracts in BPO. The +5,663 direct hiring reported in Other BUs reflects the accelerated growth of offshore delivery, primarily in India (+3,856 representing; 33% of the total direct recruitments), in Brazil (+560), in Thailand (+189) and in the Philippines (+171).

### **A.8.3 Leavers**

Leavers comprise voluntary permanent staff leavers, as permanent staff who have been dismissed are classified under "dismissed". The total number of leavers over the year 2014 was -8,008 (of which -7,578 from the direct workforce).

Attrition in 2014 was 10.1% at Group level of which 17.9% in offshore countries roughly stable.

### **A.8.4 Restructuring, Dismissals and other**

In 2014, -3,601 staffs were dismissed or restructured. Streamlining efforts were mainly concentrated in Europe as part of the adaptation of the Group workforce to increasing offshore delivery strategy. In Germany, further to the acquisition of Dresdner Bank by Commerzbank in 2011, the Application Management contract with Atos was reinsourced and the Frankfurt location was closed in 2014.

## **B OBJECTIVES**

### **2015 objectives**

#### **Revenue**

The Group targets a **positive organic revenue growth**.

#### **Operating margin**

The Group has the objective to improve its operating margin rate targeting **8.0% to 8.5%** of revenue.

#### **Free cash flow**

Taking into account the cash-out to deliver Bull cost synergies, the Group expects to generate a free cash flow **above 2014 level**.

*The figures above exclude Xerox ITO contribution.*

## C FINANCIAL REVIEW

### C.1 Income statement

The Group reported a net income (attributable to owners of the parent) of € 265.2 million for 2014, which represented 2.9% of Group revenues. The normalized net income before unusual, abnormal and infrequent items (net of tax) for the period was € 438.0 million, representing 4.8% of 2014 Group revenues.

(in € million)	<b>12 months ended 31 December 2014 estimates</b>	<b>% Margin</b>	<b>12 months ended 31 December 2013</b>	<b>% Margin</b>
<b>Operating margin</b>	<b>701.9</b>	<b>7.8%</b>	<b>645.2</b>	<b>7.5%</b>
Other operating income/(expenses)	(261.6)		(228.5)	
<b>Operating income</b>	<b>440.3</b>	<b>4.9%</b>	<b>416.7</b>	<b>4.8%</b>
Net financial income/(expenses)	(51.6)		(62.7)	
Tax charge	(104.1)		(95.9)	
Non-controlling interests and associates	(19.4)		3.5	
<b>Net income – Attributable to owners of the parent</b>	<b>265.2</b>	<b>2.9%</b>	<b>261.6</b>	<b>3.0%</b>
<b>Normalized net income – Attributable to owners of the parent (*)</b>	<b>438.0</b>	<b>4.8%</b>	<b>415.3</b>	<b>4.8%</b>

(\*) Defined hereafter.

#### C.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 other operating expenses.

These two items together are deducted from revenues to obtain operating margin, one of the main Group business performance indicators.

Operating margin represents the underlying operational performance of the on-going business and is analyzed in detail in the Operational Review.

#### C.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 € 261.6 million in 2014. The following table presents this amount by nature:

(In € million)	<b>12 months ended 31 December 2014 estimates</b>	<b>12 months ended 31 December 2013</b>
Staff reorganization	(129.9)	(102.2)
Rationalization and associated costs	(25.9)	(37.3)
Integration and acquisition costs	(15.4)	(19.9)
Amortization of intangible assets (PPA from acquisitions)	(50.7)	(44.3)
Other items	(39.7)	(24.8)
<b>Total</b>	<b>(261.6)</b>	<b>(228.5)</b>

The € 129.9 million **staff reorganization** expense was mainly the consequence of:

- the adaptation of the Group workforce in several countries such as Germany, Benelux & The Nordics and Iberia;
- a specific plan in Germany for the Frankfurt location closed further to the termination of the Application Management contract with Dresdner Bank acquired by Commerzbank;
- the streamlining of middle management layers, including Global Structures;
- the restructuring initiated on Bull G&A as part of plan to generate the cost synergies.

The € 25.9 million **rationalization and associated costs** primarily resulted from the closing of office premises linked to the reorganization plans, and consolidation of datacenters, mainly in Germany and Benelux & The Nordics.

The **integration and acquisition costs** amounting to € 15.4 million represented mainly the migration and the standardization of internal IT platforms from acquired companies.

The 2014 **amortization of intangible assets recognized in the Purchase Price Allocation (PPA) of acquisitions** of € 50.7 million was mainly composed of the € 45.3 million SIS Customer Relationships amortized over 8.75 years starting July 1<sup>st</sup>, 2011 and the € 5.3 million Bull Customer Relationships and Patents amortized over 9.3 years for Customer Relationships and 9.9 years for the Patents starting September 1<sup>st</sup>, 2014.

The **other items** increased by € 14.9 million, representing € 39.7 million. After restatement of the gain resulting from the sale of fixed assets for € 18.9 million recorded in 2013 in Belgium, the other items were slightly lower compared to 2013.

### C.1.3 Net financial expense

Net financial expense amounted to € 51.6 million for the period (compared to € 62.7 million last year) and was composed of a net cost of financial debt for € 15.3 million and non-operational financial costs for € 36.3 million.

Net cost of financial debt was € 15.3 million (compared to € 30.9 million in 2013) and resulted from the following elements:

- The average gross borrowing of € 651.0 million compared to € 807.5 million in 2013 bearing an average expense rate of 3.86% compared to 4.81% last year. Excluding the accelerated amortization of fees due to the early termination of both Atos and Bull syndicated loans, the effective interest rate on gross borrowings was 3.28%.  
The average gross borrowing expenses were mainly explained by:
  - The used portion of the syndicated loan for an average of € 494.4 million bearing an effective interest rate of 3.37% (2.60% excluding one off amortization of fees due to early termination of both Atos and Bull syndicated loans).
  - Other sources of financing, including securitization, for an average of € 156.6 million, bearing an effective interest rate of 5.43 %.
- And the average gross cash increased from € 947.3 million in 2013 to € 1,057.9 million in 2014 bearing an average income rate of 0.93% compared to 0.84% in 2013.

Non-operational financial costs amounted to € 36.3 million compared to € 31.8 million in 2013 and were mainly composed of pension financial related costs (€ 18.6 million compared to a € 15.7 million expense in 2013) and a net foreign exchange loss of € 4.1 million versus € 9.4 million in 2013.

### C.1.4 Corporate tax

The Group effective tax rate was 26.8% including the French CVAE tax corresponding to the tax charge of € 104.1 million with a profit before tax of € 388.7 million. Based on normalized net income, the normalized Group effective tax rate was 29.7%.

Please refer to Note 7 -Income tax for further explanations.

### C.1.5 Non-controlling interests

Non-controlling interests included shareholdings held by joint venture partners and other associates of the Group. They were mostly related to Worldline after the dilution of our participating interests, as part of the IPO in June 27<sup>th</sup> 2014 for € 16.1 million.

### C.1.6 Normalized net income

The normalized net income excluding unusual, abnormal, and infrequent items (net of tax) was € 438.0 million, increasing by 5.5% in comparison with previous year.

(in € million)	<b>12 months ended 31 December 2014 estimates</b>	<b>12 months ended 31 December 2013</b>
<b>Net income - Attributable to owners of the parent</b>	<b>265.2</b>	<b>261.6</b>
Other operating income and expenses	(261.6)	(228.5)
Tax effect on other operating income and expenses	85.9	65.6
Other unusual items on tax	2.9	9.2
<b>Total unusual items – Net of tax</b>	<b>(172.8)</b>	<b>(153.7)</b>
<b>Normalized net income - Attributable to owners of the parent</b>	<b>438.0</b>	<b>415.3</b>

### C.1.7 Earning per share

(in € million)	<b>12 months ended 31 December 2014 estimates</b>	<b>% Margin</b>	<b>12 months ended 31 December 2013</b>	<b>% Margin</b>
<b>Net income – Attributable to owners of the parent [a]</b>	<b>265.2</b>	<b>2.9%</b>	<b>261.6</b>	<b>3.0%</b>
Impact of dilutive instruments	-		13.8	
<b>Net income restated of dilutive instruments - Attributable to owners of the parent [b]</b>	<b>265.2</b>	<b>2.9%</b>	<b>275.4</b>	<b>3.2%</b>
<b>Attributable to owners of the parent [c]</b>	<b>438.0</b>	<b>4.8%</b>	<b>415.3</b>	<b>4.8%</b>
Impact of dilutive instruments	-		13.8	
<b>Normalized net income restated of dilutive instruments - Attributable to owners of the parent [d]</b>	<b>438.0</b>	<b>4.8%</b>	<b>429.1</b>	<b>5.0%</b>
Average number of shares [e]	99,358,877		87,805,661	
Impact of dilutive instruments	1,211,306		11,530,518	
Diluted average number of shares [f]	100,570,183		99,336,179	
(In EUR)				
<b>Basic EPS [a] / [e]</b>	<b>2.67</b>		<b>2.98</b>	
<b>Diluted EPS [b] / [f]</b>	<b>2.64</b>		<b>2.77</b>	
<b>Normalized basic EPS [c] / [e]</b>	<b>4.41</b>		<b>4.73</b>	
<b>Normalized diluted EPS [d] / [f]</b>	<b>4.36</b>		<b>4.32</b>	

Potential dilutive instruments comprised stock subscription (equivalent to 1,211,306 options) and did not generate a restatement of net income used for the diluted EPS calculation.

**Normalized basic and diluted EPS** reached respectively € 4.41 (€ 4.73 in 2013) and € 4.36 (€ 4.32 in 2013).



## C.2 Cash Flow

The Group net cash was € 989.1 million at the end of December 2014, thus representing € 83.7 million net cash improvement compared to end of December 2013.

Free cash flow representing the change in net cash or net debt, excluding dividends paid to shareholders, net material acquisitions/disposals and equity changes, reached € 367.1 million versus € 365.1 million achieved in 2013.

(in € million)	<b>12 months ended 31 December 2014 estimates</b>	<b>12 months ended 31 December 2013</b>
<b>Operating Margin before Depreciation and Amortization (OMDA)</b>	<b>919.4</b>	<b>865.4</b>
Capital expenditures	(354.1)	(340.0)
Change in working capital requirement	104.6	111.2
<b>Cash from operation (CFO)</b>	<b>669.9</b>	<b>636.6</b>
Taxes paid	(119.7)	(96.7)
Net cost of financial debt paid	(15.3)	(30.9)
Reorganization in other operating income	(137.8)	(114.0)
Rationalization & associated costs in other operating income	(39.6)	(53.4)
Integration and acquisition costs	(15.0)	(19.9)
Net financial investments (*)	(0.8)	(2.8)
Profit sharing amounts payable transferred to debt	(1.0)	(3.2)
Other changes (**)	26.4	49.4
<b>Free Cash Flow</b>	<b>367.1</b>	<b>365.1</b>
Net material (acquisitions)/disposals	(341.5)	(16.2)
Capital increase/(decrease) & bonds conversion	288.4	480.1
Group share buy-back program	(234.5)	(115.8)
Dividends paid to owners of the parent	(38.3)	(17.3)
<b>Change in net cash/(debt)</b>	<b>41.2</b>	<b>695.9</b>
<b>Opening net cash/(debt)</b>	<b>905.4</b>	<b>232.1</b>
Change in net cash/(debt)	41.2	695.9
Foreign exchange rate fluctuation on net cash/(debt)	42.5	(22.6)
<b>Closing net cash/(debt)</b>	<b>989.1</b>	<b>905.4</b>

(\*) Net Long term financial investments excluding acquisitions and disposals.

(\*\*) "Other changes" include other operating income with cash impact (excluding reorganization, rationalization and associated costs, integration costs and acquisition costs), dividends paid to non-controlling interests, sales of treasury shares & common stock issues following employees exercise of stock options and other financial items with cash impact.

**Cash from operations (CFO)** amounted to € 669.9 million and increased by € 33.3 million compared to prior year. This increase resulted from the evolution of the three following components:

- OMDA (€ +54.0 million) mainly reflecting the increase of operating margin,
- Higher capital expenditures (€-14.1 million),
- Negative change in working capital requirement (€ -6.6 million).

**OMDA** of € 919.4 million represented 10.2% of revenue, compared to the 10.0% of revenue last year.

(in EUR million)	<b>12 months ended 31 December 2014 estimates</b>	<b>12 months ended 31 December 2013</b>
<b>Operating margin</b>	<b>701.9</b>	<b>645.2</b>
+ Depreciation of fixed assets	313.0	329.1
+ Net book value of assets sold/written off	16.7	19.5
+ Charge for equity-based compensation	22.7	16.7
+/- Net charge/(release) of pension provisions	(84.4)	(81.5)
+/- Net charge/(release) of provisions	(50.5)	(63.6)
<b>OMDA</b>	<b>919.4</b>	<b>865.4</b>

**Capital expenditures** amounted to € 354.1 million or 3.9% of revenue equal to the level of 2013.

The **change in working capital** contributed positively by € 104.6 million, € 31.3 million in the first semester and € 73.3 million in the second semester mostly coming from the optimization actions conducted on Bull working capital. The DSO ratio reached 38 days at the end of December 2014 compared to 40 days in 2013. DSO has been positively impacted by the implementation of financial arrangements on large customer contracts by 12 days compared to 8 days in December 2013. The DPO ratio was 78 days at end of 2014 compared to 82 days in 2013.

Cash out related to **taxes paid** reached € 119.7 million and was € 23.0 million higher than last year. The increase in tax cash out corresponded to deferred tax payments of previous periods which have become due in 2014 principally in Germany for € 14.2 million.

The **cost of net debt** for € 15.3 million decreased by € 15.6 million compared to 2013. This was mainly due to:

- a lower cost of gross debt which was 3.86% in 2014 compared to 4.81% last year;
- a lower average gross debt which decreased by € -156.5 million during the year (€ 651.0 million compared to € 807.5 million in 2013). Such decrease came mainly from the early redemption of the 2009 and 2011 convertible bonds in October 2013 and in December 2013 respectively. The average gross cash amounted to € 1,057.9 million during the year 2014 compared to € 947.3 million in 2013.

**Reorganization, rationalization and associated costs** reached € 177.4 million, including the cash out related to the acceleration of the Bull reorganization.

**Other changes** of € +26.4 million corresponded mainly to the exercise of equity-based compensation for € +73.9 million (of which € +57.2 million over the first semester) and the payment related to the final settlement with DWP for the exit of the Working Capabilities Assessments (WCA) contract for € -25.3 million and other financial expenses for € -23.1 million.

As a result, the **Group free cash flow** (FCF) generated during the year 2014 was € 367.1 million.

The net debt impact resulting from **net acquisitions/disposals** corresponded to:

- the acquisition of 100% of Bull shares for € 693.7 million (of which € 602.7 million of acquisition price and € 91.0 million of net debt);
- the acquisition of Cambridge Technology Partners in CEE for € 20.1 million (including € 5.8 million of net cash); and
- the disposal of Worldline shares by Atos SE, as part of Worldline IPO, for € 372.3 million resulting to 29.57% of non-controlling interests.

The € 288.4 million **capital increase & bonds conversion** mainly resulted from the following capital increase:

- € 246.3 million subscribed, as part of Worldline IPO, by the non-controlling interests;
- € 35.3 million contribution by the employees to the Group shareholding program SPRINT;
- € 5.0 million subscribed by the Group partners in Canopy, the Open Cloud Company Limited, a subsidiary dedicated to Cloud computing.

In 2014, the Group repurchased Atos shares for € 234.5 million as part of the € 345.0 million **share buy-back program** which has been completed in December 2014.

As per the resolution approved by the shareholders during the Annual General Meeting held on May 28<sup>th</sup>, 2014, the Group paid in cash a **dividend** of € 38.3 million to its shareholders.

**Foreign exchange rate fluctuation** which is determined on debt or cash exposure by country represented an increase in the net cash of € 42.5 million mainly coming from the change of Euro against GBP, US Dollar, and Asian currencies.

### C.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.

#### C.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 November 6<sup>th</sup>, 2014, Atos signed with a number of major financial institutions a five-year € 1.8 billion credit facility maturing in November 2019 with an option for Atos to request the extension of the Facility maturity date until November 2021. The facility is available for general corporate purposes and replaced the existing € 1.2 billion facility signed in April 2011.

The revolving credit facility includes one financial covenant which is the consolidated leverage ratio (net debt divided by operating margin before depreciation and amortization) which may not be greater than 2.5 times.

Atos securitization program of trade receivables has been renewed for 5 years on June 18<sup>th</sup>, 2013 with a maximum amount of receivables sold of € 500.0 million and a maximum amount of financing of € 200.0 million.

The new program is structured in two compartments, called "ON" and "OFF":

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

Financial covenants of the Atos securitization program 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 may not be less than 4 times.

### **C.3.2 Bank covenants**

The Group was well within its borrowing covenant for the multi-currency revolving credit facility, with a consolidated leverage ratio (net debt divided by OMDA) of -1.08 at the end of December 2014 (the ratio is negative due to the net cash position of the Group at the end of December 2014). The consolidated leverage ratio must not be greater than 2.5 times under the terms of the multi-currency revolving credit facility.

The Group was also well within the limit of the consolidated interest cover ratio which apply only to the Atos securitization program of trade receivables. The consolidated interest cover was 45.88 (Operating Margin divided by the net cost of financial debt which may not be less than 4 times).

### **C.3.3 Investment policy**

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.

### **C.3.4 Hedging policy**

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 for an amount of € 280.0 million the interest rate exposure on the used portion of the credit facility signed in 2011. The instruments used were Swap rates maturing in November 2015.

## **D CONSOLIDATED FINANCIAL STATEMENTS**

### **D.1 Statutory Auditors' report on the consolidated financial statements for the year ended December 31, 2014**

The audit procedures on the presented financial information examined by the Board of Directors held on February 18, 2015 have been performed by the statutory auditors but will only be finalized in the view of the issuance of their certification report, after the meeting of the Board of Directors to be held on March 26, 2015 approving the Group Financial Statements and the finalization of the verification procedures required by law.

## D.2 Consolidated Income Statement

(in € million)		<b>12 months ended 31 December 2014 estimates</b>	<b>12 months ended 31 December 2013</b>
<b>Revenue</b>	<b>Note 2</b>	<b>9,051.2</b>	<b>8,614.6</b>
Personnel expenses	Note 3	(4,573.2)	(4,445.9)
Operating expenses	Note 4	(3,776.1)	(3,523.5)
<b>Operating margin % of revenue</b>		<b>701.9 7.8%</b>	<b>645.2 7.5%</b>
Other operating income and expenses	Note 5	(261.6)	(228.5)
<b>Operating income % of revenue</b>		<b>440.3 4.9%</b>	<b>416.7 4.8%</b>
Net cost of financial debt		(15.3)	(30.9)
Other financial expenses		(72.7)	(68.3)
Other financial income		36.4	36.5
Net financial income	Note 6	(51.6)	(62.7)
<b>Net income before tax</b>		<b>388.7</b>	<b>354.0</b>
Tax charge	Notes 7-8	(104.1)	(95.9)
Share of net profit/(loss) of associates		(2.1)	1.5
<b>Net income</b>		<b>282.5</b>	<b>259.6</b>
Of which:			
- <b>attributable to owners of the parent</b>		<b>265.2</b>	<b>261.6</b>
- non-controlling interests	Note 9	17.3	(2.0)

(in € and number of shares)

<b>Net income - Attributable to owners of the parent</b>	<b>Note 10</b>		
Weighted average number of shares		99,358,877	87,805,661
<b>Basic earnings per share</b>		<b>2.67</b>	<b>2.98</b>
Diluted weighted average number of shares		100,570,183	99,336,179
<b>Diluted earnings per share</b>		<b>2.64</b>	<b>2.77</b>

### D.3 Consolidated statement of comprehensive income

(in € million)	<b>12 months ended 31 December 2014 estimates</b>	<b>12 months ended 31 December 2013</b>
<b>Net income</b>	<b>282.5</b>	<b>259.6</b>
<b>Other comprehensive income</b>		
<b>- to be reclassified subsequently to profit or loss   (recyclable):</b>	<b>94.8</b>	<b>(68.3)</b>
Cash flow hedging	4.1	(0.1)
Exchange differences on translation of foreign operations	90.8	(69.8)
Deferred tax on items recyclable recognized directly on equity	(0.1)	1.6
<b>- not reclassified to profit or loss (non-recyclable):</b>	<b>(501.4)</b>	<b>(92.1)</b>
Actuarial gains and losses generated in the period on defined benefit plan	(676.1)	(108.8)
Deferred tax on items non-recyclable recognized directly on equity	174.7	16.7
<b>Total other comprehensive income</b>	<b>(406.6)</b>	<b>(160.4)</b>
<b>Total comprehensive income for the period</b>	<b>(124.1)</b>	<b>99.2</b>
Of which:		
<b>- attributable to owners of the parent</b>	<b>(124.0)</b>	<b>101.2</b>
- non-controlling interests	(0.1)	(2.0)

## D.4 Consolidated statement of financial position

(in € million)		<b>12 months ended 31 December 2014 estimates</b>	<b>12 months ended 31 December 2013</b>
<b>ASSETS</b>			
Goodwill	Note 11	2,627.9	1,915.7
Intangible assets	Note 12	646.6	445.4
Tangible assets	Note 13	693.7	619.0
Non-current financial assets	Note 14	227.6	376.5
Non-current financial instruments	Note 23	3.2	0.3
Deferred tax assets	Note 8	419.7	336.5
<b>Total non-current assets</b>		<b>4,618.7</b>	<b>3,693.4</b>
Trade accounts and notes receivables	Note 15	2,124.1	1,722.5
Current taxes		17.3	23.7
Other current assets	Note 16	648.2	437.3
Current financial instruments	Note 23	10.2	19.1
Cash and cash equivalents	Note 18	1,620.3	1,306.2
<b>Total current assets</b>		<b>4,420.1</b>	<b>3,508.8</b>
<b>Total assets</b>		<b>9,038.8</b>	<b>7,202.2</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
(in € million)		<b>12 months ended 31 December 2014 estimates</b>	<b>12 months ended 31 December 2013</b>
Common stock		101.3	98.1
Additional paid-in capital		2,521.6	2,385.1
Consolidated retained earnings		399.6	350.1
Translation adjustments		(94.4)	(185.7)
Net income attributable to the owners of the parent		265.2	261.6
<b>Equity attributable to the owners of the parent</b>		<b>3,193.3</b>	<b>2,909.2</b>
Non-controlling interests		208.8	30.0
<b>Total shareholders' equity</b>		<b>3,402.1</b>	<b>2,939.2</b>
Provisions for pensions and similar benefits	Note 20	1,258.1	723.1
Non-current provisions	Note 21	93.8	108.9
Borrowings	Note 22	528.1	307.3
Deferred tax liabilities	Note 8	66.4	147.5
Non-current financial instruments	Note 23	8.3	6.8
Other non-current liabilities		18.8	9.5
<b>Total non-current liabilities</b>		<b>1,973.5</b>	<b>1,303.1</b>
Trade accounts and notes payables	Note 24	1,397.0	1,055.6
Current taxes		73.0	80.2
Current provisions	Note 21	263.9	193.5
Current financial instruments	Note 23	4.6	25.9
Current portion of borrowings	Note 22	103.1	93.5
Other current liabilities	Note 25	1,821.6	1,511.2
<b>Total current liabilities</b>		<b>3,663.2</b>	<b>2,959.9</b>
<b>Total liabilities and shareholders' equity</b>		<b>9,038.8</b>	<b>7,202.2</b>



## D.5 Consolidated cash flow statement

(in € million)		<b>12 months ended 31 December 2014 estimates</b>	<b>12 months ended 31 December 2013</b>
<b>Profit before tax</b>		<b>388.7</b>	<b>354.0</b>
Depreciation of assets	Note 4	313.0	329.1
Net charge / (release) to operating provisions		(134.9)	(145.1)
Net charge / (release) to financial provisions		23.2	16.9
Net charge / (release) to other operating provisions		(10.2)	(38.0)
Purchase Price Allocation amortization (PPA)	Note 4	50.7	44.3
Losses / (gains) on disposals of fixed assets		9.6	(12.7)
Net charge for equity-based compensation		22.7	16.7
Losses / (gains) on financial instruments		(9.8)	2.5
Net cost of financial debt	Note 6	15.3	30.9
<b>Cash from operating activities before change in working capital requirement, financial interest and taxes</b>		<b>668.3</b>	<b>598.6</b>
Taxes paid		(119.7)	(96.7)
Change in working capital requirement		104.6	111.2
<b>Net cash from / (used in) operating activities</b>		<b>653.2</b>	<b>613.1</b>
Payment for tangible and intangible assets		(354.1)	(340.0)
Proceeds from disposals of tangible and intangible assets		9.2	34.5
<b>Net operating investments</b>		<b>(344.9)</b>	<b>(305.5)</b>
Amounts paid for acquisitions and long-term investments		(633.5)	(28.0)
Cash and cash equivalents of companies purchased during the period		(3.7)	2.5
Proceeds from disposals of financial investments		9.0	7.3
Dividend received from entities consolidated by equity method		2.5	2.4
<b>Net long-term investments</b>	Note 26	<b>(625.7)</b>	<b>(15.8)</b>
<b>Net cash from / (used in) investing activities</b>		<b>(970.6)</b>	<b>(321.3)</b>
Capital Increase		35.3	-
Common stock issues on the exercise of equity-based compensation		73.9	98.1
Capital increase subscribed by non-controlling interests		253.1	13.0
Portion of convertible bonds in financial liability		-	(2.0)
Purchase and sale of treasury stock		(234.5)	(115.8)
Dividends paid to owners of the parent		(38.3)	(17.3)
Dividends paid to non-controlling interests		(1.9)	(6.0)
Payment for acquisition of non controlling interests		-	(1.6)
Proceeds of disposal of non controlling interests		372.3	-
New borrowings	Note 22	182.6	8.2
New finance lease	Note 22	0.2	2.2
Repayment of long and medium-term borrowings	Note 22	(47.9)	(37.8)
Net cost of financial debt paid		(15.3)	(19.9)
Other flows related to financing activities		(6.0)	(58.6)
<b>Net cash from / (used in) financing activities</b>		<b>573.5</b>	<b>(137.5)</b>
<b>Increase / (decrease) in net cash and cash equivalents</b>		<b>256.1</b>	<b>154.3</b>
<b>Opening net cash and cash equivalents</b>		<b>1,238.3</b>	<b>1,109.6</b>
Increase / (decrease) in net cash and cash equivalents	Note 22	256.1	154.3
Impact of exchange rate fluctuations on cash and cash equivalents		48.1	(25.6)
<b>Closing net cash and cash equivalents</b>	Note 23	<b>1,542.5</b>	<b>1,238.3</b>

## D.6 Consolidated statement of changes in shareholders' equity

(in € million)	Number of shares at period-end (thousands)	Common Stock	Additional paid-in capital	Consolidated retained earnings	Translation adjustments	Items recognized directly in equity	Net income	Total	Non controlling interests	Total shareholders' equity
<b>At January 1<sup>st</sup>, 2013</b>	<b>85,703</b>	<b>85.7</b>	<b>1,842.5</b>	<b>322.6</b>	<b>(116.0)</b>	<b>(10.1)</b>	<b>223.8</b>	<b>2,348.5</b>	<b>30.8</b>	<b>2,379.3</b>
<b>IAS19 revised impacts at January 1<sup>st</sup>, 2013</b>				<b>(9.8)</b>				<b>(9.8)</b>		<b>(9.8)</b>
<b>At January 1<sup>st</sup>, 2013 restated</b>	<b>85,703</b>	<b>85.7</b>	<b>1,842.5</b>	<b>312.8</b>	<b>(116.0)</b>	<b>(10.1)</b>	<b>223.8</b>	<b>2,338.7</b>	<b>30.8</b>	<b>2,369.5</b>
* Common stock issued	12,463	12.4	542.6	(34.0)				521.0		521.0
* Appropriation of prior period net income				223.8			(223.8)	-		-
* Dividends paid				(17.3)				(17.3)	(6.0)	(23.3)
* Equity-based compensation				16.7				16.7		16.7
* Changes in treasury stock				(33.9)				(33.9)		(33.9)
* Equity portion of compound instrument				(23.8)				(23.8)		(23.8)
* Other				6.5				6.5	7.3	13.8
Transactions with owners	12,463	12.4	542.6	138.0	-	-	(223.8)	469.2	1.3	470.5
* Net income							261.6	261.6	(2.0)	259.6
* Other comprehensive income				(92.1)	(69.7)	1.5		(160.3)	(0.1)	(160.4)
Total comprehensive income for the period				(92.1)	(69.7)	1.5	261.6	101.3	(2.1)	99.2
<b>At December 31<sup>st</sup>, 2013</b>	<b>98,166</b>	<b>98.1</b>	<b>2,385.1</b>	<b>358.7</b>	<b>(185.7)</b>	<b>(8.6)</b>	<b>261.6</b>	<b>2,909.2</b>	<b>30.0</b>	<b>2,939.2</b>
* Common stock issued	3,168	3.2	136.5	(30.8)				108.9		108.9
* Appropriation of prior period net income				261.6			(261.6)	-		-
* Dividends paid				(38.3)				(38.3)	(1.9)	(40.2)
* Equity-based compensation				22.7				22.7		22.7
* Changes in treasury stock				(120.7)				(120.7)		(120.7)
* Worldline IPO impact				439.1				439.1	169.0	608.1
* Other				13.7				13.7	(5.5)	8.2
Transactions with owners	3,168	3.2	136.5	547.3	-	-	(261.6)	425.4	161.6	587.0
* Net income							265.2	265.2	17.3	282.5
* Other comprehensive income				(501.4)	91.3	3.6		(406.5)	(0.1)	(406.6)
Total comprehensive income for the period				(501.4)	91.3	3.6	265.2	(141.3)	17.2	(124.1)
<b>At December 31<sup>st</sup>, 2014 estimates</b>	<b>101,334</b>	<b>101.3</b>	<b>2,521.6</b>	<b>404.6</b>	<b>(94.4)</b>	<b>(5.0)</b>	<b>265.2</b>	<b>3,193.3</b>	<b>208.8</b>	<b>3,402.1</b>

## D.7 Appendices to the consolidated financial statements

### D.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 FR0000051732. The shares are not listed on any other stock exchange. 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>, 2014 comprise the Group and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and jointly controlled entities.

The Group's financial information relating to the financial year ended December 31, 2014 included in this document have been prepared using a process similar to that adopted for the preparation of the Group's annual consolidated financial statements. The Board of Directors of Atos SE has examined at its February 18, 2015 meeting the Group's financial information for the financial year ended December 31, 2014 and has approved their communication. The Group's financial statements which will be formally approved by the Board of Directors, to be held on March 26, 2015, shall include any material events previously unknown by the Group and of which it becomes aware or which may occur after February 18, 2015. The audit procedures on the presented financial information examined by the Board of Directors held on February 18, 2015 have been performed by the statutory auditors but will only be finalized in the view of the issuance of their certification report, after the meeting of the Board of Directors to be held on March 26, 2015 approving the Group Financial Statements and the finalization of the verification procedures required by law. The consolidated financial statements will then be submitted to the approval of the general meeting of shareholders scheduled to take place on May 2015. Therefore the financial information presented shall be, in accordance with the AMF recommendation n°2004-04, qualified as estimated financial results.

### D.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>, 2014 have been prepared in accordance with the applicable international accounting standards, as endorsed by the European Union as at December 31<sup>st</sup>, 2014. 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>, 2014, 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). 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, 2014:

- IFRS 10 - Consolidated Financial Statements;
- IFRS 11 - Joint Arrangements;
- IFRS 12 - Disclosure of Interests in Other Entities;
- IAS 27 (revised) - Separate Financial Statements;
- IAS 28 (revised) - Investments in Associates and Joint Ventures;
- Amendments IFRS 10, 11, 12 - Transition Guidance;
- IAS 32 (revised) - Offsetting Financial Assets and Financial liabilities;
- IAS 36 (revised) - Disclosures - Recoverable Amount for Non-Financial Assets;
- Amendments IFRS 10, 12 and IAS 27 - Investment Entities;
- Amendments IAS 39 - Novation of Derivatives and Continuation of Hedge Accounting.

The following standards, interpretations and amendments to existing standards that have been published and endorsed by European Union are not yet mandatory for the Group:

- IFRIC 21 - Levies;

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 (superseding IAS 39);
  - Annual improvements - 2010-2012 cycle;
  - Annual improvements - 2011-2013 cycle;
  - Amendments to IAS 19 - Defined benefit plans: employee contributions;
  - IFRS 14- Regulatory Deferral Accounts;
  - Amendments to IFRS 11 - Accounting for acquisitions of interests in joint operations;
  - Amendments to IAS 16 and IAS 38 - clarification of acceptable methods of depreciation and amortization.
  - Annual improvements - 2012-2014 cycle;
  - IFRS 15 - Revenue from Contracts with Customers

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 € 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 realized, 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 3 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 in operating margin. Customer relationships, patents and trademark acquired in a business combination are amortized on a straight-line basis over their expected useful life, generally not exceeding ten years; 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 on post-employment benefit plans 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.

### **D.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 Group 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.7.4 Notes to the consolidated financial statements

### Note 1 Changes in the scope of consolidation

#### Initial Public Offering of Worldline

In the context of the initial public offering of Worldline (IPO), Atos SE has sold existing shares on the regulated market of Euronext Paris (Compartment A; ISIN Code: FR0011981968; ticker: WLN).

The gross proceeds from the French public offering and the international offering amount to a total of € 639.1 million, including € 255.0 million of new shares (i.e. 15,548,780 new shares) and € 384.1 million of existing shares (i.e. 23,415,465 existing shares) sold by Atos SE.

Worldline's shares started to be traded on June 27<sup>th</sup>, 2014 and the delivery occurred only on July 1<sup>st</sup>.

As Atos maintained control over Worldline after the IPO, the net disposal result of the existing shares owned by Atos SE, as well as the proceed from the sale of new shares issued resulting from a capital increase of Worldline is shown in Atos equity.

Equity impacts are summarized as follows:

(in € million)	31 December 2014 estimates
Sale price of shares sold by Atos SE	384.1
Accumulated reserves	72.6
<b>Proceeds from the sales of existing shares</b>	<b>311.5</b>
IPO transaction costs	(11.7)
Proceeds from the sales of new shares	184.6
Dilution loss	(31.6)
<b>Result in Equity</b>	<b>452.8</b>
Tax impact	(13.7)
<b>Net result in Equity</b>	<b>439.1</b>

First, Atos has sold 19,492,013 of existing Worldline shares for € 16.4 per share which led to the recognition of € 319.7 million of proceeds which were reduced by the accumulated reserves in Atos books for € 53.9 million and by some IPO costs totaling € 8.1 million.

Secondly, Worldline issued 15,548,780 of new shares in June at € 16.4 generating proceeds net of fees of € 251.0 million and recorded minority interests for € 66.8 million. As a result, a € -31.6 million loss due to a dilution of 9.8% in Worldline was also recorded in equity.

Finally, on July 2014, the over-allotment option covering 3,923,452 additional existing shares sold by Atos, at the offering price of € 16.4 per share, corresponded to a total amount of approximately € 64.3 million. Additional IPO costs occurred for totaling € 3.6 million.

As a result, the total number of Worldline shares offered in connection with its initial public offering amounts to 38,964,245 shares, representing 29.6% of the company's share capital.

#### Public Offer on Group Bull

On May 26<sup>th</sup>, 2014, Atos launched a public offer targeting all of Bull's outstanding shares and instruments. This €4.90 cash offer on the shares and € 5.55 on the Bull OCEANE valued Bull's share capital at c. € 620 million on a fully diluted basis, which represented a 30% premium compared to the company's three-month volume weighted average share price of € 3.77.



As of the settlement date set on August 18<sup>th</sup>, 2014, Atos consequently held 84.25% of Bull's share capital and voting rights based on the total number of shares outstanding as of July 31<sup>th</sup>, 2014, and 18.41% of the company's outstanding OCEANEs. In accordance with the provisions of Article 232-4 of the AMF General Regulation, the offer was reopened during 12 trading days from August 25<sup>th</sup> to September 9<sup>th</sup> 2014, with the same offer prices of € 4.90 per share and € 5.55 per OCEANE.

Following the settlement and delivery of the reopened friendly tender offer on Bull's shares at € 4.90 per share and at € 5.55 per OCEANE (bonds convertible and/or exchangeable into new or existing shares), and the acquisitions of shares made at the same price after the announcement of the result of such offer, Atos had crossed upwards the 95% threshold of the share capital and voting rights of Bull and held 116,993,469 shares representing 95.56% of the share capital and voting rights of Bull and holds 11,871 Bull's OCEANEs, representing 20.25% of outstanding Bull's OCEANEs.

On December 1<sup>st</sup>, 2014, Bull decided to proceed with an early redemption of all the OCEANE bonds, in compliance with the provision of the issuance prospectus (the outstanding OCEANE bonds represented less than 10% of the total number of OCEANE initially issued).

In order to quickly proceed with the full integration of Bull, Atos then decided to initiate a buyout offer open from December 2<sup>nd</sup>, 2014 to December 15<sup>th</sup>, 2014 followed by a squeeze-out on Bull's remaining shares, at the same price, i.e. at € 4.90 per share. The squeeze-out was completed on December 16<sup>th</sup>, 2014.

Based on the above facts, Atos gained control over Bull just after the end of the public offer and held 100% of the equity instruments of Bull as of December 16<sup>th</sup>, 2014. As a result, Atos was in a position to consolidate Bull from September 1<sup>st</sup>, 2014.

#### Consideration transferred

in € million	<b>Consideration paid estimates</b>
Initial public offer	505.5
12 day legal reopening of the offer	44.8
Shares purchased on behalf of Atos between August 26 <sup>th</sup> and October 1 <sup>st</sup>	23.0
Buy-out offer and squeeze-out	25.9
Bull Stock options acquisitions	3.5
<b>Total</b>	<b>602.7</b>

Identifiable assets acquired and liabilities assumed at the date of acquisition

(in € million)	<b>Amount estimates</b>
Intangible assets	209.7
Tangible assets	64.3
Investment in associates	7.1
Non-current financial assets	39.2
Deferred tax assets	48.1
Other non current asset	0.2
<b>Total non-current assets</b>	<b>368.5</b>
Trade accounts and notes receivables	295.0
Current taxes	4.7
Other current assets	203.2
Current financial instruments	0.6
Cash and cash equivalents	75.8
<b>Total current assets</b>	<b>579.3</b>
<b>Total assets (A)</b>	<b>947.8</b>
Minority interest	0.5
<b>Total shareholder's equity</b>	<b>0.5</b>
Provisions for pensions and similar benefits	197.5
Non-current provisions	135.9
Borrowings	147.3
Deferred tax liabilities	72.0
<b>Total non-current liabilities</b>	<b>552.7</b>
Trade accounts and notes payables	79.9
Current taxes	3.8
Current financial instruments	0.8
Current portion of borrowings	19.5
Other current liabilities	322.1
<b>Total current liabilities</b>	<b>426.0</b>
<b>Total Liabilities (B)</b>	<b>979.2</b>
<b>Fair value of acquisition (A) - (B)</b>	<b>(31.4)</b>

The valuation of assets acquired and liabilities assumed at their fair value has resulted in the recognition of new intangible assets for a total amount of € 207.0 million (€ 140.4 million for Patents, € 50.0 million for Trademark and € 16.6 million for Customer Relationships) determined by an independent expert, and the re-measurement of tangible assets and liabilities. Patents and Customer Relationships are being amortized on a straight line basis over a period of 9.9 years for Patents and 9.3 years for Customer Relationships generating an annual charge of € 16.0 million. Therefore, a charge of € 5.3 million was recorded for the four-month period ended December 31<sup>th</sup>, 2014.

If new information is obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date that would lead to adjustments to the above amounts, then the acquisition accounting would be revised.

## Preliminary Goodwill

Preliminary goodwill was recognized as a result of the acquisition as follows:

(in € million)	<b>Preliminary Goodwill estimates</b>
Total consideration paid	602.7
Fair value of identifiable net assets	(31.4)
<b>Total</b>	<b>634.1</b>

The residual goodwill is attributable mainly to Bull's highly skilled workforce and some know-how. It also reflects the synergies expected to be achieved from integrating Bull operations into the Group.

The goodwill arising from this acquisition is not tax deductible.

### Acquisition-related costs

The Group incurred acquisition-related costs of € 3.9 million related notably external fees of advisers involved on this transaction. These costs have been recognized in "other operating income and expenses" in the Group's consolidated income statement.

### **Other acquisitions**

The Group has also invested € 21.0 million to acquire Cambridge Technology Partners, a Swiss leading IT consulting and services bringing digital marketing expertise in the Consumer Goods, Luxury, Pharma and Financial Market sectors.

## **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 Bull and Initial Public Offering of Worldline, the chief operating decision maker decided to reorganize as per the operating segments detailed here below:

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

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties.

The revenues from each external contract amounted to less than 10% of the Group's revenue.

In 2013, in order to further improve the operational efficiency of the Group, the chief operating decision maker has decided to make the following adaptations in the Group organization:

- The GBU **North & South West Europe (N&SWE)** was split between i) Nordic countries transferred to the newly called Benelux & The Nordics GBU (BTN) and ii) Switzerland and Italy transferred to Central & Eastern Europe GBU (CEE),
- The entity **Atos Worldline Financial Markets (AWFM)** was transferred under the management of the France GBU. In terms of Service Line, AWFM is part of Systems Integration, and
- The **Atos Worldgrid** entity, formerly part of the segment "Other countries", is now reported in the corresponding GBUs (France, Italy, Spain, Germany and APAC). In terms of Service Line, Atos Worldgrid is part of Systems Integration.

The changes compared to 2013 segments organization are summarized here below:

Operating segments in 2013	Bridge	Operating segments in 2014
N&SWE	Denmark, Sweden & Finland & the Nordics	BTN
	Italy & Switzerland	CEE
Other Countries	Atos Worldgrid Germany	Germany
	Atos Worldgrid Spain	Iberia
	Atos Worldgrid Italy	CEE
	Atos Worldgrid China	Other Countries
	Atos Worldgrid France	France

The change in internal management reporting is applied retrospectively and comparative figures are restated.

Worldline legal reorganization has been completed as follows:

<b>Operating segments in 2013</b>	<b>Bridge</b>	<b>Operating segments in 2014</b>
CEE	Carve-out Austria	Atos Worldline
LATAM	Reversed Carve-out Argentina	Atos Worldline
LATAM	Chile	Atos Worldline
UK	Carve-out UK	Atos Worldline

The comparative figures are not restated in 2013.

The operating segment information for the periods was the following:

(in € million)	United Kingdom and Ireland	Germany	BTN	France	Central and Eastern Europe	North America	Iberia	Other countries	Atos Worldline	Total Operating segments	Global Delivery Lines	Other Global Structures	Elimination	Total Group
<b>12 months ended 31 December 2014 estimates</b>														
<b>External revenue by segment</b>	<b>1,706.6</b>	<b>1,586.8</b>	<b>1,037.9</b>	<b>1,305.1</b>	<b>877.4</b>	<b>597.3</b>	<b>330.2</b>	<b>511.1</b>	<b>1,098.8</b>	<b>9,051.2</b>				<b>9,051.2</b>
% of Group revenue	18.9%	17.5%	11.5%	14.4%	9.7%	6.6%	3.6%	5.6%	12.1%	100.0%				100.0%
Inter-segment revenue	61.3	191.6	96.6	124.3	151.3	29.9	25.0	240.3	50.3	970.6		55.2	(1,025.8)	-
Total revenue	1,767.9	1,778.4	1,134.5	1,429.4	1,028.7	627.2	355.2	751.4	1,149.1	10,021.8	-	55.2	(1,025.8)	9,051.2
<b>Segment operating margin</b>	<b>143.9</b>	<b>110.7</b>	<b>128.7</b>	<b>73.3</b>	<b>72.6</b>	<b>44.8</b>	<b>10.9</b>	<b>59.0</b>	<b>170.3</b>	<b>814.2</b>		<b>(112.3)</b>		<b>701.9</b>
% of Group margin	8.4%	7.0%	12.4%	5.6%	8.3%	7.5%	3.3%	11.5%	15.5%	9.0%				7.8%
<b>Total segment assets</b>	<b>1,064.8</b>	<b>904.4</b>	<b>718.8</b>	<b>1,382.3</b>	<b>573.5</b>	<b>236.0</b>	<b>261.2</b>	<b>637.1</b>	<b>962.8</b>	<b>6,740.9</b>	-	<b>240.6</b>	-	<b>6,981.5</b>
<b>Other information on income statement</b>														
Depreciation of assets	(51.7)	(67.9)	(41.6)	(19.9)	(32.4)	(13.2)	(4.1)	(27.3)	(43.7)	(301.8)		(11.2)		(313.0)
<b>Other informations</b>														
Year end headcount	10,314	8,807	6,582	14,350	10,231	3,269	5,464	18,529	7,303	84,849		1,016		85,865
Capital expenditure	59.9	79.5	33.8	14.1	30.5	18.6	3.0	28.2	68.9	336.5		17.6		354.1
Net cash	(121.7)	503.0	33.3	93.3	242.5	137.2	(16.6)	202.1	203.1	1,276.2		(287.1)		989.1
<b>12 months ended 31 December 2013</b>														
<b>External revenue by segment</b>	<b>1,647.0</b>	<b>1,659.4</b>	<b>1,083.5</b>	<b>1,020.0</b>	<b>873.4</b>	<b>607.0</b>	<b>324.6</b>	<b>503.7</b>	<b>896.0</b>	<b>8,614.6</b>				<b>8,614.6</b>
% of Group revenue	19.1%	19.3%	12.6%	11.8%	10.1%	7.0%	3.8%	5.8%	10.4%	100.0%				100.0%
Inter-segment revenue	40.3	199.0	110.5	72.7	127.0	73.4	15.4	348.3	23.7	1,010.3		101.6	(1,111.9)	-
Total revenue	1,687.3	1,858.4	1,194.0	1,092.7	1,000.4	680.4	340.0	852.0	919.7	9,624.9	-	101.6	(1,111.9)	8,614.6
<b>Segment operating margin</b>	<b>135.3</b>	<b>120.0</b>	<b>122.2</b>	<b>33.1</b>	<b>64.3</b>	<b>41.4</b>	<b>11.9</b>	<b>73.1</b>	<b>162.4</b>	<b>763.7</b>		<b>(118.5)</b>		<b>645.2</b>
% of Group margin	8.2%	7.2%	11.3%	3.2%	7.4%	6.8%	3.7%	14.5%	18.1%	8.9%				7.5%
<b>Total segment assets</b>	<b>1,038.4</b>	<b>820.9</b>	<b>816.7</b>	<b>605.9</b>	<b>500.9</b>	<b>203.8</b>	<b>189.1</b>	<b>534.4</b>	<b>705.0</b>	<b>5,415.1</b>	-	<b>120.7</b>	-	<b>5,535.8</b>
<b>Other information on income statement</b>														
Depreciation of assets	(56.3)	(69.6)	(46.2)	(25.6)	(41.2)	(13.0)	(3.8)	(25.0)	(32.0)	(312.7)		(16.4)		(329.1)
<b>Other informations</b>														
Year end headcount	10,252	8,729	6,910	9,886	8,198	3,919	5,205	16,876	5,583	75,558		762		76,320
Capital expenditure	59.1	63.4	40.6	25.3	29.5	19.7	4.4	33.4	56.6	332.0		8.0		340.0
Net cash	(170.8)	442.2	15.4	(0.2)	219.2	92.4	(35.5)	174.7	(32.2)	705.2		200.2		905.4

The assets detailed above by segment are reconciled to total assets as follows:

(in € million)	<b>12 months ended 31 December 2014 estimates</b>	<b>12 months ended 31 December 2013</b>
<b>Total segment assets</b>	<b>6,981.5</b>	<b>5,535.8</b>
Tax Assets	437.0	360.2
Cash & Cash Equivalents	1,620.3	1,306.2
<b>Total Assets</b>	<b>9,038.8</b>	<b>7,202.2</b>

The Group revenues from external customers are split into the following service lines:

(in € million)	Consulting & Systems Integration	Managed Services	Big Data and Security	Worldline	<b>Total Group</b>
<b><u>12 months ended 31 December 2014 estimates</u></b>					
<b>External revenue by segment</b>	<b>3,136.1</b>	<b>4,576.6</b>	<b>239.7</b>	<b>1,098.8</b>	<b>9,051.2</b>
% of Group revenue	34.6%	50.6%	2.6%	12.1%	100.0%
<b><u>12 months ended 31 December 2013</u></b>					
<b>External revenue by segment</b>	<b>2,891.6</b>	<b>4,016.8</b>	-	<b>1,706.2</b>	<b>8,614.6</b>
% of Group revenue	33.6%	46.6%	-	19.8%	100.0%

During the second semester of 2013, the Group has finalized the carve-out of its merchant and payment activities with the set-up of Worldline. This operation led to the consolidation of some Hi-Tech Transactional Services (HTTS) activities from several GBU's with Atos Worldline to form the new perimeter of Worldline, without any impact at Group consolidated level. This new operational organization is reflected on the Group segment information from 2014 onwards.

### Note 3 Personnel expenses

(In € million)	<b>12 months ended 31 December 2014 estimates</b>	<b>% Revenue</b>	<b>12 months ended 31 December 2013</b>	<b>% Revenue</b>
Wages and salaries	(3,600.9)	39.8%	(3,534.0)	41.0%
Social security charges	(994.1)	11.0%	(930.1)	10.8%
Tax, training, profit-sharing	(36.4)	0.4%	(48.5)	0.6%
Equity-based compensation	(22.7)	0.3%	(16.7)	0.2%
Net (charge)/release to provisions for staff expenses	(3.5)	0.0%	1.9	0.0%
Net (charge)/release of pension provisions	84.4	-0.9%	81.5	-0.9%
<b>Total</b>	<b>(4,573.2)</b>	<b>50.5%</b>	<b>(4,445.9)</b>	<b>51.6%</b>

## Equity-based compensation

The € 22.7 million charges recorded within operating margin for equity based compensation (€ 16.7 million in 2013) is made of:

- € 19.4 million related to previous free share grant plans set-up in 2011, 2012, 2013 and free share grant plan set-up in 2014;
- € 1.7 million related to the 2014 Group shareholding programs:
  - SPRINT implemented in June 2014 for € 1.5 million; and
  - BOOST implemented in December 2014 for € 0.2 million.
- € 0.6 million related to the stock option plan granted in September 2014 by Worldline employees; and
- € 1.0 million related to previous Bull plans.

Total expense in operating margin related to free share plans during the year was the following:

(In € million)	<b>12 months ended 31 December 2014 estimates</b>	<b>12 months ended 31 December 2013</b>
Plan 2014	3.5	-
Plan 2013	12.5	5.4
Plan 2012	0.1	0.2
Plan 2011	3.3	11.0
<b>Total</b>	<b>19.4</b>	<b>16.6</b>

The change in outstanding share options during the period was the following:

	<b>12 months ended 31 December 2014 estimates</b>		<b>12 months ended 31 December 2013</b>	
	<b>Number of shares</b>	<b>Weighted average strike price (in €)</b>	<b>Number of shares</b>	<b>Weighted average strike price (in €)</b>
<b>Outstanding at the beginning of the year</b>	<b>5,015,053</b>	<b>39.5</b>	<b>7,542,180</b>	<b>40.2</b>
Granted during the year	-	-	-	-
Forfeited during the year	(500)	60.0	(7,771)	43.3
Exercised during the year	(1,900,407)	38.9	(2,509,900)	39.1
Expired during the year	(307,399)	54.1	(9,456)	25.9
<b>Outstanding at the end of the year</b>	<b>2,806,747</b>	<b>39.5</b>	<b>5,015,053</b>	<b>39.5</b>
<b>Exercisable at the end of the year, below year-end stock price (*)</b>	<b>2,806,747</b>	<b>40.8</b>	<b>5,015,053</b>	<b>39.5</b>

(\*) Year-end stock price: € 66.30 at December 31<sup>st</sup>, 2014 and € 65.79 at December 31<sup>st</sup>, 2013.

Options outstanding at the end of the year have a weighted average remaining contractual life of 3.3 years (2013: 3.6 years).



#### Note 4 Non personnel operating expenses

(In € million)	12 months ended 31 December 2014 estimates	% Revenue	12 months ended 31 December 2013	% Revenue
Subcontracting costs direct	(1,365.9)	15.1%	(1,226.9)	14.2%
Hardware and software purchase	(584.7)	6.5%	(503.8)	5.8%
Maintenance costs	(420.2)	4.6%	(397.6)	4.6%
Rent & Lease expenses	(317.1)	3.5%	(287.2)	3.3%
Telecom costs	(284.7)	3.1%	(279.4)	3.2%
Travelling expenses	(160.2)	1.8%	(168.6)	2.0%
Company cars	(95.2)	1.1%	(100.1)	1.2%
Professional fees	(177.3)	2.0%	(155.6)	1.8%
Taxes & Similar expenses	(41.1)	0.5%	(42.2)	0.5%
Others expenses	(125.6)	1.4%	(139.5)	1.6%
<b>Subtotal expenses</b>	<b>(3,572.0)</b>	<b>39.5%</b>	<b>(3,300.9)</b>	<b>38.3%</b>
Depreciation of assets	(313.0)	3.5%	(329.1)	3.8%
Net (charge)/release to provisions	54.0	-0.6%	61.7	-0.7%
Gains/(Losses) on disposal of assets	(9.0)	0.1%	(6.0)	0.1%
Trade Receivables write-off	(19.6)	0.2%	(12.4)	0.1%
Capitalized Production	83.5	-0.9%	63.2	-0.7%
<b>Subtotal other expenses</b>	<b>(204.1)</b>	<b>2.3%</b>	<b>(222.6)</b>	<b>2.6%</b>
<b>Total</b>	<b>(3,776.1)</b>	<b>41.7%</b>	<b>(3,523.5)</b>	<b>40.9%</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 € 261.6 million in 2014. The following table presents this amount by nature:

(In € million)	12 months ended 31 December 2014 estimates	12 months ended 31 December 2013
Staff reorganization	(129.9)	(102.2)
Rationalization and associated costs	(25.9)	(37.3)
Integration and acquisition costs	(15.4)	(19.9)
Amortization of intangible assets (PPA from acquisitions)	(50.7)	(44.3)
Other items	(39.7)	(24.8)
<b>Total</b>	<b>(261.6)</b>	<b>(228.5)</b>

The € 129.9 million **staff reorganization** expense was mainly the consequence of:

- the adaptation of the Group workforce in several countries such as Germany, Benelux & The Nordics and Iberia;
- a specific plan in Germany for the Frankfurt location closed further to the termination of the Application Management contract with Dresdner Bank acquired by Commerzbank;
- the streamlining of middle management layers, including Global Structures;
- the restructuring initiated on Bull G&A as part of plan to generate the cost synergies.

The € 25.9 million **rationalization and associated costs** primarily resulted from the closing of office premises linked to the reorganization plans, and consolidation of datacenters, mainly in Germany and Benelux & The Nordics.

The **integration and acquisition costs** amounting to € 15.4 million represented mainly the migration and the standardization of internal IT platforms from acquired companies.

The 2014 **amortization of intangible assets recognized in the Purchase Price Allocation (PPA) of acquisitions** of € 50.7 million was mainly composed of the € 45.3 million SIS Customer Relationships amortized over 8.75 years starting July 1<sup>st</sup>, 2011 and the € 5.3 million Bull Customer Relationships and Patents amortized over 9.3 years for Customer Relationships and 9.9 years for the Patents starting September 1<sup>st</sup>, 2014.

The **other items** increased by € 14.9 million, representing € 39.7 million. After restatement of the gain resulting from the sale of fixed assets for € 18.9 million recorded in 2013 in Belgium, the other items were slightly lower compared to 2013.

## Note 6 Net financial result

Net financial expense amounted to € 51.6 million for the period (compared to € 62.7 million last year) and was composed of a net cost of financial debt for € 15.3 million and non-operational financial costs for € 36.3 million.

### Net cost of financial debt

(In € million)	<b>12 months ended 31 December 2014 estimates</b>	<b>12 months ended 31 December 2013</b>
<b>Net interest expenses</b>	<b>(11.7)</b>	<b>(27.0)</b>
Interest on obligations under finance leases	(0.6)	(0.8)
Gain/(loss) on disposal of cash equivalents	0.8	0.8
Gain/(loss) on interest rate hedges of financial debt	(3.8)	(3.9)
<b>Net cost of financial debt</b>	<b>(15.3)</b>	<b>(30.9)</b>

Net cost of financial debt was € 15.3 million (compared to € 30.9 million in 2013) and resulted from the following elements:

- The average gross borrowing of € 651.0 million compared to € 807.5 million in 2013 bearing an average expense rate of 3.86% compared to 4.81% last year. Excluding the accelerated amortization of fees due to the early termination of both Atos and Bull syndicated loans, the effective interest rate on gross borrowings was 3.28%.  
The average gross borrowing expenses were mainly explained by:
  - The used portion of the syndicated loan for an average of € 494.4 million bearing an effective interest rate of 3.37% (2.60% excluding one off amortization of fees due to early termination of both Atos and Bull syndicated loans).
  - Other sources of financing, including securitization, for an average of € 156.6 million, bearing an effective interest rate of 5.43 %.
- And the average gross cash increased from € 947.3 million in 2013 to € 1,057.9 million in 2014 bearing an average income rate of 0.93% compared to 0.84% in 2013.

## Other financial income and expenses

(In € million)	<b>12 months ended 31 December 2014 estimates</b>	<b>12 months ended 31 December 2013</b>
Foreign exchange income/(expenses)	(7.3)	(9.3)
Fair value gain/(loss) on forward exchange contracts held for trading	3.2	(0.1)
Discounting financial income/(expenses)	0.4	(0.6)
Other income/(expenses)	(32.6)	(21.8)
<b>Other financial income and expenses</b>	<b>(36.3)</b>	<b>(31.8)</b>
Of which:		
- other financial expenses	(72.7)	(68.3)
- other financial income	36.4	36.5

Non-operational financial costs amounted to € 36.3 million compared to € 31.8 million in 2013 and were mainly composed of pension financial related costs (€ 18.6 million compared to € 15.7 million expense in 2013) and a net foreign exchange loss of € 4.1 million versus € 9.4 million in 2013.

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 € million)	<b>12 months ended 31 December 2014 estimates</b>	<b>12 months ended 31 December 2013</b>
Current taxes	(117.4)	(90.6)
Deferred taxes	13.3	(5.3)
<b>Total</b>	<b>(104.1)</b>	<b>(95.9)</b>

## Effective tax rate

The difference between the French standard tax rate and the Effective Tax Rate (ETR) is explained as follows:

(In € million)	<b>12 months ended 31 December 2014 estimates</b>	<b>12 months ended 31 December 2013</b>
Profit before tax	388.7	354.0
French standard tax rate	38.0%	38.0%
<b>Theoretical tax charge at French standard rate</b>	<b>(147.7)</b>	<b>(134.5)</b>
Impact of permanent differences	(7.7)	(7.9)
Differences in foreign tax rates	46.7	36.8
Movement on recognition of deferred tax assets	9.7	23.1
Change in deferred tax rates	(0.2)	(9.0)
Withholding taxes	(5.1)	(5.3)
CVAE net of tax	(13.0)	(12.9)
French Tax credit	9.0	6.6
Other	4.2	7.2
<b>Group tax expense</b>	<b>(104.1)</b>	<b>(95.9)</b>
<b>Effective tax rate</b>	<b>26.8%</b>	<b>27.1%</b>
<i>Effective tax rate excluding CVAE</i>	<i>22.9%</i>	<i>22.8%</i>

The 2014 Group effective tax rate was 26.8%, which included the French CVAE for a gross amount of € 19.8 million or € 13.0 million net of tax.

## Restated effective tax rate

After restating the unusual items, the restated profit before tax was € 650.3 million, restated tax charge € 192.9 million and the restated effective tax rate was 29.7%.

(in € million)	<b>12 months ended 31 December 2014 estimates</b>	<b>12 months ended 31 December 2013</b>
<b>Profit before tax</b>	<b>388.7</b>	<b>354.0</b>
Other operating income and expenses	(261.6)	(228.5)
<b>Profit before tax excluding unusual items</b>	<b>650.3</b>	<b>582.5</b>
Tax effect on other operating income and expenses	85.9	65.6
Other unusual items on tax	2.9	9.2
Group tax expense	(104.1)	(95.9)
<b>Total of tax excluding unusual items</b>	<b>(192.9)</b>	<b>(170.7)</b>
<b>Restated effective tax rate</b>	<b>29.7%</b>	<b>29.3%</b>

## Note 8 Deferred taxes

(In € million)	<b>12 months ended 31 December 2014 estimates</b>	<b>12 months ended 31 December 2013</b>
Deferred tax assets	419.7	336.5
Deferred tax liabilities	66.4	147.5
<b>Net deferred tax</b>	<b>353.3</b>	<b>189.0</b>

### Breakdown of deferred tax assets and liabilities by nature

(In € million)	<b>Tax losses carry forward</b>	<b>Intangible assets recognized as part of PPA</b>	<b>Fixed assets</b>	<b>Pensions</b>	<b>Other</b>	<b>Total</b>
<b>At January 1<sup>st</sup>, 2013</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>
Charge to profit or loss for the year	(10.1)	14.0	3.0	(3.7)	(8.4)	(5.2)
Charge to goodwill	-	-	0.1	(0.1)	-	-
Charge to equity	-	-	-	18.7	15.2	33.9
Reclassification	(3.3)	-	0.8	(3.7)	5.7	(0.5)
Exchange differences	(1.9)	0.5	(2.3)	(1.3)	(4.3)	(9.3)
<b>At December 31<sup>st</sup>, 2013</b>	<b>148.2</b>	<b>(70.7)</b>	<b>71.6</b>	<b>96.2</b>	<b>(56.2)</b>	<b>189.0</b>
Charge to profit or loss for the year	63.0	14.9	6.2	(33.2)	(37.6)	13.3
Charge to goodwill	(1.9)	(71.6)	0.4	6.0	43.6	(23.5)
Worldline IPO impact	(11.6)	-	-	-	-	(11.6)
Charge to equity	-	-	-	174.7	1.2	175.9
Reclassification	(0.6)	(1.5)	(6.1)	1.9	6.3	-
Exchange differences	3.5	(0.5)	5.2	2.0	(0.1)	10.1
<b>At December 31<sup>st</sup>, 2014 estimates</b>	<b>200.6</b>	<b>(129.4)</b>	<b>77.3</b>	<b>247.6</b>	<b>(42.8)</b>	<b>353.3</b>

Following the Worldline IPO, the € -11.6 million consumption of loss carry forward is the result of the tax related to the net disposal of the existing shares owned by Atos SE booked in equity.

## Tax losses carry forward schedule (basis)

(In € million)	12 months ended 31 December 2014 estimates			12 months ended 31 December 2013		
	Recognized	Unrecognized	Total	Recognized	Unrecognized	Total
2014	-	-	-	2.7	-	2.7
2015	2.4	6.9	9.2	1.5	1.0	2.5
2016	1.0	5.6	6.7	1.5	1.0	2.5
2017	6.0	8.3	14.3	2.9	1.7	4.6
2018	25.2	18.0	43.2	-	-	-
Tax losses available for carry forward for 5 years and more	304.6	90.7	395.3	150.2	84.8	235.0
<b>Ordinary tax losses carry forward</b>	<b>339.2</b>	<b>129.4</b>	<b>468.6</b>	<b>158.8</b>	<b>87.5</b>	<b>246.3</b>
<b>Evergreen tax losses carry forward</b>	<b>397.5</b>	<b>2,382.8</b>	<b>2,780.3</b>	<b>338.8</b>	<b>407.7</b>	<b>746.5</b>
<b>Total tax losses carry forward</b>	<b>736.7</b>	<b>2,512.2</b>	<b>3,248.9</b>	<b>497.6</b>	<b>495.2</b>	<b>992.8</b>

The countries with the largest tax losses available for carry forward were France (€ 2,057.5 million, of which € 1,776.5 million from Bull), Germany (€ 224.5 million), the United Kingdom (€ 216.0 million), The Netherlands (€ 206.8 million), Spain (€ 106.6 million), the United States (€ 93.9 million), Austria (€ 92.5 million), Brazil (€ 85.8 million) and Italy (€ 62.1 million).

## Deferred tax assets not recognized by the Group

(In € million)	12 months 31 December 2014 estimates	12 months 31 December 2013
Tax losses carry forward	823.6	143.2
Temporary differences	16.3	32.8
<b>Total</b>	<b>839.9</b>	<b>176.0</b>

The significant increase in tax losses carry forward not recognized by the Group is coming from Bull.

## Note 9 Non-controlling Interests

(In € million)	31 December 2013	2014 Income	Capital Increase	Dividends	Scope Changes	Other	31 December 2014 estimates
Worldline	-	16.1	0.6	-	-	169.9	186.6
Canopy The Open Cloud Company Limited	14.6	(1.0)	0.6	-	-	(8.2)	6.0
Arbeitsmarketservice BetriebsgmbH & Co KG	2.0	0.0	-	(1.0)	-	-	1.0
MSL Technology S.L.	10.0	(0.5)	-	(0.3)	-	-	9.2
Diamis	1.7	0.1	-	(0.2)	-	-	1.6
Yunano	(0.1)	(0.9)	-	-	-	-	(1.0)
Atos Pty Ltd	0.5	(0.1)	-	-	-	-	0.4
Other	1.3	3.6	-	(0.4)	0.5	-	5.0
<b>Total</b>	<b>30.0</b>	<b>17.3</b>	<b>1.2</b>	<b>(1.9)</b>	<b>0.5</b>	<b>161.7</b>	<b>208.8</b>

(In € million)	31 December 2012	2013 Income	Capital Increase	Dividends	Scope Changes	Other	31 December 2013
Canopy The Open Cloud Company Limited	9.3	(2.2)	12.5	-	(5.0)	-	14.6
Arbeitsmarketservice BetriebsgmbH & Co KG	7.2	0.5	-	(5.7)	-	-	2.0
MSL Technology S.L.	10.0	0.0	-	-	-	-	10.0
Diamis	1.6	0.2	-	(0.1)	-	-	1.7
Yunano	0.9	(1.0)	-	-	-	-	(0.1)
Atos Pty Ltd	0.3	0.3	-	-	-	(0.1)	0.5
Other	1.5	0.2	0.5	(0.2)	(0.7)	-	1.3
<b>Total</b>	<b>30.8</b>	<b>(2.0)</b>	<b>13.0</b>	<b>(6.0)</b>	<b>(5.7)</b>	<b>(0.1)</b>	<b>30.0</b>

## Note 10 Earnings per share

Potential dilutive instruments comprised stock subscription (equivalent to 1,211,306 options) and did not generate a restatement of net income used for the diluted EPS calculation.

The average number of stock options not exercised in 2014 amounted to 3,669,432 shares.

(In € million and shares)	12 months ended 31 December 2014 estimates	12 months ended 31 December 2013
<b>Net income - Attributable to owners of the parent [a]</b>	<b>265.2</b>	<b>261.6</b>
Impact of dilutive instruments	-	13.8
<b>Net income restated of dilutive instruments - Attributable to owners of the parent [b]</b>	<b>265.2</b>	<b>275.4</b>
Average number of shares outstanding [c]	99,358,877	87,805,661
Impact of dilutive instruments [d]	1,211,306	11,530,518
Diluted average number of shares [e]=[c]+[d]	100,570,183	99,336,179
<b>Earnings per share in EUR [a]/[c]</b>	<b>2.67</b>	<b>2.98</b>
Diluted earnings per share in EUR [b]/[e]	2.64	2.77

No significant share transactions occurred subsequently to the 2014 closing that could have a dilutive impact on earnings per share calculation.

## Note 11 Goodwill

(In € million)	31 December 2013	Disposals Deprecia- tions	Impact of business combi- nation	Exchange rate fluctuations	31 December 2014 estimates
Gross value	2,486.7	-	665.9	61.7	<b>3,214.3</b>
Impairment loss	(571.0)	-	-	(15.4)	<b>(586.4)</b>
<b>Carrying amount</b>	<b>1,915.7</b>	<b>-</b>	<b>665.9</b>	<b>46.3</b>	<b>2,627.9</b>

(In € million)	31 December 2012	Disposals Deprecia- tions	Impact of business combi- nation	Exchange rate fluctuations	31 December 2013
Gross value	2,521.4	-	-	(34.7)	<b>2,486.7</b>
Impairment loss	(579.2)	-	-	8.2	<b>(571.0)</b>
<b>Carrying amount</b>	<b>1,942.2</b>	<b>-</b>	<b>-</b>	<b>(26.5)</b>	<b>1,915.7</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. The change in internal management reporting is applied retrospectively and comparative figures are restated.

A summary of the carrying values of goodwill allocated by CGUs or grouping of CGUs is presented hereafter. Overall, goodwill increased from € 1,915.7 million to € 2,627.9 million mainly due to the acquisition of Bull entities as detailed in the Note 1 in the Business combination section.

(In € million)	31 December 2014 estimates	31 December 2013
UK/Ireland	482.0	443.6
Germany	290.6	215.1
BTN	370.0	316.6
France	458.2	184.3
CEE	192.1	112.1
NAM	36.6	32.5
Iberia	125.0	95.4
Other countries	261.4	159.5
Atos Worldline	412.0	356.6
<b>Total</b>	<b>2,627.9</b>	<b>1,915.7</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% (aligned with 2013). Although exceeding the long term average growth rate for the countries in which the Group operates, this rate reflects specific 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 6.2% (aligned with 2013), 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:

	<b>2014</b>	<b>2013</b>
	<b>Discount rate</b>	<b>Discount rate</b>
UK/Ireland	9.7%	9.8%
Germany	9.6%	9.8%
BTN	9.6%	9.8%
France	9.6%	9.8%
CEE	9.7%	9.8%
NAM	9.6%	9.8%
Iberia	9.6%	9.8%
Other countries	between 9.6% to 11.6%	between 9.8% to 11.8%
Atos Worldline	8.8%	9.8%

Based on the 2014 goodwill impairment test, which was carried out at year-end, no impairment losses were recognized at December 31<sup>st</sup>, 2014.

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 and did not identify any probable scenario where the CGU's recoverable amount would fall below its carrying amount.

## Note 12 Intangible assets

(In € million)	<b>Gross value</b>	<b>Amortization</b>	<b>Net value</b>
<b>At January 1<sup>st</sup>, 2013</b>	<b>892.1</b>	<b>(428.1)</b>	<b>464.0</b>
Additions/charges	81.7	(50.8)	30.9
Disposals/reversals	(10.6)	9.5	(1.1)
Impact of business combination	17.4	-	17.4
Customer Relationships (PPA)	-	(44.3)	(44.3)
Exchange differences	(17.7)	8.0	(9.7)
Other	(9.4)	(2.4)	(11.8)
<b>At December 31<sup>st</sup>, 2013</b>	<b>953.5</b>	<b>(508.1)</b>	<b>445.4</b>
Additions/charges	108.2	(49.9)	58.3
Disposals/reversals	(29.5)	27.6	(1.9)
Impact of business combination	2.6	0.1	2.7
Intangible assets recognized as part of PPA	207.0	(50.7)	156.3
Exchange differences	24.8	(17.2)	7.6
Other	(21.8)	0.0	(21.8)
<b>At December 31<sup>st</sup>, 2014 estimates</b>	<b>1,244.8</b>	<b>(598.2)</b>	<b>646.6</b>

As part of the Purchase Price Allocation (PPA) of Bull, the Group recognized intangible assets for a total amount of € 207.0 million broken down as follows:

- Trademark for € 50.0 million;
- Patents for € 140.4 million; and
- Customer Relationships for € 16.6 million related to the value of customer relationships and backlog.

The valuation approach retained for Trademark and Patents was the relief from royalty method. Customer Relationships were valued as per the multi-period excess earning method (income approach).

These amounts are being amortized on a straight line basis over a period of:

- 9.90 years for the Patents corresponding to an average of amortization duration of a portfolio of patent; and
- 9.30 years for the Customer Relationships.

An amount of € 333.3 million was recorded as part of Siemens IT Solutions and Services acquisition in 2011 as Customer Relationships amortized on a straight line basis over a period of 8.75 years.

## Note 13 Tangible assets

(In € million)	Land and buildings	IT equipments	Other assets	Total
<b>Gross value</b>				
<b>At January 1<sup>st</sup>, 2014</b>	<b>398.0</b>	<b>1,041.9</b>	<b>192.5</b>	<b>1,632.4</b>
Additions	52.4	167.3	46.0	265.7
Impact of business combination	37.2	27.4		64.6
Disposals	(17.8)	(211.3)	(43.0)	(272.1)
Exchange differences	10.2	42.8	6.0	59.0
Other	3.5	39.7	(34.3)	8.9
<b>At December 31<sup>st</sup>, 2014 estimates</b>	<b>483.5</b>	<b>1,107.8</b>	<b>167.2</b>	<b>1,758.5</b>
<b>Accumulated depreciation</b>				
<b>At January 1<sup>st</sup>, 2014</b>	<b>(249.1)</b>	<b>(670.2)</b>	<b>(94.1)</b>	<b>(1,013.4)</b>
Depreciation charge for the year	(36.4)	(190.1)	(32.8)	(259.3)
Eliminated on disposal	13.9	202.4	41.1	257.4
Exchange differences	(7.0)	(35.0)	(4.8)	(46.8)
Other	(2.8)	(10.2)	10.3	(2.7)
<b>At December 31<sup>st</sup>, 2014 estimates</b>	<b>(281.4)</b>	<b>(703.1)</b>	<b>(80.3)</b>	<b>(1,064.8)</b>
<b>Net value</b>				
<b>At January 1<sup>st</sup>, 2014</b>	<b>148.9</b>	<b>371.7</b>	<b>98.4</b>	<b>619.0</b>
<b>At December 31<sup>st</sup>, 2014 estimates</b>	<b>202.1</b>	<b>404.7</b>	<b>86.9</b>	<b>693.7</b>

(In € million)	Land and buildings	IT equipments	Other assets	Total
<b>Gross value</b>				
<b>At January 1<sup>st</sup>, 2013</b>	<b>396.0</b>	<b>1,046.7</b>	<b>199.0</b>	<b>1,641.7</b>
Additions	17.8	160.0	65.9	243.7
Disposals	(11.0)	(156.0)	(31.0)	(198.0)
Exchange differences	(4.8)	(28.9)	(7.9)	(41.6)
Other	-	20.1	(33.5)	(13.4)
<b>At December 31<sup>st</sup>, 2013</b>	<b>398.0</b>	<b>1,041.9</b>	<b>192.5</b>	<b>1,632.4</b>
<b>Accumulated depreciation</b>				
<b>At January 1<sup>st</sup>, 2013</b>	<b>(233.0)</b>	<b>(646.1)</b>	<b>(94.8)</b>	<b>(973.9)</b>
Depreciation charge for the year	(34.7)	(198.8)	(39.9)	(273.4)
Eliminated on disposal	8.1	142.4	26.6	177.1
Exchange differences	2.9	23.0	4.6	30.5
Other	7.6	9.3	9.4	26.3
<b>At December 31<sup>st</sup>, 2013</b>	<b>(249.1)</b>	<b>(670.2)</b>	<b>(94.1)</b>	<b>(1,013.4)</b>
<b>Net value</b>				
<b>At January 1<sup>st</sup>, 2013</b>	<b>163.0</b>	<b>400.6</b>	<b>104.2</b>	<b>667.8</b>
<b>At December 31<sup>st</sup>, 2013</b>	<b>148.9</b>	<b>371.7</b>	<b>98.4</b>	<b>619.0</b>

The tangible assets of the Group include mainly IT equipment used in production centers, in particular datacenters and software factories. Moreover, Atos policy is to rent its premises. Therefore, the land and building assets include mainly technical infrastructure of the Group datacenters.

## Finance leases

Tangible assets held under finance leases had a net carrying value of € 8.0 million. Future minimum lease payments under non-cancellable leases amounted to € 8.6 million at year-end.

(In € million)	31 December 2014 estimates			31 December 2013		
	Minimum lease payments	Interest	Principal	Minimum lease payments	Interest	Principal
Less than one year	2.9	(0.2)	2.7	6.6	(0.5)	6.1
Between one and five years	5.7	(0.4)	5.3	4.9	(0.3)	4.6
<b>Total</b>	<b>8.6</b>	<b>(0.6)</b>	<b>8.0</b>	<b>11.5</b>	<b>(0.8)</b>	<b>10.7</b>

## Note 14 Non-current financial assets

(In € million)		31 December 2014 estimates	31 December 2013
Pension prepayments	Note 20	136.4	325.0
Other (*)		91.2	51.5
<b>Total</b>		<b>227.6</b>	<b>376.5</b>

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

## Note 15 Trade accounts and notes receivable

(In € million)	31 December 2014 estimates	31 December 2013
Gross value	2,231.8	1,820.2
Transition costs	5.6	8.4
Provision for doubtful debt	(113.3)	(106.1)
<b>Net asset value</b>	<b>2,124.1</b>	<b>1,722.5</b>
Prepayments	(87.1)	(67.3)
Deferred income and upfront payments received	(458.8)	(368.3)
<b>Net accounts receivable</b>	<b>1,578.2</b>	<b>1,286.9</b>
<b>Number of days' sales outstanding (DSO)</b>	<b>38</b>	<b>40</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 beyond the 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 5 years on June 18<sup>th</sup>, 2013 with a maximum amount of receivables sold of € 500.0 million and a maximum amount of financing of € 200.0 million.

The new program is structured with two compartments, called ON and OFF:

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

As of December 31<sup>st</sup>, 2014, the Group has sold:

- In the compartment "ON" € 314.2 million receivables for which € 10.0 million were received in cash. The sale is with recourse, thus re-consolidated in the balance sheet;
- In the compartment "OFF" € 41.6 million receivables which qualify for de-recognition as substantially all risks and rewards associated with the receivables were transferred.

#### Ageing of net receivables past due

(In € million)	31 December 2014 estimates	31 December 2013
1-30 days overdues	84.5	89.4
31-60 days overdues	33.5	25.7
Beyond 60 days overdues	57.9	41.7
<b>Total</b>	<b>175.9</b>	<b>156.8</b>

#### Movement in provisions for doubtful debt

(In € million)	31 December 2014 estimates	31 December 2013
<b>Balance at beginning of the year</b>	<b>(106.1)</b>	<b>(104.3)</b>
Impairment losses recognized	(38.2)	(17.0)
Amounts written off as uncollectible	19.6	12.4
Impairment losses reversed	26.1	14.4
Impact of business combination	(16.5)	-
Other (*)	1.8	(11.6)
<b>Balance at end of the year</b>	<b>(113.3)</b>	<b>(106.1)</b>

(\*) *Reclassification and exchange difference.*

#### Note 16 Other current assets

(In € million)	31 December 2014 estimates	31 December 2013
Inventories	52.1	17.3
State - VAT receivables	99.5	98.3
Prepaid expenses	200.9	154.8
Other receivables & current assets	270.8	155.6
Advance payment	24.9	11.3
<b>Total</b>	<b>648.2</b>	<b>437.3</b>

As of December 31<sup>st</sup>, 2014, other current assets included € 196.3 million from Bull subsidiaries.

## 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>, 2014 the breakdown of assets was the following:

(In € million)	Loans and receivables estimates	Available-for- sale financial assets estimates	Financial assets held for trading (carried at fair value through profit or loss) estimates	Derivatives related assets estimates
Non-current financial instruments	-	-	-	3.2
Trade accounts and notes receivables	2,124.1	-	-	-
Other current assets	648.2	-	-	-
Current financial instruments	-	-	7.7	2.5
Cash and cash equivalents	861.2	-	759.1	-
<b>Total</b>	<b>3,633.5</b>	<b>-</b>	<b>766.8</b>	<b>5.7</b>

As of December 31<sup>st</sup>, 2013, the breakdown of assets was the following:

(In € 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)	-	372.5	-	-
Non-current financial Trade accounts and notes receivables	-	-	-	0.3
Other current assets	1,722.5	-	-	-
Current financial instruments	437.3	-	-	-
Cash and cash equivalents	-	-	4.1	15.0
	553.0	-	753.2	-
<b>Total</b>	<b>2,712.8</b>	<b>372.5</b>	<b>757.3</b>	<b>15.3</b>

As of December 31<sup>st</sup>, 2014, the breakdown of liabilities was the following:

(In € million)	<b>Financial Liabilities designated at fair value through profit or loss estimates</b>	<b>Financial Liabilities – Measurement at amortized cost estimates</b>	<b>Derivatives related liabilities estimates</b>
Borrowings	-	528.1	-
Non-current financial instruments	-	-	8.3
Trade accounts and notes payables	1,397.0	-	-
Current portion of borrowings	-	103.1	-
Current financial instruments	0.5	-	4.1
<b>Total</b>	<b>1,397.5</b>	<b>631.2</b>	<b>12.4</b>

As of December 31<sup>st</sup>, 2013, the breakdown of liabilities was the following:

(In € million)	<b>Financial Liabilities designated at fair value through profit or loss</b>	<b>Financial Liabilities – Measurement at amortized cost</b>	<b>Derivatives related liabilities</b>
Borrowings	-	307.3	-
Non-current financial instruments	-	-	6.8
Trade accounts and notes payables	1,055.6	-	-
Current portion of borrowings	-	93.5	-
Current financial instruments	6.7	-	19.2
<b>Total</b>	<b>1,062.3</b>	<b>400.8</b>	<b>26.0</b>

#### Note 18 Cash and cash equivalents

(In € million)	<b>31 December 2014 estimates</b>	<b>31 December 2013</b>
Cash in hand and short-term bank deposit	861.2	553.0
Money market funds	759.1	753.2
<b>Total</b>	<b>1,620.3</b>	<b>1,306.2</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 2014, Atos SE increased its common stock by issuing new shares and incorporating additional paid-in-capital for € 139.7 million, resulting in the creation of 3,167,081 new shares composed of:

- the 567,574 new shares resulting from the payment of the 2013 dividend in shares,
- the attribution of 699,100 new free shares resulting from the subscription by employees to SPRINT, the Group shareholding program, and
- the exercise during the year 2014 of 1,900,407 share options.

At December 31<sup>st</sup>, 2014, Atos SE common stock consisted of 101,332,527 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 € 1,121.7 million at December 31<sup>st</sup>, 2014 compared to € 398.1 million at December 31<sup>st</sup>, 2013.

Following the termination in November 2014 of any obligations towards its legacy Dutch Pension Fund, the Group's obligations are now located predominantly in the United Kingdom (59% of Group total obligations), Germany (24%) and France (6%).

#### Characteristics of significant plans and associated risks

In the United Kingdom, these obligations are generated by legacy defined benefit plans, the majority of which have been closed to further accrual or new entrants. 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. The plans are final pay plans and are subject to the UK regulatory framework where funding requirements are determined by an independent actuary based on a discount rate reflecting the plan's expected return on investments. Recovery periods are agreed between the plans' trustees and the sponsoring companies and may run up to 20 years if appropriate securities are provided by sponsors. The majority of plans are governed by an independent board of trustees which include employer representatives. The current asset allocation across United Kingdom plans is 78% fixed income and 22% equities & other assets and may vary depending on the particular profile of each plan. The interest rate and inflation exposures are cautiously managed through investment in Gilts, Indexed-Linked and interest rate swaps which are fully collateralized. The fixed income allocation comprises a significant exposure to investment grade credit and the equity allocation is well diversified geographically.

The plans do not expose the Group to any specific risks that are unusual for these types of benefit plans. Typical risks include, increase in inflation, longevity and a decrease in discount rates and adverse investment returns.

In Germany the majority of the liabilities relate to pension entitlements that transferred to the Group with the acquisition of SIS in 2011. They mainly consist of grandfathering benefits related to a harmonization introducing a contribution based pension plan in 2004. The plans are closed for new entrants, but do still accrue benefits for past service up to 2004. The plans cover multiple legal entities in Germany and are subject to the German regulatory framework, which has no funding requirements, but does include compulsory insolvency insurance (PSV). The plans are funded however, using a Contractual Trust Agreement (CTA). The CTA is governed by a professional independent third party. The investment strategy is set by the Investment Committee which consists of employer representatives. The asset allocation related to the largest German scheme is 82% fixed income, 11% equities and 7% property. The fixed income allocation is predominantly in credit investment grade (c. 70%) and the remaining part in core euro zone government bonds. The return seeking portfolio comprises diversified equity and high yield bonds. The asset allocation related to the other scheme is more in line with the lower interest rate sensitivities of the schemes and are predominantly invested in investment grade credit and to a lesser extent balanced funds and European high yield.

The Group obligations are also generated, but to a lesser extent, by legal or collectively bargained end of service or end of career benefit plans. The Group obligations with respect to post-employment healthcare benefits are not significant.



Atos recognized all actuarial gains and losses asset ceiling effects generated in the period in other comprehensive income.

#### Events in 2014

Over 2014 discount rates dropped in both the United Kingdom and the Eurozone leading to a significant increase in the measurement of pension liability values which were only partly offset by investment returns. The corresponding increase in net pension deficit on balance sheet mostly relates to plans where Atos has no statutory funding obligations. Therefore, the remeasurement with lower discount rates does not affect the timing or amount of pensions to be paid ultimately.

In May Atos acquired Cambridge Technology Partner in Switzerland. As a consequence the Group's total pension obligations increased with € 19.1 million. These liabilities were covered with € 17.2 million of plan assets.

Per the end of August Atos acquired Bull. As a consequence the Group's total pension obligations increased with € 204.3 million, mainly in Germany and France. These liabilities were covered with € 7.0 million of plan assets.

In November Atos terminated the pension execution agreement with its related legacy Dutch pension fund. As a consequence the Group has no further financial obligations with this pension fund and therefore no longer consolidates the corresponding liabilities and assets in its financial statements, which were (€ 2,108.9 million) and (€ 2,054.3 million) respectively at the date of termination. This termination was recognized as a settlement gain of € 54.6 million in operating expense.

## Amounts recognized in the financial statements

The amounts recognized in the balance sheet as at December 31<sup>st</sup>, 2014 rely on the following components, determined at each benefit plan's level:

(In € million)	<b>31 December 2014 estimates</b>	<b>31 December 2013</b>
<b>Amounts recognized in financial statements consist of :</b>		
Prepaid pension asset – post employment plans	136.4	325.0
Accrued liability – post employment plans	(1,217.6)	(684.7)
Accrued liability – other long term benefits	(40.5)	(38.4)
<b>Net amounts recognized – Total</b>	<b>(1,121.7)</b>	<b>(398.1)</b>
<b>Components of net periodic cost</b>		
Service cost (net of employees contributions)	61.5	81.5
Prior service cost	(0.1)	(32.0)
Actuarial (gain)/loss in other long term benefits	0.3	(1.6)
Curtailment (gain)/loss	0.8	(16.4)
Settlement (gain)/loss	(55.2)	(3.2)
Administration costs	1.9	3.5
<b>Operating expense</b>	<b>9.2</b>	<b>31.8</b>
Interest cost	176.5	166.7
Interest income	(157.9)	(151.0)
<b>Financial expense</b>	<b>18.6</b>	<b>15.7</b>
<b>Net periodic pension cost – Total expense/(profit)</b>	<b>27.8</b>	<b>47.5</b>
<i>Of which, net periodic pension cost – post employment plans</i>	<i>17.0</i>	<i>40.6</i>
<i>Of which, net periodic pension cost – other long term benefits</i>	<i>10.8</i>	<i>6.9</i>
<b>Change in defined benefit obligation</b>		
Defined benefit obligation –post employment plans at January 1 <sup>st</sup>	4,281.2	4,250.6
Defined benefit obligation – other long term benefits at January 1 <sup>st</sup>	56.1	61.2
<b>Total Defined Benefit Obligation at January 1<sup>st</sup></b>	<b>4,337.3</b>	<b>4,311.8</b>
Reclassification of other non-current financial liabilities	13.3	-
Exchange rate impact	129.2	(46.8)
Service cost (net of employees contributions)	61.5	81.5
Interest cost	176.5	166.4
Employees contributions	10.2	24.4
Plan amendments	(0.1)	(32.0)
Curtailment	0.8	(16.4)
Settlement	(2,118.2)	(10.5)
Business combinations/(disposals)	225.4	11.0
Benefits paid	(138.2)	(114.8)
Actuarial (gain)/loss - change in financial assumptions	1,204.6	(39.2)
Actuarial (gain)/loss - change in demographic assumptions	2.4	9.0
Actuarial (gain)/loss - experience results	(16.3)	(7.1)
<b>Defined benefit obligation at December 31<sup>st</sup></b>	<b>3,888.4</b>	<b>4,337.3</b>

The weighted average duration of the liability is 18.1 years.

(In € million)	<b>31 December 2014 estimates</b>	<b>31 December 2013</b>
<b>Change in plan assets</b>		
<b>Fair value of plan assets at January 1<sup>st</sup></b>	<b>3,942.1</b>	<b>3,908.3</b>
Exchange rate impact	116.7	(43.0)
Actual return on plan assets	672.8	5.7
Employer contributions	170.5	127.5
Employees contributions	10.2	24.4
Benefits paid by the fund	(102.0)	(86.6)
Settlements	(2,063.0)	(3.8)
Business combinations/(disposals)	24.8	13.1
Administration costs	(1.9)	(3.5)
<b>Fair value of plan assets at December 31<sup>st</sup></b>	<b>2,770.2</b>	<b>3,942.1</b>
<b>Reconciliation of prepaid/(accrued) Benefit cost (all plans)</b>		
Funded status-post employment plans	(1,077.7)	(356.8)
Funded status-other long term benefit plans	(40.5)	(38.4)
Any other amount not recognized (asset ceiling limitation)	(3.5)	(2.9)
<b>Prepaid/(accrued) pension cost</b>	<b>(1,121.7)</b>	<b>(398.1)</b>
<i>Of which provision for pension and similar benefits</i>	<i>(1,258.1)</i>	<i>(723.1)</i>
<i>Of which non-current financial assets</i>	<i>136.4</i>	<i>325.0</i>
<b>Reconciliation of net amount recognized (all plans)</b>		
<b>Net amount recognized at beginning of year</b>	<b>(398.1)</b>	<b>(407.3)</b>
Reclassification other current liabilities	(13.3)	-
Net periodic pension cost	(27.8)	(47.5)
Benefits paid by employer	36.2	28.2
Employer contributions	170.5	127.5
Business combinations/(disposals)	(200.6)	2.1
Amounts recognized in Other Comprehensive Income	(676.1)	(108.8)
Other (exchange rate)	(12.5)	7.7
<b>Net amount recognized at end of year</b>	<b>(1,121.7)</b>	<b>(398.1)</b>

The development in the main plans in the United Kingdom and Germany was as follows:

(In € million)	<b>UK pension funds</b>	<b>German main plans</b>
<b>Reconciliation of net amount recognized in main plans:</b>		
<b>Net amount recognized at beginning of year</b>	<b>(135.2)</b>	<b>(142.1)</b>
Net periodic pension cost	(26.3)	(16.4)
Benefits paid by employer & employer contributions	49.6	4.0
Business combinations / disposals		(106.2)
Amounts recognized in Other Comprehensive Income	(89.4)	(138.5)
Other (exchange rate)	(10.1)	0.0
<b>Net amount recognized at end of year - estimates</b>	<b>(211.4)</b>	<b>(399.2)</b>
Defined benefit obligation at December 31 <sup>st</sup>	(2,286.1)	(761.6)
Fair value of plan assets at December 31 <sup>st</sup>	2,074.7	362.4
<b>Net amount recognized at end of year - estimates</b>	<b>(211.4)</b>	<b>(399.2)</b>

The obligations in respect of benefit plans which are partially or totally funded through external funds (pension funds) were € 3,403.2 million at December 31<sup>st</sup>, 2014 and € 4,098.8 million at December 31<sup>st</sup>, 2013, representing more than 87% of Group total obligations.

#### 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	
	2014	2013	2014	2013
Discount rate as at December 31 <sup>st</sup>	3.70%	4.60%	1.60% ~ 2.20%	3.30% ~ 3.70%
Inflation assumption as at December 31 <sup>st</sup>	3.00%	3.20%	1.75%	2.00%

The higher discount rate for the Eurozone applies to plans with a duration of more than 15 years, the lower discount rate applies to plans with a shorter duration.

The inflation assumption is used for estimating the impact of indexation of pensions in payment or salary inflation based on the various rules of each plan.

Sensitivity of the defined benefit obligations of the significant plans to the discount rate and inflation rate assumptions is as follows:

	Discount rate +25bp	Inflation rate +25bp
United Kingdom pension funds	-4.9%	4.4%
German main plans	-4.4%	2.3%

These sensitivities are based on calculations made by independent actuaries and do not include cross effects of the various assumptions, they do however include effects that the inflation assumption would have on salary increase assumptions for the United Kingdom.

#### Plan assets

Plan assets were invested as follows:

	31 December 2014	31 December 2013
Equity	18%	19%
Bonds/Interest Rate Swaps	73%	70%
Real Estate	4%	3%
Cash and Cash equivalent	0%	4%
Other	5%	4%

Of these assets 95% is valued on market value, 1% relates to property, private equity and infrastructure investments where valuations are based on the information provided by the investment managers and 4% relates to insurance contracts.

A significant part of the Bonds and Interest Rate Swaps are part of the interest rate hedging programme operated by the Atos United Kingdom pension plans, which aim to hedge a significant portion of funding liabilities. None of the plans are hedged for longevity risks.

In this total, Atos securities or assets used by the Group are not material.

## Situation of the United Kingdom pension fund and impact on contributions for 2015

The Group expects to contribute € 49.6 million to its United Kingdom schemes next year versus € 49.4 million in 2014.

### Prepaid pension situations on balance sheet

The net asset of € 123.7 million with respect to one scheme in the United Kingdom, and is supported by appropriate refund expectations, as requested by IFRIC 14.

### Summary net impacts on 2014 profit and loss

The net impact of defined benefits plans on Group financial statements can be summarized as follows:

#### Profit and loss

(In € million)	31 December 2014 estimates			31 December 2013		
	Post-employment	Other LT benefit	Total	Post-employment	Other LT benefit	Total
Operating margin	0.4	(5.1)	<b>(4.7)</b>	(26.6)	(2.9)	<b>(29.5)</b>
Other operating items	(0.2)	(4.3)	<b>(4.5)</b>	-	(2.3)	<b>(2.3)</b>
Financial result	(17.2)	(1.4)	<b>(18.6)</b>	(14.3)	(1.4)	<b>(15.7)</b>
<b>Total (expense)/profit</b>	<b>(17.0)</b>	<b>(10.8)</b>	<b>(27.8)</b>	<b>(40.9)</b>	<b>(6.6)</b>	<b>(47.5)</b>

## Note 21 Provisions

(In € million)	31 December 2013	Charge	Release used	Release unused	Business Combination	Other (*)	31 December 2014 estimates	Current	Non-current
Reorganization	58.0	55.5	(54.5)	(11.6)	49.5	4.8	101.7	98.7	3.0
Rationalization	42.3	5.6	(12.6)	(7.3)	6.2	(0.6)	33.6	17.9	15.7
Project commitments	117.8	47.2	(56.7)	(26.9)	32.4	0.3	114.1	100.2	13.9
Litigations and contingencies	84.3	16.0	(19.2)	(21.1)	48.3	-	108.3	47.1	61.2
<b>Total provisions</b>	<b>302.4</b>	<b>124.3</b>	<b>(143.0)</b>	<b>(66.9)</b>	<b>136.4</b>	<b>4.5</b>	<b>357.7</b>	<b>263.9</b>	<b>93.8</b>

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

(In € million)	31 December 2012	Charge	Release used	Release unused	Business Combination	Other (*)	31 December 2013	Current	Non-current
Reorganization	123.6	38.5	(89.0)	(10.4)	-	(4.7)	58.0	53.7	4.3
Rationalization	48.6	9.7	(20.2)	(3.7)	-	7.9	42.3	17.3	25.0
Project commitments	130.1	68.4	(52.8)	(22.9)	-	(5.0)	117.8	81.9	35.9
Litigations and contingencies	104.7	32.6	(19.4)	(31.3)	-	(2.3)	84.3	40.6	43.7
<b>Total provisions</b>	<b>407.0</b>	<b>149.2</b>	<b>(181.4)</b>	<b>(68.3)</b>	<b>-</b>	<b>(4.1)</b>	<b>302.4</b>	<b>193.5</b>	<b>108.9</b>

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

### Reorganization

The provisions for reorganization brought from business combination for € 49.5 million included € 47.1 million corresponding to the ONE Bull restructuring program. New reorganization provisions were posted for € 55.5 million over the year mainly in Germany (€ 27.2 million) and The Netherlands (€ 7.0 million)

driven by new plans aimed at improving Group efficiency and productivity.

The € 54.5 million consumptions primarily corresponded to the ONE Bull reorganization plans in former Bull entities (€ 14.5 million) on one hand and workforce optimization in The Netherlands (€ 9.7 million), Germany (€ 9.7 million) and Austria (€ 7.5 million), on the other hand.

### Rationalization

The provisions for rationalization brought from business combination for € 6.2 million primarily correspond to onerous leases in the United Kingdom (€ 5.0 million). The new provisions of € 5.6 million mainly relate to office premises rationalization in Germany (€ 3.4 million).

The € 12.6 million rationalization provisions were used against offices onerous leases and dilapidation costs in The Netherlands (€ 4.1 million) and in Germany (€ 4.0 million).

The € 7.3 million unused release corresponded mainly to a release of dilapidation provisions in the United Kingdom (€ 5.9 million).

### Projects commitments

The projects commitments provisions consumed for € 56.7 million primarily related to losses incurred in the UK (€ 18.1 million), CEE (€ 11.9 million), France (€ 8.1 million), Germany (€ 7 million) and BTN (€ 6.9 million).

The € 47.2 million charge was mainly incurred in the United Kingdom (€ 19.4 million) and in CEE (€ 9.1 million).

The € 26.9 million project commitments unused provisions reflected mainly the reduction of former SIS contracts losses thanks to proactive project management or early settlements.

### Litigations and contingencies

The closing position of contingency provisions of € 108.3 million included € 48.3 million originating from Bull and a number of long-term litigation issues, such as tax 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.

## Note 22 Borrowings

(In € million)	31 December 2014 estimates			31 December 2013		
	Current	Non-current	Total	Current	Non-current	Total
Finance leases	2.7	5.3	8.0	6.1	4.6	10.7
Bank loans	-	480.0	480.0	0.3	283.7	284.0
Securitization	10.0	-	10.0	10.0	-	10.0
Other borrowings	90.4	42.8	133.2	77.1	19.0	96.1
<b>Total borrowings</b>	<b>103.1</b>	<b>528.1</b>	<b>631.2</b>	<b>93.5</b>	<b>307.3</b>	<b>400.8</b>

### Borrowings in currencies

The carrying amounts of the Group borrowings were denominated in the following currencies:

(In € million)	EUR	Other currencies	Total
31 December 2014 - estimates	575.8	55.4	<b>631.2</b>
31 December 2013	349.2	51.6	<b>400.8</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.

### Non-current borrowings maturity

(In € million)	2016	2017	2018	2019	>2019	Total
Finance leases	2.0	1.2	0.9	0.1	1.1	5.3
Bank loans	-	-	-	480.0	-	480.0
Other borrowings	29.0	3.7	2.8	1.7	5.6	42.8
<b>As at December 31<sup>st</sup>, 2014 long-term debt - estimates</b>	<b>31.0</b>	<b>4.9</b>	<b>3.7</b>	<b>481.8</b>	<b>6.7</b>	<b>528.1</b>

(In € million)	2015	2016	2017	2018	>2018	Total
Finance leases	2.9	0.3	0.2	0.1	1.1	4.6
Bank loans	0.3	280.2	0.3	0.3	2.6	283.7
Other borrowings	2.8	5.3	3.7	2.7	4.5	19.0
<b>As at December 31<sup>st</sup>, 2013 long-term debt</b>	<b>6.0</b>	<b>285.8</b>	<b>4.2</b>	<b>3.1</b>	<b>8.2</b>	<b>307.3</b>

### Assumptions retained regarding the presentation of the maturity of non-current borrowings

The valuation of financial liabilities has been conducted based on:

- exchange rates prevailing as of December 31<sup>st</sup>, 2014, and
- interest rates presented hereafter.

The effective interest rates in 2014 were as follows:

(In € million)	Carrying value estimates	Fair value estimates	Effective interest rate
Finance leases	8.0	8.0	7.51%
Bank loans	480.0	480.0	3.47%
Securitization and other borrowings	143.2	143.2	-
<b>Total borrowings</b>	<b>631.2</b>	<b>631.2</b>	

## Change in net debt over the period

(In € million)	<b>31 December 2014 estimates</b>	<b>31 December 2013</b>
<b>Opening net cash/(debt)</b>	<b>905.4</b>	<b>232.1</b>
New borrowings	(182.6)	(8.2)
Convertible bonds	-	459.7
Repayment of long and medium-term borrowings	47.9	37.8
Variance in net cash and cash equivalents	256.1	154.3
New finance leases	(0.2)	(2.2)
Long and medium-term debt of companies acquired during the period	(85.0)	2.5
Impact of exchange rate fluctuations on net long and medium-term debt	42.5	(22.6)
Profit-sharing amounts payable to French employees transferred to debt	(1.0)	(3.2)
Other flows related to financing activities	6.0	55.2
<b>Closing net cash/(debt)</b>	<b>989.1</b>	<b>905.4</b>

## Note 23 Fair value and characteristics of financial instruments

(In € million)	<b>31 December 2014 estimates</b>		<b>31 December 2013</b>	
	<b>Assets</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>
Forward foreign exchange contracts	13.4	(9.0)	19.4	(26.0)
Forward interest rate contracts	-	(3.9)	-	(6.7)
Analysed as :				
Non-current	3.2	(8.3)	0.3	(6.8)
Current	10.2	(4.6)	19.1	(25.9)

The fair value of financial instruments is provided by banking counterparties.

### Interest rate risk

Bank loans of € 480.0 million (€ 284.0 million in 2013) 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>, 2014, 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 € 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 € 1,269.1 million at December 31<sup>st</sup>, 2014. A 1% rise in 1-month Euribor would impact positively the financial expense by € 12.7 million assuming the structure (cash/floating debt/hedges) remains stable for the full period of the year.



(In € million)	Notes	Exposure		Total estimates
		Less than 1 year	More than 1 year	
Bank loans	Note 22	-	(480.0)	(480.0)
Securitization	Note 22	(10.0)	-	(10.0)
Other		(12.6)	(42.8)	(55.4)
<b>Total liabilities</b>		<b>(22.6)</b>	<b>(522.8)</b>	<b>(545.4)</b>
Cash and cash equivalents	Note 18	1,620.3	-	1,620.3
Overdrafts		(77.8)	-	(77.8)
<b>Total net cash and cash equivalents (*)</b>		<b>1,542.5</b>	<b>-</b>	<b>1,542.5</b>
Net position before risk management		1,519.9	(522.8)	997.1
Hedging instruments		-	280.0	280.0
<b>Net position after risk management</b>		<b>1,519.9</b>	<b>(242.8)</b>	<b>1,277.1</b>
Finance Leases	Note 22	(2.7)	(5.3)	(8.0)
<b>Total net debt after risk management</b>				<b>1,269.1</b>

(\*) Overnight deposits (deposit certificate) and money market securities and overdrafts.

### Liquidity risk

On November 6, 2014, Atos signed with a number of major financial institutions a five-year € 1.8 billion credit facility maturing in November 2019 with an option for Atos to request the extension of the Facility maturity date until November 2021. The facility is available for general corporate purposes and replaced the existing € 1.2 billion facility signed in April 2011.

The revolving credit facility includes one financial covenant which under the terms is the consolidated leverage ratio (net debt divided by operating margin before depreciation and amortization) which may not be greater than 2.5 times.

Atos securitization program of trade receivables has been renewed for 5 years on June 18th, 2013 with a maximum amount of receivables sold of € 500.0 million and a maximum amount of financing of € 200.0 million.

The program is structured with two compartments, called ON and OFF:

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

The calculation of the above-mentioned ratios as of December 31<sup>st</sup>, 2014 is provided below:

Nature of ratios subject to covenants	Covenants	Group ratios at 31 December 2014 estimates	Group ratios at 31 December 2013
Leverage ratio (net debt/OMDA (*))	<i>not greater than 2.5</i>	-1.08	-1.05
Interest cover ratio (operating margin/net cost of financial debt)	<i>not lower than 4.0</i>	45.88	20.88

(\*) OMDA = Operating margin before non cash items.

## Currency exchange risk

Atos operates in 66 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:

(In € million)	2014	2013	2014	2013	2014	2013
	estimates		estimates		estimates	
	EUR		GBP		USD	
Assets	92.1	83.6	30.3	17.3	60.2	49.3
Liabilities	153.8	128.5	10.4	2.3	23.8	23.4
Foreign exchange impact before hedging	(61.7)	(44.9)	19.9	15.0	36.4	25.9
Hedged amounts	-	-	-	-	(22.6)	(3.5)
<b>Foreign exchange impact after hedging</b>	<b>(61.7)</b>	<b>(44.9)</b>	<b>19.9</b>	<b>15.0</b>	<b>13.8</b>	<b>22.4</b>

## Foreign currency sensitivity analysis

The Group is mainly exposed to the EUR, GBP and the USD.

The following table details the Group sensitivity to a 5% 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% increase in foreign currency rates.

(In € million)	2014	2013	2014	2013	2014	2013
	estimates		estimates		estimates	
	EUR		GBP		USD	
Income Statement	(3.1)	(2.2)	1.0	0.8	0.7	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.

At December 2014, derivatives are all allocated to the hedge of some transactional risks (foreign exchange currency risks). From an accounting point of view, most of the derivatives were considered as cash flow hedge instruments.

Breakdown of the designation of the instruments per currency is as follows:

(In € million)	31 December 2014 estimates		31 December 2013	
	Fair value	Notional	Fair value	Notional
<b>Instruments</b>				
<b>Cash flow hedge</b>				
<i>Interest rate</i>				
SWAP	(3.9)	280.0	(6.7)	280.0
<i>Foreign exchange</i>				
Forward contracts USD	(6.1)	62.6	0.5	15.4
Option contracts USD	-	0.4	-	-
Forward contracts GBP	-	-	-	0.2
Forward contracts INR	4.5	104.4	(4.5)	33.8
Forward contracts HKD	0.3	0.8	0.6	2.3
Forward contracts THB	0.3	5.4	-	-
Forward contracts MYR	(0.1)	1.7	(0.3)	2.9
Forward contracts PLN	(0.5)	57.9	0.7	37.6
Forward contracts RUB	-	-	(0.3)	5.7
Forward contracts MAD	-	3.2	-	6.1
Forward contracts CNY	(0.1)	2.0	-	0.9
Forward contracts RON	-	-	0.1	7.9
Forward contracts TRY	0.3	6.3	(0.7)	2.8
Forward contracts SGD	-	-	-	0.2
Forward contracts BRL	(0.8)	16.1	-	-
Option contracts JPY	(0.6)	2.3	-	-
<b>Trading</b>				
<i>Foreign exchange</i>				
Forward contracts USD	0.5	55.0	-	1.2
Forward contracts GBP	0.1	13.6	-	-
Forward contracts INR	6.5	50.5	(3.0)	73.3
Forward contracts THB	0.1	0.7	-	-
Forward contracts HKD	0.1	0.1	-	0.1
Forward contracts TRY	-	-	(0.1)	0.2
Forward contracts CHF	-	0.2	-	-
Forward contracts CZK	-	0.4	-	-
Forward contracts HUF	-	0.5	-	-
Option contracts JPY	(0.1)	0.3	-	-
Forward contracts RON	-	2.0	-	-
Forward contracts PLN	-	1.0	-	-
Forward contracts MAD	-	3.2	-	-

The net amount of cash flow hedge reserve at December 31<sup>st</sup>, 2014 was €-5.0 million (net of tax), with a variation of €+3.6 million (net of tax) over the year.

## Note 24 Trade accounts and notes payable

(In € million)	31 December 2014 estimates	31 December 2013
Trade payables and notes payable	1,396.0	1,054.8
Amounts payable on tangible assets	1.0	0.8
<b>Trade payables and notes payable</b>	<b>1,397.0</b>	<b>1,055.6</b>
Net advance payments	(24.9)	(11.3)
Prepaid expenses	(200.9)	(154.8)
<b>Net accounts payable</b>	<b>1,171.2</b>	<b>889.5</b>
<b>Number of days' payable outstanding (DPO)</b>	<b>78</b>	<b>82</b>

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

## Note 25 Other current liabilities

(In € million)	31 December 2014 estimates	31 December 2013
Advances and down payments received on client orders	87.1	67.2
Employee-related liabilities	555.2	499.9
Social security and other employee welfare liabilities	201.5	187.8
VAT payable	306.3	273.1
Deferred income	438.2	332.4
Other operating liabilities	233.3	150.8
<b>Total</b>	<b>1,821.6</b>	<b>1,511.2</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.

As of December 31<sup>st</sup>, 2014, other current liabilities included € 368.3 million from Bull subsidiaries.

## Note 26 Cash-Flow statements

### Net long-term investments

(in € million)	12 months ended 31 December 2014 estimates	12 months ended 31 December 2013
<b>Amounts paid for acquisitions and long-term investments :</b>		
Bull (100% of Bull shares)	(602.7)	-
Cambridge Technology Partners (CEE)	(21.0)	-
SiT (Austria)	2.2	
WindowLogic (APAC)	-	(18.2)
Deposit	(1.0)	(4.1)
Other	(11.0)	(5.7)
<b>Total amounts paid for acquisitions and long-term investments</b>	<b>(633.5)</b>	<b>(28.0)</b>
<b>Cash and cash equivalents of companies purchased during the period:</b>		
Bull	(9.5)	
Cambridge Technology Partners (CEE)	5.8	-
WindowLogic (APAC)	-	2.5
<b>Total cash and cash equivalents of companies purchased during the period</b>	<b>(3.7)</b>	<b>2.5</b>
<b>Proceeds from disposals of financial investments:</b>		
Deposit	4.4	6.8
Other	4.6	0.5
<b>Total proceeds from disposals of financial investments</b>	<b>9.0</b>	<b>7.3</b>
<b>Dividend received from entities consolidated by equity method:</b>		
Dividend received from entities consolidated by equity method	2.5	2.4
<b>Total dividend received from entities consolidated by equity method</b>	<b>2.5</b>	<b>2.4</b>
<b>Net long-term investments</b>	<b>(625.7)</b>	<b>(15.8)</b>

## Note 27 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.

(In € million)	31 December 2014 estimates				31 December 2013
		Up to 1 year	Maturing 1 to 5 years	Over 5 years	
Bank loans	480.0	-	480.0	-	284.0
Finance leases	8.0	2.7	4.2	1.1	10.7
<b>Recorded on the balance sheet</b>	<b>488.0</b>	<b>2.7</b>	<b>484.2</b>	<b>1.1</b>	<b>294.7</b>
Operating leases: land, buildings, fittings	847.4	172.4	439.6	235.4	796.5
Operating leases: IT equipment	87.8	39.7	48.1	-	73.2
Operating leases: other fixed assets	89.1	43.8	45.3	-	111.0
Non-cancellable purchase obligations (> 5 years)	84.3	30.0	47.2	7.1	60.3
<b>Commitments</b>	<b>1,108.6</b>	<b>285.9</b>	<b>580.2</b>	<b>242.5</b>	<b>1,041.0</b>
<b>Total</b>	<b>1,596.6</b>	<b>288.6</b>	<b>1,064.4</b>	<b>243.6</b>	<b>1,335.7</b>
<b>Financial commitments received (Syndicated Loan)</b>	<b>1,320.0</b>	<b>-</b>	<b>1,320.0</b>	<b>-</b>	<b>920.0</b>
<b>Total received</b>	<b>1,320.0</b>	<b>-</b>	<b>1,320.0</b>	<b>-</b>	<b>920.0</b>

The received financial commitment refers exclusively to the non-utilized part of the € 1.8 billion revolving facility.

### Commercial commitments

(In € million)	31 December 2014 estimates	31 December 2013
<b>Bank guarantees</b>	<b>251.9</b>	<b>170.9</b>
- Operational - Performance	163.7	121.3
- Operational - Bid	26.1	14.1
- Operational - Advance Payment	47.4	32.7
- Financial or Other	14.7	2.8
<b>Parental guarantees</b>	<b>4,154.8</b>	<b>3,536.8</b>
- Operational - Performance	4,077.3	3,485.5
- Operational - Other Business Orientated	77.5	51.3
- Financial or Other	-	-
<b>Pledges</b>	<b>5.2</b>	<b>0.2</b>
<b>Total</b>	<b>4,411.9</b>	<b>3,707.9</b>

For various large long term contracts, the Group provides performance guarantees to its clients. These guarantees amount to € 4,154.8 million as of December 31st, 2014, compared with € 3,536.8 million at the end of December 2013. This increase of € 618.0 million is mainly due to new parental guarantees issued in 2014 including the Ministry of Justice (The United Kingdom) for £ 150.0 million (€ 190.7 million), Achmea Holding N.V. (The Netherlands) for € 180.7 million and Schlumberger (France) for € 112.3 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 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 November 2014, Atos SE issued a parental guarantee to the benefit of the consortium of banks represented by BNP Paribas, in order to cover up to € 660.0 million the obligations of its subsidiary, Atos Telco Services B.V. and Atos International B.V.

Atos SE has given a € 204.0 million guarantee to Ester Finance in relation to a securitization program involving certain of its subsidiaries.

Atos SE or Atos International B.V. has 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.

## **Group contributions expectations regarding pension funds**

### Situation of the United Kingdom pension fund and impact on contributions for 2015

The Group expects to contribute € 49.6 million to its United Kingdom schemes next year versus € 49.4 million in 2014.

## **Contemplated acquisition of Xerox's Information Technology Outsourcing**

On December 18<sup>th</sup>, 2014, Atos announced its intention to acquire Xerox's Information Technology Outsourcing (ITO) business for a cash consideration US\$ 950.0 million (translating into i.e. € 780.0 million) plus US\$ 100.0 million (i.e. € 80.0 million) representing the estimated present value of future tax benefits to Atos, and an additional consideration of US\$ 50.0 million (i.e. € 40.0 million) subject to the condition of certain assets at closing. The consideration is on a cash free / debt free basis.

The closing of the transaction is expected to take place in the second quarter of 2015.

Early 2015, the purchase price in US\$ has been hedged by Atos with a bank.

## **Note 28 Related party transactions**

Related parties are defined as follows:

- Entities which are controlled directly by the Group, either solely or jointly, or indirectly through one or more intermediary controls. Entities which offer post-employment benefits in favor of employees of the Group, or entities which are controlled or jointly owned by a member of the key management personnel of the Group as defined hereafter, and
- 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.

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.

No transactions between the Group and such entities or key management personnel have occurred in 2014.

### 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 € million)	<b>12 months ended 31 December 2014 estimates</b>	<b>12 months ended 31 December 2013</b>
Short-term benefits	5.2	5.7
Employer contributions & other taxes	4.8	6.4
Post-employment benefits	2.9	2.8
Equity-based compensation: stock options & free share plans	3.1	2.7
<b>Total</b>	<b>16.0</b>	<b>17.6</b>

The remuneration of Chief Executive Officer is determined by the Remuneration Committee according to the Group 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.

### Note 29 Subsequent events

There were no subsequent events.



## Note 30 Main operating entities part of scope of consolidation as of December 31<sup>st</sup>, 2014

	% of Interest	Consolidation method	% of Control	Address
<b>HOLDING</b>				
Atos SE		Consolidation Parent Company		80, quai Voltaire - 95870 Bezons
Atos International B.V.	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
Bull SA	100	FC	100	Rue Jean Jaurès - 78340 Les Clayes-sous-Bois
<b>FRANCE</b>				
Atos Worldline SA	70.43	FC	100	80, quai Voltaire - 95870 Bezons
Atos Integration SAS	100	FC	100	80, quai Voltaire - 95870 Bezons
Diamis SA	60.00	FC	60	80, quai Voltaire - 95870 Bezons
Mantis SAS	100	FC	100	24, rue des Jeûneurs - 75002 Paris
Atos Infogérance SAS	100	FC	100	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 Worldgrid	100	FC	100	80, quai Voltaire - 95870 Bezons
Buyster	100	FC	100	139 boulevard de Sébastopol - 75002 Paris
blueKiwi Software SA	95.77	FC	100	80, quai Voltaire - 95870 Bezons
Yunano	70.00	FC	70	80, quai Voltaire - 95870 Bezons
Bull SAS	100	FC	100	Rue Jean Jaurès - 78340 Les Clayes-sous-Bois
Amesys SAS	100	FC	100	655, avenue Galilée - 13794 Aix en Provence
Evidian SA	100	FC	100	Rue Jean Jaurès - 78340 Les Clayes-sous-Bois
<b>GERMANY</b>				
Atos Worldline GmbH	70.43	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
Bull GmbH	100	FC	100	Von-der-wettern-straße, 27 - 51149 cologne - Germany
Energy4u GmbH	100	FC	100	Emmy-Noether-Straße 17 - 65627 Karlsruhe - Germany
<b>THE NETHERLANDS</b>				
Atos IT Services Nederland B.V.	100	FC	100	Papendorpseweg 93 - 3528 BJ Utrecht - The Netherlands
Atos IT Systems Management Nederland B.V.	100	FC	100	Papendorpseweg 93 - 3528 BJ Utrecht - The Netherlands
Atos Nederland B.V.	100	FC	100	Papendorpseweg 93 - 3528 BJ Utrecht - The Netherlands
Atos Telco Services B.V.	100	FC	100	Papendorpseweg 93 - 3528 BJ Utrecht - The Netherlands
Atos Banking Services B.V.	100	FC	100	Papendorpseweg 93 - 3528 BJ Utrecht - The Netherlands
Atos Consulting NV	100	FC	100	Papendorpseweg 93 - 3528 BJ Utrecht - The Netherlands
Bull NV	100	FC	100	De Cuserstraat 91 - 1081 CN Amsterdam - The Netherlands
Atos Worldline B.V.	70.43	FC	100	Wolweverstraat 18 - 2980 CD Ridderkerk - The Netherlands

	% of Interest	Consolidation method	% of Control	Address
<b>OTHER EUROPE - MIDDLE EAST - AFRICA</b>				
<b>Algeria</b>				
Bull Algeria	100	FC	100	16 Rue Yehia El-Mazouni, El Biar - Algiers - Algeria
<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
Bull GmbH	100	FC	100	Am Euro Platz 2 (Euro Plaza Gebäude G) - 1120 vienna - Austria
<b>Belgium</b>				
Atos Belgium SA	100	FC	100	Da Vincilaan 5 - 1930 Zaventem - Belgium
Worldline NV/SA	70.43	FC	100	Chaussée de Haecht 1442 - B-1130 Brussel - Belgium
SA Bull NV	100	FC	100	Chaussée de la Hulpe 120 - B-1000 Brussels - Belgium
<b>Bulgaria</b>				
Atos IT Solutions and Services EOOD	100	FC	100	2 Kukush Str. - Sofia Municipality - Ilinden District - 1309 Sofia - Bulgaria
<b>Ivory Coast</b>				
Bull Ivory Cost	100	FC	100	31 avenue Noguès - 01 BP 1580 Abidjan 01 - Ivory Coast
<b>Cyprus</b>				
Bull Cyprus Ltd	100	FC	100	70, Makarios III Avenue - PO box 27269 Nicosia - Cyprus
<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
Bull d.o.o.	100	FC	100	Koturaska 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
Bull s.r.o.	100	FC	100	Lazarska, 6 - 120 00 Prague 2 - Czech Republic
<b>Gabon</b>				
Bull Gabon	100	FC	100	Immeuble ex-Sonagar - Boulevard Bord-de-Mer - BP 2260 Libreville - Gabon
<b>Greece</b>				
Bull Integrated IT Solutions SA	100	FC	100	16, El. Venizelou ave. - 176 76 Kallithea - Greece
<b>Finland</b>				
Atos IT Solutions and Services oy	100	FC	100	Majurinkatu 6 - 02600 Espoo - Finland
<b>Hungary</b>				
Bull Magyarország	100	FC	100	Szépülgyi ut 43 - H- 1037 Budapest - Hungary

	% of Interest	Consolidation method	% of Control	Address
<b>OTHER EUROPE - MIDDLE EAST - AFRICA</b>				
<b>Ireland</b>				
Atos IT Solutions and Services Limited	100	FC	100	Fitzwilliam Court - Leeson Close - 2 Dublin - Ireland
Bull Information Systems Ireland	100	FC	100	29/3 South William Street - Dublin - Ireland
<b>Italy</b>				
Atos Italia S.p.A.	100	FC	100	Via Vipiteno no. 4 - 20128 Milan - Italy
e-Utile S.p.A.	100	FC	100	Piazza Trento, 13 – 20135 Milan - Italy
<b>Lebanon</b>				
Bull SAL	100	FC	100	69 Rue Jal el Dib - Secteur 1 – BP 60208 - 12412020 Metn - Lebanon
<b>Lithuania</b>				
UAB "Bull Baltija"	100	FC	100	40 Gostauto Street - 01112 Vilnius - Lithuania
<b>Luxembourg</b>				
Atos Luxembourg PSF S.A.	100	FC	100	2, rue Nicolas Bové - L1253 Luxembourg
Communication-System & Business Consulting	100	FC	100	CAP2 Parc d'Activities of Capellen 40 - L8308 Luxembourg
<b>Mauritius</b>				
Bull Indian Ocean Limited	100	FC	100	C&R Court, 49, rue La Bourdonnais, PORT-LOUIS - Mauritius
<b>Madagascar</b>				
Bull Madagascar SA	100	FC	100	12, rue Indira Gandhi - Tsaralalana BP 252 - Antananarivo - Madagascar
<b>Morocco</b>				
Atos IT Services	100	FC	100	Avenue Annakhil - Espace High-Tech - hall B 5th 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
Bull Morocco	100	FC	100	Casaneareshore 1100, bd El Qods (Sidi Maârouf) 20270 Casablanca - Morocco
<b>Namibia</b>				
Bull Information Technology Namibia Pty. Ltd.	100	FC	100	C/o Deloitte & Touche - Namdeb Center, 10 Bulow street - PO Box 47 - Windhoek - Namibia
<b>Poland</b>				
AMG.net	100	FC	100	29 rue de Lakowa - 90554 Lodz - Poland
Atos IT Services SP ZOO	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 - 6th District - 062204 Bucharest - Romania
Bull Romania s.r.l	100	FC	100	12 A Burghilea Street, 2nd district - 024032 Bucharest - Romania
<b>Russia</b>				
Atos IT Solutions and Services LLC	100	FC	100	1st Kozhevicheskii per. 6, bld. 1 115114 Moscow - Russian Federation
<b>Senegal</b>				
Bull Senegal	100	FC	100	Avenue Malick Sy - Immeuble Batimat - BP 3183 Dakar - Senegal

	% of Interest	Consolidation method	% of Control	Address
<b>OTHER EUROPE - MIDDLE EAST - AFRICA</b>				
<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	74.00	FC	74	204 Rivonia Road - Sandton private bag X 136 - Bryanston 2021 - South Africa
<b>Spain</b>				
Mundivia SA	100	FC	100	Calle Real Consulado - s/n Polígono Industrial Candina - Santander 39011- Spain
Worldline Iberia SA	70.43	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
Bull (España) SA	100	FC	100	Paseo de las Doce Estrellas, nº2 - Campo de las Naciones - 28042 Madrid - Spain
Centro de Tecnologías Informáticas, SA	80.00	FC	80	Paseo de la Condesa de Sagasta, 6 Oficina 1 - León 24001 - Spain
Infoservicios SA	75.00	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	50.00	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
Cambridge Technology Partners Ltd	100	FC	100	Chemin de Précossy 27 - 1260 Nyon - Switzerland
<b>Turkey</b>				
Atos Bilisim Danismanlik ve Musteri Hizmetleri Sanayi ve Ticaret A/S	99.92	FC	100	Yakacak Caddesi No: 111 – 18, 34870, Kartal, Istanbul - Turkey
<b>United Arab Emirats - 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
<b>Saudi Arabia</b>				
Atos Saudia	49.00	PC	49	P. O. Box # 8772 - Riyadh-11492 - Kingdom of Saudi Arabia
<b>Qatar</b>				
ATOS QATAR Llc	49.00	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

	% of Interest	Consolidation method	% of Control	Address
<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
Bull Information Systems Limited	100	FC	100	Maxted Road - Hemel Hempstead - Hertfordshire HP2 7DZ- 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
Atos Scotland GP Limited (*)	100	FC	100	Collins House, Rutland Square - Edinburgh, EH1 2AA - United Kingdom
Atos Scotland LP (*)	100	FC	100	Collins House, Rutland Square - Edinburgh, EH1 2AA - United Kingdom
Atos APF Scotland GP Limited (*)	100	FC	100	3 Ponton Street - Edinburgh, EH3 9QQ - United Kingdom
Atos APF Scotland LP (*)	100	FC	100	3 Ponton Street - Edinburgh, EH3 9QQ - United Kingdom
Atos ASPS Scotland GP Limited (*)	100	FC	100	3 Ponton Street - Edinburgh, EH3 9QQ - United Kingdom
Atos ASPS Scotland LP (*)	100	FC	100	3 Ponton Street - Edinburgh, EH3 9QQ - 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 Bulding - Lido Place - Jichang Road- Chaoyang District- Beijing - China
Atos Worldgrid Information Technology (Beijing) Co Ltd	100	FC	100	429, 4th Floor, A2 Commercial Building - Lido Hotel - No 6 Jiangtai Road - Chaoyang District - Beijing - China
Bull Information Systems (Beijing) Co. Ltd	100	FC	100	11/F, Jing Guang Centre Office - Building Hu Jia Lou Chao Yang District - 100 020 Beijing P.R - China
<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
Bull Information Systems (Hong Kong) Limited	100	FC	100	RM 1401 - Hutchison House - 10, Harcourt Road - Hong Kong
<b>India</b>				
Atos India Private Limited	100	FC	100	Unit 126/127, SDF IV, SEEPZ - Andheri (East) - Bombay 400 096 - India
Worldline India Private Ltd	70.43	FC	100	701, Interface 11 - Malad (West) - Mumbai 400064 - India
<b>Indonesia</b>				
PT Worldline International Indonesia	70.43	FC	100	Wisma Keiai #1707 - Jalan Jenderal Sudirman Kav 3 - Jakarta 10220 Indonesia

	% of Interest	Consolidation method	% of Control	Address
<b>ASIA PACIFIC</b>				
<b>Japan</b>				
Atos KK	100	FC	100	20 F, Shinjuku ParkTower - Nishi Shinjuku 3 - 7 -1 - Shinjuku - ku - Tokyo - Japan
Evidian-Bull Japan KK	100	FC	100	Cerulean Tower 15F - 26-1 Sakuragaoka-cho - Shibuya-ku - Tokyo - Japan
<b>Malaysia</b>				
Atos Services (Malaysia) SDN BHD	100	FC	100	16-A (1st 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
Amesys Singapour PTE Ltd	100	FC	100	988 Toa Payoh North #08-01 - Crystal Time Building - 319002 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.
Bull Information Systems (Taiwan) Limited	100	FC	100	5F, No 100 Sec 3, Min Sheng E. Road - Taipei -Taiwan
<b>Thailand</b>				
Atos IT Solutions and Services Ltd	100	FC	100	2922/339 Cham Issara Tower II - 36th Floor - New Petchburi Road - Bangkapi - Huay Kwang - 10310 Bangkok - Thailand
<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	Cnel. Manuel Arias 3751 - piso 18 - C.A.B.A
Bull Argentina SA	100	FC	100	Manuela Saenz 323 5to. Piso Of. 506 - C 1107 bpa - Buenos aires - Argentina
<b>Brazil</b>				
Atos Brasil Ltda	100	FC	100	Avenida Maria Coelho Aguiar, n° 215 – 5° andar - Bloco E – Jardim São Luis - 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
Bull Ltda.	100	FC	100	Avenida Angelica - 903 Higienópolis - 01227-901 Sao Paulo 6 - Brazil
<b>Canada</b>				
Atos Inc.	100	FC	100	6375 Shawson Drive - L5T 1S7 Mississauga - Ontario - Canada
Amesys Canada Inc.	100	FC	100	1 place Ville-Marie - H3B 2C4 Montreal, Quebec - Canada

	% of Interest	Consolidation method	% of Control	Address
<b>AMERICAS</b>				
<b>Chili</b>				
Worldline Chile S.A	70.43	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, 6th Floor - Norwalk - CT 06851 - United States of America
Bull HN Information Systems Inc.	100	FC	100	285 Billerica Road, Suite 200 - Chelmsford, MA 01824-4174- United States of America
Evidian Systems Inc.	100	FC	100	285 Billerica Road, Suite 200 - Chelmsford, MA 01824-4174- United States of America
<b>Uruguay</b>				
Bull Uruguay SA	100	FC	100	Av. Dr Luis A. de Herrera, 2802 - 1160 Montevideo - Uruguay

(\*) The Group has an interest in six Scottish limited partnerships, which are fully consolidated into these Group financial statements. The Group has taken advantage of the exemption conferred by Regulation 7 of the Partnerships (Accounts) Regulations 2008 under United Kingdom law, and therefore separate accounts for the partnerships are not required to be, and have not been, filed at Companies House in the United Kingdom.

## E LOCATIONS AND CONTACTS

Atos is present in main cities to support our customers. The addresses, phone numbers of our main offices can be found on the Locations page on our website [atos.net](https://www.atos.net). Details of current job opportunities can be found in our Careers pages. An email address for general questions and comments about our Internet site can be found at the bottom of the page.

### E.1 Headquarters

River Ouest  
80 Quai Voltaire  
95870 BEZONS – France  
+33 1 73 26 00 00

### E.2 Corporate Functions

#### Finance and IT & Processes

Michel-Alain Proch +33 1 73 26 00 31

#### Human Resources & Siemens Partnership

Philippe Mareine +49 21 13 99 20 800

#### Executive Management, Talents & Communications

Marc Meyer +33 1 73 26 00 26

#### Chief commercial Officer

Patrick Adiba +33 1 73 26 00 36

#### Mergers & Acquisitions, Strategy & Investor Relations & Financial Communication

Gilles Arditti +33 1 73 26 00 66

#### Legal, Compliance & Contract Management

Alexandre Menais +33 1 73 26 42 15

#### Global Purchasing

Enguerrand de Pontevès +33 1 73 26 01 46

#### Internal Audit

Arnaud Ruffat +33 1 73 26 01 91

### E.3 Global organization

#### Service Lines

##### Consulting & Systems Integration

Francis Meston +33 1 73 26 01 97

##### Managed Services

Eric Grall +33 1 73 26 01 20

##### Worldline

Marc Henri Desportes +33 1 73 26 00 29

##### Big Data & Cyber-security

Philippe Vannier: +33 1 58 04 05 18

#### Specialized Business Units

##### Atos Worldgrid

Jérôme de Parscau +33 4 76 61 86 24



## E.4 Implantations

### Global Headquarter

River Ouest  
80, quai Voltaire  
95 877 Bezons Cedex  
Tel.: +33 1 73 26 00 00

#### Americas

Argentina

Brazil

Canada

Chile

Colombia

Mexico

Uruguay

USA

#### Asia-Pacific

Australia

China

Hong Kong

Indonesia

Japan

Malaysia

New-Zealand

Philippines

Singapore

Taiwan

Thailand

#### Europe

Andorra

Austria

Belgium

Bulgaria

Croatia

Cyprus

Czech Republic

Denmark

Estonia

Finland

France

Germany

Greece

Hungary

Italy

Ireland

Lithuania

Luxembourg

Poland

Portugal

Romania

Russia

Serbia

Slovakia

Spain

Sweden

Switzerland

The Netherlands

United Kingdom

#### India, Middle-East & Africa

Algeria

Benin

Burkina Faso

Egypt

Gabon

India

Ivory-coast

Lebanon

Madagascar

Mali

Mauritius

Morocco

Qatar

Saudi Arabia

Senegal

South Africa

Turkey

United Arab Emirates

## FULL INDEX

Contents.....	2
A Operational Review.....	3
A.1 Executive Summary .....	3
A.2 Statutory to constant scope and exchange rates reconciliation.....	6
A.3 Revenue Profile.....	7
A.3.1 By Service Line .....	7
A.3.2 By Business Unit .....	7
A.3.3 By Markets .....	7
A.4 Performance by Service Line.....	8
A.4.1 Managed Services .....	8
A.4.2 Consulting & Systems Integration.....	9
A.4.3 Big Data & Cyber-security .....	10
A.4.4 Worldline.....	10
A.5 Performance by Business Units .....	11
A.5.1 United Kingdom & Ireland .....	12
A.5.2 Germany .....	12
A.5.3 France .....	13
A.5.4 Benelux & The Nordics .....	14
A.5.5 Central & Eastern Europe .....	14
A.5.6 North America.....	15
A.5.7 Iberia .....	15
A.5.8 Other BUs .....	16
A.5.9 Global structures costs.....	16
A.6 Revenue by Market .....	17
A.6.1 Manufacturing, Retail & Transportation .....	17
A.6.2 Public & Health.....	17
A.6.3 Telcos, Media & Utilities .....	17
A.6.4 Financial Services.....	17
A.7 Portfolio .....	18
A.7.1 Order entry and book to bill.....	18
A.7.2 Full backlog .....	19
A.7.3 Full qualified pipeline .....	19
A.8 Human Resources .....	19
A.8.1 Changes in scope .....	19
A.8.2 Hiring .....	20
A.8.3 Leavers.....	20
A.8.4 Restructuring, Dismissals and other.....	20
B Objectives .....	21

C	Financial review.....	22
C.1	Income statement.....	22
C.1.1	Operating margin.....	22
C.1.2	Other operating income and expenses.....	22
C.1.3	Net financial expense.....	23
C.1.4	Corporate tax.....	23
C.1.5	Non-controlling interests.....	23
C.1.6	Normalized net income.....	24
C.1.7	Earning per share.....	24
C.2	Cash Flow.....	25
C.3	Financing policy.....	27
C.3.1	Financing structure.....	27
C.3.2	Bank covenants.....	28
C.3.3	Investment policy.....	28
C.3.4	Hedging policy.....	28
D	Consolidated financial statements.....	29
D.1	Statutory Auditors' report on the consolidated financial statements for the year ended December 31, 2014.....	29
D.2	Consolidated Income Statement.....	30
D.3	Consolidated statement of comprehensive income.....	31
D.4	Consolidated statement of financial position.....	32
D.5	Consolidated cash flow statement.....	33
D.6	Consolidated statement of changes in shareholders' equity.....	34
D.7	Appendices to the consolidated financial statements.....	35
D.7.1	General information.....	35
D.7.2	Basis of preparation and significant accounting policies.....	35
D.7.3	Financial risk management.....	47
D.7.4	Notes to the consolidated financial statements.....	48
E	Locations and contacts.....	96
E.1	Headquarters.....	96
E.2	Corporate Functions.....	96
E.3	Global organization.....	96
E.4	Implantations.....	97
	Full index.....	98