TURNING CLIENT VISION INTO RESULTS

HALF-YEAR REPORT 2005

Atos Origin
WORLDWIDE IT PARTNER

Financial performance for the six months ended June 30th, 2005

(in EUR millions)	6 months ended June 30th, 2005 (a)	6 months ended June 30th, 2004 (a)	% Change
Revenue	2,725	2,622	+4.0%
Operating margin	183.1	165.7	+11%
% of revenue	*6.7%*	*6.3%*	
Operating income	196.3	77.6	+153%
% of revenue	*7.2%*	*3.0%*	
Net income - group share	121.3	28.3	+328%
% of revenue	*4.5%*	*1.1%*	
Restated basic EPS (b) (d)	1.57	1.18	+33%
Restated diluted EPS (c) (d)	1.56	1.17	+33%
Basic EPS (b)	1.81	0.44	+313%
Diluted EPS (c)	1.79	0.43	+313%

	June 30th, 2005 (a)	December 31st, 2004 (a)	% Change
Net debt to equity ratio	20%	30%	-10 pts
Employees at period end	46,254	46,584	-1%

EPS = Earnings per share

(a) Under IFRS
(b) In euros, based on a weighted average number of shares
(c) In euros, based on a diluted weighted average number of shares
(d) Based on net income (Group share) before unusual and infrequent items (net of tax)

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ATOS ORIGIN

WE DESIGN, BUILD AND OPERATE IT-ENABLED BUSINESS PROCESSES.

INTEGRATE BUSINESS AND TECHNOLOGY, GLOBALLY.

FOCUS ON CAREFULLY CHOSEN MARKET SECTORS.

IMPROVE THE EFFECTIVENESS OF OUR CLIENTS' BUSINESSES.

TURNING CLIENT VISION INTO RESULTS

ABOUT ATOS ORIGIN

Atos Origin is an international information technology services company. Its business is turning client vision into results through the application of consulting, systems integration and managed operations. The company's annual revenues are more than EUR 5 billion and it employs over 46,000 people in 40 countries. Atos Origin is the Worldwide Information Technology Partner for the Olympic Games and has a client base of international blue-chip companies across all sectors.

Atos Origin is quoted on the Paris Eurolist Market and trades as Atos Origin, Atos Euronext Market Solutions, Atos Worldline and Atos Consulting.

For further information, please visit the Company's web site at http://www.atosorigin.com

CHIEF EXECUTIVE'S REVIEW

INTRODUCTION

It is almost exactly two years since we announced the acquisition of Sema Group from Schlumberger. The integration process has been successfully completed and has transformed Atos Origin into a major player in the global IT services market. As the market for IT services recovered during 2004, we were therefore able to take full advantage of the scale efficiencies that were achieved, especially in the major countries of Europe. We now have strong leadership positions in France, The Netherlands and the United Kingdom. We will double our revenues in Germany this year, although we still have work to do to reach our scale objective, and we are making good progress in Spain and Italy.

We have also started to lay solid foundations for the expansion of our business in Asia Pacific. This is a vibrant region, with a strong economic growth rate and many opportunities to deliver radical IT solutions and services to our clients. In China, we already have a strong base of clients and our Olympic team is preparing for the Beijing Games in 2008. In Malaysia, China and especially in India, we are growing our offshore support capability rapidly, in line with demand from our clients.

I am pleased with the progress we have made in accelerating the organic growth of the business. We have also streamlined our organisation, including disposing of non-core businesses. As a result I expect our borrowings to fall to low levels by the end of this year and to return to a net cash position next year. That leaves us well positioned to take full advantage of developments in the global IT service market.

FIRST HALF RESULTS

Group revenues for the first half of 2005 were slightly ahead of our expectations at EUR 2,725 million, representing an organic increase of 8.1% compared to the same period last year, on a constant scope and exchange rate basis. The performance was broad-based and each of the three main service lines recorded good growth, with Consulting being especially strong and leading the recovery. Recurring revenue business represented more than 60% of Group sales in the first half of 2005, driven especially by application management.

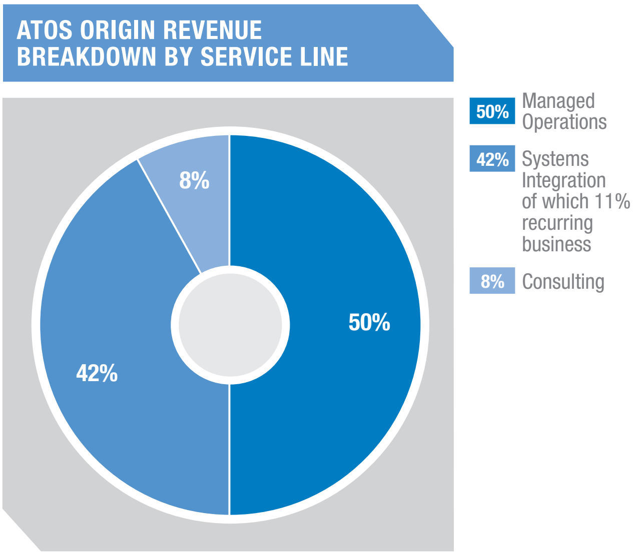
The operating margin for the period was 6.7%, again in line with our expectations, with a strong surge from 5.7% in the first quarter to 7.7% in the second. At EUR 183 million, the Group's organic operating margin growth was 18% at constant scope and exchange rates. The integration of new contracts signed since the second half of last year is progressing well and we expect the benefits of actions to flow through strongly in the second half of this year.

Net income Group share was EUR 121 million, 4.5% of total revenues, representing earnings per share of EUR 1.81 on a six-month basis. This is a substantial increase compared with net income of only EUR 28 million and EPS of EUR 0.44 at this time last year, which included significant restructuring costs after the Sema Group acquisition.

In the first half, the Group generated a net cash inflow of EUR 128 million and net debt at the end of June 2005 decreased to EUR 363 million. This was in spite of a short-term increase in working capital and restructuring payments of EUR 55 million during the period. It included nearly EUR 220 million restated cash flow from operating activities, representing 8.1% of total revenues, and net cash proceeds of EUR 141 million from the disposal of the Nordic business. In the second half, we expect a further reduction in net debt, coming both from higher profitability and a reduction in working capital levels.

COMMERCIAL PERFORMANCE

The successful reorganization of the commercial strategy after the Sema acquisition began delivering results in the second half of 2004. In the first half of 2005, the book-to-bill ratio reached 139%, including the substantial renewal of the contract with the



Department for Work and Pensions in the United Kingdom and important contracts signed with Renault and LCH-Clearnet.

On July 1st, 2005, Atos Origin, as the Worldwide Information Technology Partner of the International Olympic Committee (IOC), signed a contract extension to become the Information technology systems integrator for the 2010 Olympic Winter Games in Vancouver, Canada, and the 2012 Olympic Summer Games in London. Such signings demonstrate the confidence of our clients in building strong, committed, long-term partnerships.

In July 2005, Atos Origin also announced a major expansion of AtosEuronext, its partnership venture with Euronext, Europe's leading cross-border exchange business. The two companies have signed an agreement to form a new company, to which additional activities have been contributed jointly, including the provision of services to Euronext.liffe in London. The new extended venture is called Atos Euronext Market Solutions (AEMS). AEMS is one of the leading providers of exchange solutions and well positioned to build a dominant business to serve capital markets globally. At the same time, it will enable Euronext to enhance its operational efficiency and further extend its leading market position.

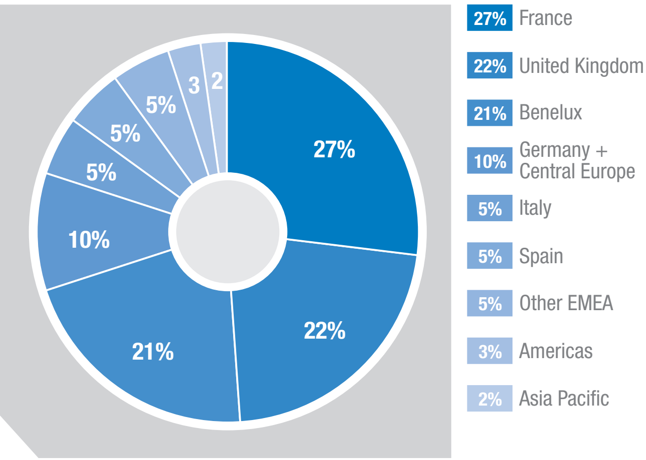
In addition to AEMS, the Group has two other specialist businesses in Managed Operations providing strong added value for its clients. Atos Worldline delivers card payment and internet processing services in France and Germany. We believe that there are opportunities for growth in the European market for such services and, more specifically, we believe that there will be strategic opportunities for Atos Origin to expand the scope of its activities into other countries in the region.

In Healthcare, we already have a strong base of skills and resources centred around success in developing business in the United Kingdom with the Department for Work and Pensions (DWP), the Department for Trade and Industry and Royal Mail. There are opportunities for building business further with the UK National Health Service, especially in Scotland. I believe that there will also be opportunities to build on our experience within continental Europe, where we are already working with public sector authorities in France and more broadly with Philips Medical Services.

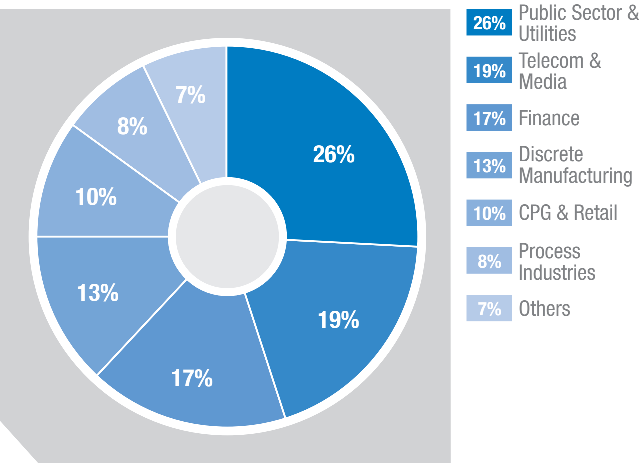
DISPOSAL PROGRAM

In May 2005, Atos Origin completed the disposal of its Venezuelan business and at the end of June 2005 finalized the sale of its significant Nordic operations to WM-data. The annual revenues of that business were approximately EUR 175 million. Atos Origin and WM-data have entered into an alliance agreement to provide extended support for each other's clients in their respective geographic domains.

ATOS ORIGIN REVENUE BREAKDOWN BY COUNTRY



ATOS ORIGIN REVENUE BREAKDOWN BY INDUSTRY SECTOR



In 2004, the Group disposed of businesses with annual revenues of just over EUR 200 million and the Nordic disposal represents a significant step towards reaching its original objective of disposing of activities with annual revenues of up to EUR 500 million. The eight disposals to date had cumulative annual revenues of around EUR 410 million, representing more than 80% of the disposal plan. The Group expects to complete the remainder of its disposal program by the end of 2005.

NEW INTERNATIONAL ACCOUNTING STANDARDS

Common accounting standards are being introduced across Europe in 2005, requiring companies to adopt the new rules with effect from January 1st, 2005. Atos Origin had already implemented most of the significant standards in prior years, especially those relating to revenue recognition, pensions and employee benefits, leases and the impairment of assets.

The Group published the full audited impact of the new IFRS standards on its 2004 Accounts in May 2005, before the Company's Annual General Meeting, in accordance with recommendations of the Autorité des Marchés Financiers (AMF). The Group has published today, for the first time, its half-year results under IFRS. A full restatement of the 2004 accounts is included as part of the financial section of this document.

NEW SYNDICATED LOAN

On May 12th, 2005 Atos Origin signed a EUR 1.2 billion multi-currency revolving credit facility with a consortium of nine banks, which is to be used for general corporate purposes, including the refinancing of the previous EUR 900 million syndicated facility, which was established in January 2004 following the Sema Group acquisition. The new credit facility has a five-year maturity with two one-year extension options. The new facility offers a 0.3% annual spread over Euribor in comparison with an annual spread of 1.5% on the previous syndicated facility. The new facility will reduce borrowing costs and increase the Group's available financial resources. The repayment terms and conditions of the new agreement are considerably more flexible than under the previous facility.

SHAREHOLDERS

On July 13th, 2005 Royal Philips Electronics sold its holding of 10.3 million shares in Atos Origin (15.4% of the common stock) to Citigroup in a block deal. Citigroup immediately sold those shares to a wide range of investors. Following this transaction, the free float of the Company's shares is now almost 100%. The volume of shares traded each day has increased proportionally and I believe that this will make the Company's stock more attractive to many investors, especially the larger institutions, and lead to it being represented in more of the major European share indices.

The commercial relationship with Philips remains excellent and we are one of their preferred suppliers for IT services. Philips is one of the Group's largest customers, representing nearly 4% of total annual sales. The Group has many contracts and service level agreements with Philips that mature at different dates, of which 60% relate to the Managed Operations business. The close collaboration and trust between the two companies has just been confirmed by the signing of an extension of our global IT partnership until the end of 2008. Our partnership with Philips is based on a deep understanding of Philips' strategy and the provision of added-value solutions and business expertise. To support this long-term agreement, Atos Origin will continue to be innovative, flexible, transparent and pro-active in delivering high quality services to Philips on a worldwide basis.

BOARD REPRESENTATION AND GOVERNANCE

At the Annual Shareholder Meeting last June, Alain Le Corvec stepped down from the Supervisory Board and I would like to thank him for his support to the Group. Diethart Breipohl was appointed as a member of the Board. Dr. Breipohl is a member of the Management Board of Allianz and of the Supervisory Board of KarstadtQuelle.

Gerard Ruizendaal has resigned from the Board following the disposal by Philips of its share stake in Atos Origin and I would also like to thank him for his many contributions to the Group. We currently have a Supervisory Board comprising seven directors.

OUTLOOK FOR THE REMAINDER OF 2005

In 2005, Atos Origin will continue to focus on achieving organic growth, ensuring that it executes properly on large contracts and provides its clients with the highest level of service.

Based on a clear recovery of the IT services market, a steady flow of new orders announced since the beginning of the second half of 2004 and good order coverage for the remainder of 2005, including the expansion of the AtosEuronext partnership in the second half, the Group now expects to be able to achieve organic revenue growth of at least 8% in 2005 on a constant scope and exchange rate basis.

The ramp-up of profitability on new contracts and continuation of organisational streamlining launched in 2004 will drive the Group's profitability forward, and I confirm that we expect the operating margin for 2005 to be in the range 7.5% – 8.0%.

We expect as well to reduce working capital significantly in the second half. Consequently, net debt is expected to fall to around EUR 200 million by year-end.

The Group expects also the remainder of its disposal program to be completed in 2005.

OPERATIONAL REVIEW

DISCLAIMERS

The Group is reporting its financial results under IFRS for the first time. Comparative data for 2004 has therefore been restated on a pro forma basis under IFRS. The summary pro forma income statements and cash flow statements of the Group for the 6 months ended June 30th, 2004 and the balance sheet at December 31st, 2004 have been prepared in accordance with IFRS accounting principles applied by Atos Origin. The reconciliation of 2004 financial statements between French Gaap and IFRS, and the 2004 segment information by service line and geographical area, are presented hereafter in the sections "Segment information" and "2004 IFRS reconciliation statements" of the Financial Report within this document.

As a result of the reorganization of Sema Group and the compilation of comparative financial information for 2004, the Group has once again been able to split the Consulting and Systems Integration service lines for reporting purposes.

OPERATING PERFORMANCE

Under IFRS, International Accounting Standard 1 (IAS 1) requires a specific split between the underlying on-going operational performance of the business (Operating Margin) and unusual or infrequent income/expenses (Other operating income/expenses), which are separately itemised in the Income Statement before arriving at Operating Income.

(in EUR millions)	**6 months ended June 30th, 2005**	**% margin**	**6 months ended June 30th, 2004**	**% margin**	**% growth**	**% organic growth**
Revenue	2 725		2 622		+4.0%	+8.1%
Operating margin	183.1	6.7%	165.7	6.3%	+11%	+18%
Other operational income (expenses)	13.1		(88.2)			
Operating income	196.3	7.2%	77.6	3.0%	+153%	+148%

The Group achieved an operating margin of EUR 183.1 million (6.7% of revenue) in the first half of 2005, compared with EUR 165.7 million (6.3% of revenue) in the same period last year. Other operating income/expenses included a gain of EUR 53 million on the disposal of the Group's Nordic operations and a total cost of reorganization and rationalization of EUR 36 million, enabling the Group to report Operating Income of EUR 196.3 million for H1 2005, compared with only EUR 77.6 million in H1 2004. The comparative 2004 figures included a charge of EUR 74 million for restructuring the Sema business, which was previous shown as an exceptional item.

REVENUE

For the first half of 2004, the Group reported revenues of EUR 2,653 million under French GAAP. The Group has reported under IFRS for the first time in 2005 and has therefore eliminated nil margin pass-through revenue, which amounted to EUR 31 million in the first half of 2004. This relates mainly to the provision of media content by the Atos Worldline Division in France. Reported Group revenues in H1 2005 were EUR 2,725 million, which were 4.0% higher than the comparative pro forma revenues of the Group in H1 2004 under IFRS, as shown hereafter:

(in EUR millions)	6 months ended June 30th, 2005	6 months ended June 30th, 2004	% growth
Reported for H1 2004		2,653	
Less: IFRS impact		-31	
Statutory growth	**2,725**	**2,622**	**+4.0%**
Less: Disposals		-88	
Less: Exchange Rate impact			-14
Organic growth (*)	**2,725**	**2,520**	**+8.1%**

(*) Organic growth at constant scope and exchange rates.

During the second half of 2004, the Group disposed of a number of businesses that removed EUR 88 million from the comparative revenue base – mainly the Cellnet business in the United States of America. Exchange rate movements, mainly linked to the UK pound, resulted in a reduction of around EUR 14 million on a comparable year on year basis. After adjusting for business disposals of the past twelve months, and at constant exchange rates, the Group produced organic growth of +8.1%.

This performance was mainly due to a continuous inflow of new clients and the successful renewal of key contracts since mid-2004, due notably to the increased size and profile of the enlarged group and the new go-to-market strategy put in place last year.

The book-to-bill ratio for the first half of 2005 was 139%, including the substantial renewal of our contract with the Department for Work and Pensions in the United Kingdom, which will be worth at least EUR 750 million over the next 7 years, and up to EUR 1.2 billion over 12 years if extension options are taken up. The Renault contract was recognized in Q1 and LCH-Clearnet in Q2. The Olympic contract extension and the partnership expansion with Euronext will contribute to order entry in the second half of the year.

In 2004, Atos Origin established a Key Account program comprising 30 major clients, which represented more than 50% of total revenues in the first half of 2005, an increase of nearly 20% in the period. With the addition of a further 70 clients, the Group has established a go-to-market strategy focused on 100 clients globally, which drives organic growth and from whom the Group currently derives nearly 70% of total revenues.

The revenue performance by **service line** was as follows:

(in EUR millions)	6 months ended June 30th, 2005	6 months ended June 30th, 2004	% growth	% organic growth	% 2005 revenue
Consulting	227	201	+12.6%	+13.6%	8%
Systems Integration	1,134	1,067	+6.3%	+8.5%	42%
Managed Operations	1,364	1,354	+0.8%	+7.0%	50%
Total	**2,725**	**2,622**	**+4.0%**	**+8.1%**	**100%**

The three main service lines each recorded good organic revenue growth.

Consulting produced a strong organic revenue increase of 13.6% in the first half, year-on-year. This performance resulted from the positive effects of volume, pricing and bonus awards on projects, and is an example of how the Group is now benefiting from the acquisition of KPMG Consulting in 2002. The increased demand in Consulting is a good indicator of the market recovery and the Group expects future benefits from Atos Euronext Market Solutions in the United Kingdom.

Revenues in **Systems Integration** were 8.5% higher organically in the first half, which confirms the upward trend seen in 2004. This performance represents the first half-year increase for more than two years. There was a clear trend last year showing the rate of decline slowing each quarter and H1 2005 demonstrates clearly that this service line has returned to a growth path. Growth in the first half was mainly due to better volumes, with prices remaining broadly stable. The Group has increased the level of recurring revenues in systems integration, largely through application life cycle management contracts.

After adjusting for business disposals, mainly the US Cellnet business, organic revenue growth in **Managed Operations** was 7.0%, reflecting a steady inflow of orders accumulated during the past year. After strong organic revenue growth of 9.0% in Q1 2005, the more modest increase of 5.1% in Q2 was due to the expected end of a one-year, non-recurring and fully subcontracted call center contract in the United Kingdom, representing a revenue loss of EUR 90 million from May 2005 onwards on a full year basis. This impacted the service line's growth in the first half by 2.6 points, but will be offset in the second half by the extended partnership with the Euronext.Liffe.

The revenue performance by **geographical area** was as follows:

(in EUR millions)	6 months ended June 30th, 2005	6 months ended June 30th, 2004	% growth	% organic growth	% 2005 revenue
France	731	693	+5.6%	+5.6%	27%
United Kingdom	588	606	-3.1%	-1.3%	22%
The Netherlands	508	476	+6.8%	+6.8%	19%
Germany + Central Europe	273	141	+94.3%	+94.2%	10%
Rest of EMEA	467	473	-1.1%	+0.0%	17%
Americas	93	165	-43.6%	+2.7%	3%
Asia - Pacific	65	69	-5.8%	+11.9%	2%
Total	**2,725**	**2,622**	**+4.0%**	**+8.1%**	**100%**

Europe remains the Group's main operational base, generating 93% of total revenue.

On a regional basis, revenues in **France** were 5.6% higher than last year, with growth of 9.4% in Q2 2005 after only 1.8% in Q1. France benefited from a strong performance in Consulting and Systems Integration, particularly from the new contract with Renault. Outsourcing also achieved better organic growth than in the first quarter, as a number of contracts finished their transition phase and entered into a normal run rate in Q2.

Elsewhere, good organic revenue growth was achieved in **The Netherlands** (+6.8%). The **United Kingdom** was able to compensate the end of the previously mentioned contract by winning additional business, especially in the Public Sector. The United Kingdom will benefit in the second half from the expansion of the AtosEuronext partnership, including the Euronext.Liffe business, in Managed Operations.

Revenues in **Germany and Central Europe** registered an exceptional 94% organic growth, mainly due to the KarstadtQuelle and Eplus contracts. In the **Rest of EMEA**, growth in Italy and Spain confirmed an encouraging trend, but in the Middle East revenues are still affected by political instability in the region. Activity in the Nordic region decreased during the divestment phase.

In **North America**, the Group disposed of more than half of the business in 2004, but the remaining activity is once again showing healthy growth, recording a year-on-year organic increase of 12% in the first half.

In **South America**, revenues were globally stable but the Group still has small units inherited from Sema Group and further action is being taken to streamline those operations. The Group has sold its businesses in Peru and in Venezuela. We intend to focus resources in the region in Brazil, which is also rapidly developing as an important global outsourcing centre.

The **Asia-Pacific** region recorded strong organic growth of 11.9% in the first half of 2005, mainly in Managed Operations. Following investment in a state-of-the-art data centre in Hong Kong, the Group expects to capture new outsourcing business in this region.

OPERATING MARGIN AND PROFITABILITY

For the first half of 2004, the Group reported Income from Operations of EUR 158.3 million under French GAAP. Under IFRS the Group is required to restate several items, principally the non-amortization of the actuarial losses on pensions for the fiscal year 2004, and in relation to transition and processing costs during the initial phase of outsourcing contracts. A reconciliation of the financial statements between French Gaap and IFRS for the six-month period ended June 30th, 2004 is included hereafter in the section "Financial Report".

Under IFRS, the reported Group operating margin for the first half of 2005 was EUR 183.1 million, compared with an IFRS operating margin of EUR 165.7 million in H1 2004, an increase of 11%.

(in EUR millions)	6 months ended June 30th, 2005	6 months ended June 30th, 2004	% growth
Reported for H1 2004		158.3	
IFRS impact		7.4	
Statutory growth	**183.1**	**165.7**	**+11%**
Less: Disposals		-10.4	
Less: Exchange Rate impact		-0.7	
Organic growth (*)	**183.1**	**154.7**	**+18%**

(*) Organic growth at constant scope and exchange rates.

After adjusting for business disposals during the past twelve months, and at constant exchange rates, the Group produced organic operating margin growth of 18%. Excluding the Nordic operations, which were sold at the end of June 2005, the organic growth of the operating margin on current operations would have amounted to 21%.

The operating margin performance by **service line** was as follows:

(in EUR millions)	6 months ended June 30th, 2005 (*)	% margin	6 months ended June 30th, 2004 (*)	% margin	% margin organic	% growth	% organic growth
Consulting	33.9	14.9%	13.0	6.4%	6.5%	+161%	+162%
Systems Integration	65.7	5.8%	65.1	6.1%	6.3%	+1%	-0%
Managed Operations	113.6	8.3%	122.4	9.0%	8.7%	-7%	+2%
Corporate	(30.0)	-1.1%	(34.9)	-1.3%	-1.4%	+14%	+14%
Total	**183.1**	**6.7%**	**165.7**	**6.3%**	**6.1%**	**+11%**	**+18%**

(*) Before allocation of central structure costs classified under Corporate

Under IFRS, the Group's operating margin rate for the first half of 2005 was 6.7%, compared with a pro forma operating margin rate in H1 2004 of 6.3%. On an organic basis, the H1 2005 operating margin rate was 0.6 points higher than for the same period in 2004.

This illustrates the challenge of the first half of 2005 which was to replace the operating margin of the disposed businesses through the benefits of restructuring actions undertaken since 2004, while at the same time investing in new contracts with lower margin, integrating significant contract renewals, applying prudent accounting policies and maintaining effective risk management on such contracts. As a result, the operating margin rate for the period was 6.7%, in line with the Group expectations, but improving from 5.7% during the first quarter to 7.7% in the second.

As far as seasonality is concerned, the start of the year was impacted by a contractual reduction in revenues on several long-term contracts, where the Group has agreed in advance to share specific benefits with clients. There was also a global salary increase of 2% in 2005, which had a negative impact of 1.2 points on the margin rate.

The margin improvement seen during the first two quarters will continue in the second half of the year and derives mainly from improvements in operational performance, including staff restructuring and better utilization, the replacement of subcontractors by internal staff, the consolidation of datacenter resources and premises, the rationalization of other indirect costs, the reduction of corporate costs and the divestment of underperforming and non-core activities. Improvements will also be achieved by reaching critical size and scale in countries such as Germany.

Consulting margins rose from 6.4% in H1 2004 to an exceptional 14.9% in the first half of 2005. The margin rate has recovered strongly from the trough levels seen in 2002 during the economic downturn. Consulting is benefiting from strong demand growth, including some improvements in pricing and the successful award of incentive bonuses on projects. Operating efficiency has remained at a similar level to the end of December 2004 with a utilization rate of 75%, in spite of a net increase in staff headcount. Staff attrition remains at acceptable levels, given the activity growth.

In **Systems Integration**, profitability fell to 5.8% after a steady margin improvement during the course of 2004, for the reasons mentioned earlier. The short-term margin erosion was also the result of applying prudent accounting policies on the transition and start-up of new contracts as part of our careful risk management program, and working to minimize the on-going impact of a small number of loss-making contracts taken over from Sema. This had a negative margin impact of 0.5%. However, the activities will benefit in the second half from additional staff restructuring and from an extension of the action plan to reduce indirect costs and subcontractors. Since the first half of 2004, Systems Integration has benefited from general price stabilization and less business volatility. Utilization rates remained at 81%, similar to the level at December 2004.

The Group maintained a reasonable margin of 8.3% in its **Managed Operations**, compared with the 8.7% organic margin rate in H1 2004. This was primarily due to scale efficiencies in France and The Netherlands and to good performances in the Atos Worldline business. The margin erosion in the first half compared with the second half of 2004 was the result of new contract wins and several contract renewals, initially at lower margin, the impact of the Cellnet BPO business disposal, which generated a higher margin than the Group average, and the end of a one-year contract in the United Kingdom. Nevertheless, the Group expects margins in this segment to improve significantly in the second half as a result of the disposal of Nordic activities, the rationalization of premises and data center capacity as well as higher utilization of near-shore and off-shore resources.

Corporate costs have been reduced again, by 14% year-on-year. Excluding the Global Consulting and Systems Integration and Global Managed Operations structures, which represent around 0.2% of total revenues, the Corporate organization now represents around 1.0% of total revenues, in line with the operational targets of the Group.

The operating margin performance by **geographical area** was as follows:

During 2004, the first year of the Sema acquisition, the Group's main countries (France, United Kingdom and The Netherlands) made considerable progress in restoring margin rates to levels higher than the Group's average. The operating margin of these three countries grew organically by 3% in the first half and represented 77% of total operating margin before Corporate costs. The average margin rate of these three countries was 9.0% in the first half and was 1.2 points higher than the Group's average before Corporate costs.

During this second year after the acquisition, the focus has been on countries such as Germany, Spain, Italy and the rest of EMEA. The operating margin of the other countries (excluding the three main ones) grew organically by 63% in the first half and represented 23% of total operating margin before corporate costs. The average margin rate of these other countries was 5.4% in the first half, 2.4 points lower than the Group's average before Corporate costs.

(in EUR millions)	6 months ended June 30th, 2005 (*)	% margin	6 months ended June 30th, 2004 (*)	% margin	% margin organic	% growth	% organic growth
France	56.5	7.7%	52.1	7.5%	7.5%	+8%	+8%
United Kingdom	48.8	8.3%	48.4	8.0%	8.0%	+1%	+3%
The Netherlands	59.4	11.7%	60.1	12.6%	12.6%	-1%	-1%
Germany + Central Europe	15.4	5.6%	0.6	0.4%	0.4%	-2461%	+2411%
Rest of EMEA	26.8	5.7%	24.4	5.2%	5.1%	+10%	+12%
Americas	0.7	0.7%	6.7	4.1%	-2.8%	-90%	+126%
Asia - Pacific	5.6	8.6%	8.2	11.9%	13.1%	-32%	-27%
Corporate	(30.0)	-1.1%	(34.9)	-1.3%	-1.4%	+14%	+14%
Total	**183.1**	**6.7%**	**165.7**	**6.3%**	**6.1%**	**+11%**	**+18%**

(*) Before allocation of central structure costs classified under Corporate

All main Group countries and regions continued to generate a positive operating margin.

France, The United Kingdom and **The Netherlands**, which benefit from critical mass, have broadly maintained their operating margins, compensating the integration of new contracts and renewals by the effect of restructuring action in the past year.

Germany and Central Europe significantly increased its operating margin and margin rate. This strong improvement is not only linked to the flow of new contracts, but also to the overall reorganization of the region.

The remaining countries of **EMEA** reported an organic increase in margin rate of +0.6%, even though the region was affected by lower activity in the Middle-East. Many of the component countries within the rest of EMEA still lack critical mass, however, they have benefited from the positive impact of the Sema acquisition and specific action plans to restore profitability. Nearly all of the other European countries in this region improved their profitability, except Nordic, which was adversely impacted during the divestment process.

The reported decrease in the operating margin of **North & South America** was mainly due to business disposals, but on an organic basis the operating margin grew by 126% and the margin rate rose by 3.5 points, from a loss to breakeven. **Asia-Pacific** maintained good profitability at 8.6% in the first half.

ACTIVITY BY QUARTER

(in EUR millions)	1st quarter 2005	2nd quarter 2005	1st half 2005
Revenue	1,356	1,370	2,725
% reported growth	+5.0%	+2.9%	+4.0%
% organic growth (*)	+9.1%	+7.2%	+8.1%
Income from Operations	77.8	105.4	183.1
% profitability	5.7%	7.7%	6.7%

(*) On a constant scope and exchange rate basis

Reported Group revenue represented an organic increase of 7.2% in Q2 2005 after a 9.1% increase in Q1. This is the fourth consecutive quarter-on-quarter increase, confirming not only a general improvement in market conditions, but also the Group's operational successes and integration of acquired businesses.

The KarstadtQuelle contract came on stream in the last quarter of 2004 and will not therefore have an impact on percentage revenue growth in the fourth quarter of this year. In 2004, a large UK client asked the Group to manage a one-year contract involving a public sector call centre, which was fully subcontracted. That contract ended in April 2005. Percentage revenue growth was therefore slightly higher in the first quarter of 2005 than in the second quarter. The expected end of this contract represents an annualized revenue loss of EUR 90 million, from May 2005 onwards. The performance achieved in the first half of 2005 is in line with the quarterly budget and the Group will benefit from new business with Euronext.Liffe in the second half of the year.

The operating margin rate for the first half was 6.7%, which again was in line with Group expectations, with a strong positive trend from 5.7% during the first quarter to 7.7% in the second.

ACTIVITY BY INDUSTRY SECTOR

As a result of the acquisition of Sema Group, the Group now has a well-balanced presence across its chosen industry sectors, without excessive exposure to a single market. In particular, Sema Group and Atos Consulting (formerly KPMG Consulting) have strengthened the Group's presence and brought additional experience in the Public Sector, Utilities and Transport markets. Clearly, a key catalyst for recovery in the technology services industry in Europe has been the Public Sector. An improving trend as been also registered in the Telecommunications and Retail markets.

(in EUR millions)	6 months ended June 30th, 2005	6 months ended June 30th, 2004	% growth	% organic growth	% 2005 revenue
Public Sector and Utilities	722	736	-1.9%	+9.6%	26%
Telecoms and Media	512	478	+7.1%	+8.4%	19%
Financial Services	473	511	-7.4%	-6.4%	17%
Discrete Manufacturing	344	341	+1.0%	+2.2%	13%
CPG & Retail	265	204	+29.5%	+79.3%	10%
Process Industries	214	150	+43.1%	+6.6%	8%
Transport	129	124	+3.8%	+6.2%	5%
Others	67	78	-14.7%	-13.9%	2%
Total	**2,725**	**2,622**	**+4.0%**	**+8.1%**	**100%**

The Group strengthened its **Public Sector and Utilities** position (26% of total Group revenues) with a 10% organic increase after adjusting of disposals, mainly Cellnet in Utilities, thanks to the new contract signings with the French, Dutch and UK government ministries. The Group believes that public sector outsourcing will continue to grow significantly throughout Europe.

The Group also strengthened its **Telecoms and Media** position, which represents 19% of total Group revenues, with more than 8% organic increase. In 2004, these markets started to benefit from new investment in Telecommunications infrastructures. The acquisition of Sema Group provided Atos Origin with a leading European position in the Telecom sector, where the new group is able to leverage Sema's experience in delivering billing systems, messaging platforms, CRM, and SIM card applications. The Group benefited from a number of new contracts with E-plus, Telecom Italia, Contrado (KPN) and Bouygues Telecom.

The **Financial Services** sector (17% of total Group revenues) was still impacted by price and volume pressure. The financial services market remains important despite several years of scaled-back IT spending. The new regulatory environment, including Basel II, Sarbanes-Oxley, Solvency II and the move to IFRS accounting standards are driving increased demand for IT services, mainly in The Netherlands and in France. The second half of the period will benefit from the expansion of Atos Euronext Market Solutions, which will bring a return to organic growth and will further open access to the capital markets business.

Discrete Manufacturing (13% of total Group revenues) reported an overall increase of 2%, with a limited 8% decline year-on-year in the Philips account, offset by increased activity with Renault Nissan.

Consumer Packaged Goods and Retail now represent 10% of total Group revenues after registering a significant organic growth of 79%, mainly due to the new contract signed with KarstadtQuelle in September 2004.

Process Industries (8% of total Group revenues) increased by 7% due to good performance with clients in the pharmaceuticals, chemicals and oil & gas sectors.

Transport represents 5% of total Group revenues and recorded a 6% organic increase, including key clients in the United Kingdom such as Network Rail, with whom an additional 5-year contract has been signed in July 2005.

MARKET SHARE AND COMPETITORS

According to Gartner, Atos Origin is the fifth largest IT services company in Europe. IT service market share rankings in Western Europe were as follows:

Ranking in Europe	Competitors In Europe	Western Europe Revenues 2004 (a)	Western Europe Market share
1	IBM	9,943	8.7%
2	EDS	5,308	4.6%
3	Accenture	5,150	4.5%
4	T-Systems	4,890	4.3%
5	Atos Origin	4,807	4.2%
6	Capgemini	4,691	4.1%
7	BT	3,877	3.4%
8	Computer Sciences Corporation (CSC)	3,390	3.0%
9	Siemens Business Services	2,653	2.3%
10	Fujitsu	2,387	2.1%
11	Hewlett-Packard	2,000	1.7%
12	LogicaCMG	1,951	1.7%
Total market size Western Europe		**114,553**	**44.6%**

Source: Company Information – Gartner August survey (figures published in USD)

(a) In EUR millions, based on Professional Services include Consulting Services (Consulting for Atos Origin), Development and Integration Services (Systems Integration for Atos Origin), IT Management (Managed Services for Atos Origin) and Process Management (On-line Services and BPO for Atos Origin), but excluding Product Support (Hardware and Software Maintenance and Support).

According to Gartner, based on 2004 figures for external IT spending, Professional Services market shares in each main country were as follows:

Country	Market Size (in EUR millions)	Atos Origin Market Share	Ranking	Market Leader
France	14,768	9.5%	2	Capgemini
United Kingdom	38,469	3.2%	9	British Telecom
The Netherlands	7,637	12.9%	1	Atos Origin
Germany	20,121	1.4%	12	T-Systems
Italy	8,661	3.2%	7	IBM
Spain	5,823	4.2%	4	IBM

Source: Company Information – Gartner August survey (figures published in USD)

FINANCIAL REVIEW

The following financial figures are compared to the reported results of Atos Origin in 2004 restated under IFRS in order the show the underlying earnings per share performance for shareholders.

INCOME STATEMENT AND EARNINGS PER SHARE

The Group reported a net profit (Group share) for the first half of 2005 of EUR 121 million, which represents a substantial increase of 328% compared to the same period last year. Net profitability increased from 1.1% in H1 2004 to 4.5% in H1 2005.

(in EUR millions)	6 months ended June 30th, 2005	% margin	6 months ended June 30th, 2004	% margin	% growth
Operating margin	183.1	6.7%	165.7	6.3%	+11%
Other operating income / expenses	13.1		(88.2)		
Operating income	196.3	7.2%	77.6	3.0%	+153%
Net financial income	(32.2)		(19.2)		
Tax charge	(39.1)		(26.6)		
Minority interests and associates			(3.7)		(3.5)
Restated net income – Group share (*)	**105.2**	**3.9%**	**76.3**	**2.9%**	**+38%**
Net income – Group share	**121.3**	**4.5%**	**28.3**	**1.1%**	**+328%**
Weighted average number of shares	67,051,174		64,701,248		
Diluted weighted average number of shares (**)	67,647,280		65,185,705		
Restated basic EPS	**1.57**		**1.18**		**+33%**
Restated diluted EPS	**1.56**		**1.17**		**+33%**
Basic EPS	**1.81**		**0.44**		**+313%**
Diluted EPS	**1.79**		**0.43**		**+313%**

(*) Based on net income Group share excluding unusual and infrequent items (net of tax)

(**) With dilution impact only

Other operating income (expenses)

Other operating income/(expenses) relate to income/expenses that are unusual, abnormal or infrequent, as defined under IAS 1. The positive amount in H1 2005 of EUR 13 million includes a charge of EUR 36 for reorganization and rationalization (EUR 28 million for staff and EUR 8 million for premises and data centers), an impairment loss of EUR 9 million from the review of the fair value of long-term assets and a stock option expense of EUR 7 million, offset by EUR 52 million of capital gains, mainly from the Nordic operations disposal, and a net release of EUR 14 million for provisions no longer needed. Within provision release, there was a gross release of EUR 17 million for provisions recorded against the opening balance sheet of Sema Group and Origin, arising from effective management of contractual problems, a positive outcome from tax audits, and the favourable resolution of certain litigation.

The equivalent cost of EUR 88 million in 2004 included reorganization, rationalization and integration costs of EUR 74 million and a stock option expense of EUR 12 million.

Operating income

As a result, the operating income for H1 2005 reached EUR 196 million, an increase of +153% in comparison with last year. Operating income represented 7.2% of total revenues in H1 2005 compared with 3.0% last year.

Net financial expenses

As a result of signing a new revolving credit facility in May 2005, an exceptional cancellation charge of EUR 7 million has been taken relating to fees connected with the previous syndicated loan, which had been capitalized for the duration of that loan. The financial result also included a EUR 7 million depreciation of a non-current financial asset, a EUR 2 million charge linked to discounting long-term provisions and EUR 2 million relating to exchange rate variation and hedging.

The net cost of financial debt reached EUR 16 million in H1 2005. Based on an average net debt of EUR 568 million during the first half, the average cost of borrowing was 5.3%, compared with 5.0% in 2004.

The net cost of financial debt was covered nearly 12 times by operating margin. That compares with a requirement for not less than 4 times cover under the terms of the new credit facility signed in May 2005.

Corporate income tax

The tax charge for H1 2005 was EUR 39 million. The effective tax rate was 31.6% of pre-tax income, a limited increase compared with 28.5% for the fiscal year 2004, due to:

- The profit mix between countries, some generating profit and others being non-profitable after restructuring costs,
- The positive impact of merger restructuring action that only began taking effect in the second half of 2004.

This rate excludes a significant capital gain on the disposal of the Nordic business, which had limited capital gains tax effect.

Minority interests

Minority interests included shareholdings held by joint venture partners and other associates of the Group in the operations of AtosEuronext (50%) and Atos Worldline Processing Services in Germany (42%).

Earning per share

Based on a weighted average of 67,051,174 shares in issue during the first half of 2005, earnings per share (Group share) were EUR 1.81, an increase of +313% compared to the same period last year.

Based on a diluted weighted average of 67,647,280 shares in the period, earnings per share (Group share) were EUR 1.79, an increase of +313% compared to the same period last year.

The net income Group share before unusual and infrequent items (net of tax), comprising other operating income/ (expenses), depreciation of a non-current financial asset and the fee charge on the previous syndicated loan, reached EUR 105 million, an increase of +38% compared to last year. On that basis, earnings per share (Group share) were EUR 1.57, an increase of +33% compared to the same period last year.

CASH FLOW AND NET DEBT

The Group began the year with an opening net debt of EUR 492 million. The restated cash flow from operating activities reached 8.1% of total revenues, compared with 7.5% and 7.9% in H1 and H2 2004 respectively. However, there was a sharp increase in working capital of EUR 106 million in the period, arising mainly from the transition and start-up phases on a number of new contracts. As a result, Atos Origin generated a net cash flow of only EUR 36 million from current operations during the period, representing 1.3% of total revenues. We expect the working capital position to improve sharply in the second half as new contracts come fully on-stream.

Net debt at the end of June was therefore largely unchanged compared with the end of 2004, before financial investments and disposals. Including cash from disposals, net debt at June 30th, 2005 fell to EUR 363 million, representing a gearing level of 20%, and giving a leverage ratio (net debt / EBITDA) of 0.84.

(in EUR millions)	6 months ended June 30th, 2005	6 months ended Dec. 31st, 2004	6 months ended June 30th, 2004
Cash from operating activities restated (*)	220.4	208.7	197.2
Income tax paid	1.2	(23.1)	(32.0)
Change in working capital	(105.7)	64.1	28.6
Net cash from operating activities restated (*)	**115.9**	**249.6**	**193.8**
Capital expenditure	(81.0)	(57.8)	(71.7)
Disposal of intangible and tangible assets	0.6	26.5	10.9
Net cash from current operations	**35.5**	**218.3**	**133.0**
Reorganization and restructuring	(54.7)	(72.3)	(69.6)
Fair value adjustments	(8.5)	(7.6)	(7.0)
Other changes (**)	15.0	(42.0)	(35.6)
Net cash before financial investments	**(12.6)**	**96.4**	**20.8**
Financial investments	(17.4)	(79.2)	(441.6)
Disposals of financial assets	158.2	168.1	10.2
Net financial investments	**140.8**	**88.9**	**(431.4)**
Net cash flow	**128.1**	**185.3**	**(410.6)**
Opening net debt	**491.6**	**676.9**	**266.3**
Closing net debt	**363.5**	**491.6**	**676.9**

(*) Excluding reorganization and restructuring, and fair value adjustments

(**) Other changes include common stock issues, dividends paid to minority shareholders of subsidiaries, translation differences, profit-sharing amounts payable to French employees transferred to debt and interests expenses paid including finance lease.

In accordance with the new IFRS requirements, tax paid during the period has been separated from cash from operating activities and interest paid has been reclassified in the net cash from financing activities shown in the table above (“other changes”). Capital expenditure excludes finance leases reclassified in the net cash for financing activities.

Working Capital
Following a significant improvement in working capital during 2004, the negative change in working capital of EUR 106 million in H1 2005 is the result of both the negative seasonality factors, including annual bonus payments, and an increase in DSO ratio from 65 days in 2004 to 70 days in H1 2005, mainly due to the start-up phase on a number of major new contracts.

Capital Expenditure
Capital expenditure amounted to EUR 81 million in H1 2005, representing 3.0% of revenue, which is within the Group's medium-term 2.5%–3% guidance range. The Group continues to believe that capital expenditure is running at levels that can be maintained in the foreseeable future.

Reorganization, Rationalization and Integration
Reorganization and restructuring payments of EUR 55 million included EUR 42 million in connection with staff restructuring and EUR 13 million for other rationalization. EUR 47 million was charged against existing provisions and EUR 8 million was recorded directly in the Profit & Loss account. A further EUR 8 million was paid in respect of fair value provisions, mainly comprising excess software license fees.

Other changes
Other changes include common stock issues of EUR 9 million, positive translation differences of EUR 27 million, partially offset by interest expenses of EUR 18 million, dividends paid to minority shareholders of subsidiaries (EUR 1 million) and the negative impact of IAS 32 & 39 on derivative instruments (EUR 2 million). The profit-sharing amounts payable to French employees will be accounted as debt in the second half of 2005.

Net financial investments
In 2005, cash payments for contracts such as Contrado or Mundivia ones were classified as financial investments under the IFRS3 (Business Combinations) and were largely compensated by the cash proceeds coming from the two Nordic disposals (PA-Konsult at the beginning of the period and the remainder of the Nordic business at the end of the period).

Bank covenants
The Group is substantially within its borrowing covenants, with a Consolidated Leverage Ratio (Net Debt divided by EBITDA) of 0.84 at the end of June 2005. The Consolidated Leverage Ratio may not be greater than 2.5 times under the new facility. Consolidated Interest Cover (Operating margin divided by net cost of financial debt) was nearly 12 times in the first half of 2005. It may not be less than 4 times throughout the term of the new syndicated loan facility.

(in EUR millions)	**6 months ended June 30th, 2005**	**Covenant 2005**
Operating margin	**183.1**	
Depreciation of fixed assets	62.3	
Operating net charge of provisions	(35.1)	
Net charge of provisions for pensions	6.4	
EBITDA	**216.7**	
Closing net debt	**363.5**	
Leverage ratio (Net debt divided by EBITDA) (a)	**0.84**	**< 2.5**

(a) On annual basis

(in EUR millions)	**6 months ended June 30th, 2005**	**Covenant 2005**
Net cost of financial debt	**(15.6)**	
Other financial income and expenses	(16.6)	
Net financial income	(32.2)	
Coverage of Net cost of financial debt by Operating margin	**11.7**	**> 4.0**

HUMAN RESOURCES

Total staff employed decreased from 46,584 to 46,254 (-1%) between January 1st, 2005 and June 30th, 2005.

Headcount opening	**46,584**
Change in scope	-1,649
Hiring	4,479
Leavers	-2,569
Reorganization and restructuring	591
Headcount at closing	**46,254**

Changes in scope related to business disposals in the period, including the Peruvian and Venezuelan operations (82 people) and Nordic business (1,463 people), and linked to a change in consolidation method of one company in Spain (104 people).

The staff attrition rate moved in line with the business growth trend and increased slightly to 10.1%, for the first 6 months of the year, compared with 8.7% in 2004. This confirms the improvement of the market in Europe. The Atos Origin rate is lower than for a number of its competitors, partly because the Group has a higher proportion of long-term Managed Operations contracts, where staff turnover tends to be lower.

In terms of average staff during the period, the level has increased by 3% compared with the same period last year, less than the 4% revenue growth in the period.

The level of recruitment has been significant, particularly in the Consulting business, with gross hirings of 4,479 in the period representing 10% of the opening workforce and in line with business volume increases. This includes 430 staff linked to new outsourcing deals signed in the period, including 180 staff taken over from Contrado in the Netherlands and 250 staff from Mundivia in Spain. This level of recruitment is double the level in the same period last year (2,290 people).

The workforce at Atos Origin at the end of June 2005, by Service Line and by Geographical Area, was as follows:

Employees	**June 30th, 2005**	**Dec. 31st, 2004**	**Change**	**Average 1st half 2005**	**Average 1st half 2004**	**Change**
Consulting	2,616	2,138	+22%	2,613	2,190	+19%
Systems Integration	22,739	22,800	-0%	22,927	22,948	-0%
Managed Operations	20,704	21,447	-3%	21,334	20,439	+4%
Corporate	195	199	-2%	194	266	-27%
Total	**46,254**	**46,584**	**-1%**	**47,067**	**45,843**	**+3%**
France	13,102	12,523	+5%	12,812	12,351	+4%
United Kingdom	6,680	6,658	+0%	6,669	6,632	+1%
The Netherlands	8,472	8,321	+2%	8,502	8,455	+1%
Germany + Central Europe	3,638	3,603	+1%	3,615	2,635	+37%
Other EMEA	9,304	10,499	-11%	10,423	10,762	-3%
Americas	2,597	2,714	-4%	2,673	2,733	-2%
Asia-Pacific	2,266	2,067	+10%	2,180	2,009	+9%
Corporate	195	199	-2%	194	266	-27%
Total	**46,254**	**46,584**	**-1%**	**47,067**	**45,843**	**+3%**

Arising from the acceleration of business demand, a number of customers require Atos Origin to take-over and rationalize not only their IT infrastructure and applications but also the associated workforce, including subcontractors. The level of subcontractors therefore increased on a short-term basis to 7% of productive staff at the end of June, compared with 5% at the end of December 2004. However, as part of its business model Atos Origin is accelerating its global recruitment programme and increasing its off-shore and nearshore resources in order to replace these subcontractors.

The indirect staff ratio (indirect staff as a percentage of full time equivalent staff, including subcontractors) has been maintained at an efficient level of 11.3% (11.6% at the end of December 2004).

At the same time, during 2005 the Group continued its vigorous program to streamline and transform the business following the merger with Sema Group. A total of 591 employees left the business in the first half under the re-organization program, representing 1.3% of staff at the start of 2005. The Group is in line with its 2005 reorganization plan. At the end of June 2005, half of the plan has been completed in headcount terms, two-thirds in terms of cost and one half in terms of cash payment.

FINANCIAL REPORT

INTRODUCTION

All of the information presented has been prepared in this half year report as at June 30th, 2005 in accordance with International Financial Reporting Standards (IFRS) and in compliance with EC Regulation No. 1606/2002 of July 19th, 2002.

Atos Origin has opted to prepare its consolidated financial statements for the period ended June 30th, 2005 and 2004 comparative information in accordance with the CESR (Comité européen des régulateurs des marchés de valeurs mobilières) recommendation of December 30th, 2003, as adopted by the AMF (Autorité des Marchés Financiers) in March 2004 and in a communiqué dated June 27th, 2005.

The following accounting policies have been adopted:

- the accounting and valuation principles comply with IFRS as adopted on June 30th, 2005 by the European Union;
- the presentation of the financial statements (income statement, balance sheet, cash flow statement and statement of changes in equity) is also compliant with IFRS (Conseil National de la Comptabilité (CNC) recommendation model 2004-R02 of October 27th, 2004);
- the notes to the financial statements, for which the valuation rules are IFRS compliant, are prepared in accordance with French GAAP (Generally Accepted Accounting Principles) and specifically with CNC recommendation n°99-R-01 governing interim financial statements, as well as the AMF general regulations.

Consequently, these notes do not contain all the IFRS requirements. Such information will be provided at the time of publishing the financial statements as at December 31st, 2005.

The Atos Origin consolidated financial statements for the year ended December 31st, 2005 and the 2004 comparative information will be prepared based on principles applicable at December 31st, 2005. Therefore, Atos Origin may modify financial information relating to December 31st, 2004 and June 30th, 2005, as presented below, to take into account potential changes to the IFRS standards and their interpretation and approval by the European Union.

The reconciliation between French GAAP and the international accounting standards for the 2004 statements is presented in section "Transition to the International Financial Reporting Standards (IFRS)" hereafter.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income Statement

(in EUR millions)	Notes	6 months ended June 30th, 2005	6 months ended June 30th, 2004	12 months ended December 31st, 2004
Revenue		**2,725.4**	**2,621.8**	**5,249.3**
Personnel expenses	Note 1	(1,467.4)	(1,404.1)	(2,758.4)
Operating expenses	Note 2	(1,074.9)	(1,051.9)	(2,107.6)
Operating margin		**183.1**	**165.7**	**383.3**
% of revenue		**6.7%**	**6.3%**	**7.3%**
Other operating income and expenses	Note 3	13.1	(88.2)	(163.1)
Operating income		**196.3**	**77.6**	**220.2**
% of revenue		**7.2%**	**3.0%**	**4.2%**
Net cost of financial debt		(15.6)	(18.9)	(37.2)
Other financial income and expenses		(16.6)	(0.3)	(13.0)
Net financial income	Note 4	(32.2)	(19.2)	(50.2)
Tax charge	Note 5	(39.1)	(26.6)	(48.4)
Share of net income from associates		0.2	(0.1)	(0.7)
Net income		**125.2**	**31.7**	**121.0**
Of which:				
– Group share		**121.3**	**28.3**	**113.3**
– Minority interests	Note 6	3.9	3.4	7.6

(in EUR and number of shares)				
Net income (Group share) per share	Note 7			
Weighted average number of shares outstanding		67,051,174	64,701,248	65,821,887
Net income (Group share) per share		**1.81**	**0.44**	**1.72**
Diluted weighted average number of shares outstanding		67,647,280	65,185,705	66,392,262
Net income (Group share) per share, diluted		**1.79**	**0.43**	**1.71**

Consolidated balance sheet

(in EUR millions)	Notes	June 30th, 2005	December 31st, 2004	June 30th, 2004
ASSETS				
Goodwill		2,123.4	2,160.2	2,222.9
Intangible assets		120.6	120.9	46.3
Tangible assets		252.3	232.7	243.2
Investment in associates		3.1	1.5	0.5
Non-current financial assets		22.0	29.5	31.0
Deferred tax assets		291.0	282.6	289.8
Total non-current assets		**2,812.3**	**2,827.4**	**2,833.6**
Trade accounts and notes receivable	Note 8	1,639.7	1,519.0	1,557.4
Current taxes		50.8	66.8	43.0
Other current assets	Note 9	214.8	191.5	265.3
Fair value of financial instruments	Note 14	1.5	–	–
Short-term financial receivable	Note 13	163.0	–	–
Cash and cash equivalents	Note 13	281.3	465.5	273.2
Total current assets		**2,351.0**	**2,242.8**	**2,138.9**
Assets held for sale and discontinued operations		**–**	**21.7**	**262.3**
TOTAL ASSETS		**5,163.4**	**5,091.9**	**5,234.8**

(in EUR millions)	Notes	June 30th, 2005	December 31st, 2004	June 30th, 2004
LIABILITIES AND SHAREHOLDERS' EQUITY				
Common stock	Note 10	67.2	66.9	66.9
Additional paid-in capital		1,249.3	1,240.1	1,239.9
Consolidated reserves		276.3	168.6	145.9
Translation adjustments		47.1	(2.5)	55.6
Net income for the period		121.3	113.3	28.3
Shareholders' equity – Group share		1,761.1	1,586.5	1,536.7
Minority interests	Note 11	50.7	51.9	48.2
Total shareholders' equity		**1,811.9**	**1,638.5**	**1,585.0**
Provisions for pensions and similar benefits	Note 12	522.0	514.7	520.0
Non-current provisions	Note 12	146.0	143.2	155.3
Long-term borrowings	Note 13	607.5	632.2	642.4
Deferred tax liabilities		15.8	5,4	16.0
Other non-current liabilities		3.1	0.2	0.2
Total non-current liabilities		**1,294.4**	**1,295.6**	**1,333.9**
Trade accounts and notes payable	Note 15	620.4	577.3	574.6
Current taxes		87.4	74.4	54.5
Current provisions	Note 12	134.7	185.8	249.4
Fair value of financial instruments	Note 14	22.9	–	–
Current portion of long-term borrowings	Note 13	200.3	324.9	307.7
Other current liabilities	Note 16	991.3	993.0	1,027.9
Total current liabilities		**2,057.1**	**2,155.4**	**2,214.0**
Liabilities held for sale and discontinued operations		**–**	**2.5**	**101.9**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**5,163.4**	**5,091.9**	**5,234.8**

Consolidated cash flow statement

(in EUR millions)	Notes (*)	6 months ended June 30th, 2005	6 months ended June 30th, 2004	12 months ended December 31st, 2004
Net income Group share		121.3	28.3	113.3
Amortization of tangible and intangible assets		62.3	77.5	149.9
Net charge to operating provisions		(28.7)	(26.4)	(94.6)
Net charge to financial provisions		6.7	4.5	(9.0)
Other net charge to operating provisions		(27.7)	(40.1)	(33.1)
(Gains) losses on disposals of fixed assets		(59.6)	13.3	(0.6)
Unrealized gains and losses on changes in fair value		9.4	–	–
Net charge for stock and similar options		6.9	12.2	24.5
Investments in associates and minority interests		3.7	3.5	8.4
IAS 32-39 derivative instruments		6.3	–	–
Financial interests		17.6	21.2	42.2
Tax charge (including deferred tax)		39.1	26.6	48.4
Cash from operating activities before change in working capital requirement, financial interests and taxes	a	157.2	120.6	249.3
Taxes paid	b	1.2	(32.0)	(55.1)
Change in working capital requirement	c	(105.7)	28.6	92.7
Net cash from (used in) operating activities		**52.7**	**117.2**	**286.9**
Amounts paid on acquisitions of tangible and intangible assets	d	(81.0)	(71.7)	(129.5)
Proceeds from disposals of tangible and intangible assets	e	0.6	10.9	37.4
Net operating Investment		(80.4)	(60.8)	(92.1)
Amounts paid on acquisitions and long-term investments	f	(22.4)	(512.0)	(585.7)
Cash and cash equivalents of companies purchased during the period	g	6.5	107.7	102.7
Proceeds from disposals of financial investments	h	21.6	10.2	183.7
Cash and cash equivalents of companies sold during the period	I	(26.7)	–	(5.8)
Net long-term investments		(21.0)	(394.1)	(305.1)
Net cash from (used in) investing activities		**(101.4)**	**(454.9)**	**(397.2)**
Common stock issues	j	–	–	–
Common stock issues on the exercise of stock options	k	9.4	0.6	4.1
Purchases and sales of treasury stock	l	–	–	–
Dividends paid to minority shareholders of subsidiaries	m	(1.4)	(1.9)	(3.7)
Subscription of new borrowings	n	791.9	800.9	1,029.5
Repayment of long and medium-term borrowings	o	(940.8)	(696.8)	(919.1)
Net interest paid	p	(22.3)	(18.1)	(39.5)
Net cash from (used in) financing activities		**(163.2)**	**84.7**	**71.3**
Increase (decrease) in cash and cash equivalents	q	**(211.9)**	**(253.0)**	**(39.0)**
Opening cash and cash equivalents		**465.5**	**523.9**	**523.9**
Increase (decrease) in cash and cash equivalents	q	(211.9)	(253.0)	(39.0)
Impact of exchange rate fluctuations on cash and cash equivalents		27.7	2.3	(19.4)
Closing cash and cash equivalents		**281.3**	**273.2**	**465.5**

(*) For reconciliation to the change in net debt over the period and the cash flow by activity over the period presented in the notes.

Consolidated statement of changes in shareholders' equity

(in EUR millions)	Number of shares at period-end (thousands)	Common stock	Additional paid-in capital	Consolidated reserves	Translation adjustments	Revaluation reserves	Net income Group share	Equity – Group share	Minority interests	TOTAL
At January 1st, 2004 IFRS	**47,870**	**47.9**	**279.4**	**313.7**			**(169.0)**	**471.9**	**46.6**	**518.5**
* Common stock issued for cash	19,060	19.1	960.5					979.6		979.6
* Translation adjustments				(8.9)	55.6			46.7	0.1	46.8
* Appropriation of prior period net income				(169.0)			169.0			
* Stock options				12.2				12.2		12.2
* Net income for the period							28.3	28.3	3.4	31.7
* Other				(2.1)				(2.1)	(1.9)	(4.0)
At June 30th, 2004 IFRS	**66,930**	**66.9**	**1,239.9**	**145.9**	**55.6**		**28.3**	**1,536.7**	**48.2**	**1,585.0**
* Common stock issued for cash	8		0.2					0.2		0.2
* Translation adjustments				8.4	(58.2)			(49.8)	(0.1)	(49.9)
* Stock options				12.2				12.2		12.2
* Net income for the period							85.0	85.0	4.2	89.2
* Other				2.1				2.1	(0.5)	1.6
At December 31st, 2004 IFRS	**66,938**	**66.9**	**1,240.1**	**168.6**	**(2.5)**		**113.3**	**1,586.5**	**51.9**	**1,638.5**
* Common stock issued for cash	301	0.3	9.1					9.4		9.4
* Translation adjustments					50.1			50.1	(0.3)	49.8
* Stock options				6.9				6.9		6.9
* Appropriation of prior period net income				113.3			(113.3)			
* First-time adoption of IAS 32/39				2.8		(12.5)		(9.7)	(1.2)	(10.9)
* Changes in fair value of financial instruments					(0.3)	(2.6)		(2.8)		(2.8)
* Net income for the period							121.3	121.3	3.9	125.2
* Other				(0.4)	(0.3)			(0.6)	(3.6)	(4.2)
At June 30th, 2005 IFRS	**67,239**	**67.2**	**1,249.3**	**291.3**	**47.1**	**(15.1)**	**121.3**	**1,761.1**	**50.7**	**1,811.9**

SEGMENT INFORMATION

Information by geographical area

(in EUR millions)	6 months ended June 30th, 2005	6 months ended June 30th, 2004	12 months ended December 31st, 2004
France			
Revenue	731	693	1,367
Operating margin*	56.5	52.1	121.3
% margin	*7.7%*	*7.5%*	*8.9%*
Operating income*	52.2	28.8	67.1
% income	*7.1%*	*4.2%*	*4.9%*
Year-end number of employees	13,102	12,335	12,523
United Kingdom			
Revenue	588	606	1,222
Operating margin*	48.8	48.4	117.5
% margin	*8.3%*	*8.0%*	*9.6%*
Operating income	47.6	39.1	112.9
% income	*8.1%*	*6.5%*	*9.2%*
Year-end number of employees	6,680	6,482	6,658
The Netherlands			
Revenue	508	476	977
Operating margin*	59.4	60.1	125.4
% margin	*11.7%*	*12.6%*	*12.8%*
Operating income*	33.5	49.9	109.3
% income	*6.6%*	*10.5%*	*11.2%*
Year-end number of employees	8,472	8,425	8,321
Germany and Central Europe			
Revenue	273	141	334
Operating margin*	15.4	0.6	17.2
% margin	*5.6%*	*0.4%*	*5.2%*
Operating income*	16.8	(5.7)	11.5
% income	*6.1%*	*-4.0%*	*3.5%*
Year-end number of employees	3,638	2,600	3,603
Other European countries, Middle-East and Africa			
Revenue	467	473	928
Operating margin*	26.8	24.4	54.1
% margin	*5.7%*	*5.2%*	*5.8%*
Operating income*	12.7	(0.2)	0.8
% income	*2.7%*	*0.0%*	*0.1%*
Year-end number of employees	9,304	10,694	10,499
Americas			
Revenue	93	165	280
Operating margin*	0.7	6.7	9.7
% margin	*0.7%*	*4.1%*	*3.5%*
Operating income*	(0.3)	0.1	1.1
% income	*-0.3%*	*0.0%*	*0.4%*
Year-end number of employees	2,597	2,761	2,714

(Continued next page)

Information by geographical area (continued)

(in EUR millions)	6 months ended June 30th, 2005	6 months ended June 30th, 2004	12 months ended December 31st, 2004
Asia- Pacific			
Revenue	65	69	141
Operating margin*	5.6	8.2	9.6
% margin	*8.6%*	*11.9%*	*6.8%*
Operating income*	6.5	5.3	7.0
% income	*10.0%*	*7.6%*	*4.9%*
Year-end number of employees	2,266	2,031	2,067
Corporate			
Operating margin*	(30.0)	(34.9)	(71.5)
% margin	*-1.1%*	*-1.3%*	*-1.4%*
Operating income*	27.1	(39.7)	(89.5)
% income	*1.0%*	*-1.5%*	*-1.7%*
Year-end number of employees	195	248	199
Total Group			
Revenue	2,725	2,622	5,249
Operating margin	183.1	165.7	383.3
% margin	*6.7%*	*6.3%*	*7.3%*
Operating income	196.3	77.6	220.2
% income	*7.2%*	*3.0%*	*4.2%*
Year-end number of employees	46,254	45,576	46,584

(*) before allocation of Corporate costs

Information by service line

(in EUR millions)	**6 months ended June 30th, 2005**	**6 months ended June 30th, 2004**	**12 months ended December 31st, 2004**
Consulting			
Revenue	227	201	401
Operating margin*	33.9	13.0	38.4
% margin	14.9%	6.4%	9.6%
Operating income*	31.7	9.4	39.6
% income	13.9%	4.7%	9.9%
Year-end number of employees	2,616	2,144	2,138
Systems integration			
Revenue	1,134	1,067	2,132
Operating margin*	65.7	65.1	153.6
% margin	5.8%	6.1%	7.2%
Operating income*	54.2	25.5	85.8
% income	4.8%	2.4%	4.0%
Year-end number of employees	22,739	22,709	22,800
Managed operations			
Revenue	1,364	1,354	2,716
Operating margin*	113.6	122.4	262.8
% margin	8.3%	9.0%	9.7%
Operating income*	83.2	82.4	184.3
% income	6.1%	6.1%	6.8%
Year-end number of employees	20,704	20,475	21,447
Corporate			
Operating margin*	(30.0)	(34.9)	(71.5)
% margin	-1.1%	-1.3%	-1.4%
Operating income*	27.1	(39.7)	(89.5)
% income	1.0%	-1.5%	-1.7%
Year-end number of employees	195	248	199
Total Group			
Revenue	2,725	2,622	5,249
Operating margin	183.1	165.7	383.3
% margin	6.7%	6.3%	7.3%
Operating income	196.3	77.6	220.2
% income	7.2%	3.0%	4.2%
Year-end number of employees	46,254	45,576	46,584

(*) before allocation of Corporate costs

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Accounting policies

As at January 1st, 2005, the consolidated financial statements have been drawn up in accordance with International Financial Reporting Standards (IFRS) and with EC Regulation No. 1606/2002 of July 19th, 2002. This interim financial information has therefore been prepared based on the rules governing the measurement and recognition of transactions arising from the IFRS standards applicable at June 30th, 2005.

The financial statements dated prior to January 1st, 2005, initially prepared in accordance with Regulation No. 99-02 of the French Accounting Regulation Committee (CRC-Comité de Réglementation Comptable), have been restated according to international accounting standards, with the exception of IAS 32/39 applied solely as of January 1st, 2005. The process for converting French GAAP to international accounting standards and the impact of the transition to IAS 32/39 is described in section section "Transition to the International Financial Reporting Standards (IFRS)".

Consolidation methods

The financial statements of the companies exclusively controlled by Atos Origin, either directly or indirectly, are fully consolidated. Exclusive control is assessed based on the majority of voting rights, the contractual rights or the company's operational management.

Companies jointly controlled are proportionately consolidated.

Companies in which the Group exercises significant influence are accounted for using the equity method. Significant influence is presumed when more than 20% of the voting rights are held.

Basis of consolidation

All companies are consolidated based on their financial positions at June 30th and restated, where necessary, in accordance with Group accounting policies.

Presentation rules

Pursuant to IFRS presentation standards, a current and non-current distinction is made between assets and liabilities on the balance sheet. Atos Origin has classified as current assets and liabilities those that Atos Origin expects to realize, use or settle during its normal cycle of operations, which can extend beyond 12 months following the period-end. Current assets and liabilities, excluding the current portion of borrowings and financial receivables, represent the Group's working capital requirement.

Translation of financial statements denominated in foreign currencies

The balance sheets of companies based outside the Euro zone are translated at closing exchange rate. 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 under "Translation adjustments" and included in equity in accordance with IAS 21.

Translation of transactions denominated in foreign currencies

In accordance with IAS 21, foreign currency transactions are translated using the rate applicable at the transaction date. Monetary assets and liabilities are revalued at the closing rate. Translation adjustments arising from this revaluation are recorded under the heading "Other financial income and expenses."

Hedge accounting

The Group uses a variety of financial instruments to hedge against foreign exchange and interest rate risks. All hedging instruments are traded with leading financial institutions. Foreign exchange risks are hedged using forward contracts and currency swaps, and interest rate risks using standard interest rate swap agreements.

In accordance with IAS 39 on financial instruments, derivatives are recognized at their fair value on the balance sheet. The change in the fair value of these derivatives is recorded in the income statement except when they are eligible for hedge accounting (when the documentation and effectiveness criteria are met), whereupon:

- for fair value hedging of existing assets or liabilities, the hedged portion of these elements is measured on the balance sheet at its fair value. The 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 according to their effectiveness.

- for cash flow hedging, the effective portion of the change in fair value of the hedging instrument is directly offset in shareholders' 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.

Business combinations

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.

When combining businesses, the identifiable assets and liabilities of the entity acquired are valued in accordance with IFRS 3.

The difference between the acquisition cost and the fair value of the identifiable assets and liabilities acquired is recorded as “Goodwill” for companies consolidated by full or proportional integration, and as “Associates” for companies over which the Group exerts significant influence.

In a partial transfer of shares in companies consolidated by global or proportional integration, the cost price of the asset transferred includes the quota of goodwill attributed to the transferred shares, whether the transfer occurs by way of exchange (shares or cash) or dilution.

Goodwill

Goodwill represents the unallocated difference between the acquisition cost of a company or a business and the Group’s share in the net assets of this company or business after the fair value adjustment of assets and liabilities acquired as of the date of acquisition. Goodwill is subject to annual impairment tests as described below.

Effective date of acquisitions and disposals

The consolidated income statement includes the results of companies acquired during the financial year, commencing from the date on which control changed. Disposals are included up until the date on which the sale was completed.

Research and development expenditure

In accordance with IAS 38 - intangible assets, research and development expenditure in respect of specific applications or products is expensed in the period in which it is incurred unless the following criteria are met:

- the project is clearly identified and the costs can be measured reliably;
- the technical feasibility of the project can be demonstrated;
- the Group has the intention to complete the project and use or sell the resulting solutions;
- there exists a market for the sale of the solutions developed;
- it is probable that future economic benefits will flow to the Group;
- the Group has the resources necessary to complete the project.

The costs of adapting software previously developed by the Group for the specific requirements of a client in the case of Business Process Outsourcing (BPO) activities, are capitalized in intangible assets and amortized over the term of the contract.

Other intangible assets

Other intangible assets mainly comprise software acquired by the Group and amortized on a straight-line basis over periods specific to each acquisition, subject to a maximum of five years. The cost of software developed for internal or commercial use is generally expensed in the period in which it is incurred. However, it may be capitalized within intangible assets when the required conditions as defined by IAS 38 are satisfied. Only costs incurred during the software production phase are capitalized. Costs incurred during the design phases are expensed in the period.

The Group holds a number of patents but has not granted any licenses in respect thereof. The Group incurs license fees in respect of licenses granted to it. These fees are recorded in the income statement as “Other operating expenses.”

During a fair value review of newly acquired outsourcing contracts, the Group may recognize assets such as “customer relationships” (backlog margins or upfront payments) separately from the remaining goodwill resulting from the valuation of the assets and liabilities acquired.

In accordance with IFRS 3, “backlog margins” arising from legal and contractual rights are classified in intangible assets and amortized over the term of the contract.

“Upfront payments” are classified in trade accounts and notes receivable and transferred to the income statement over the term of the contract plus one renewal as defined in the contract, and deducted from revenue.

Tangible assets

Tangible assets are recorded at acquisition cost, excluding any interest expenses. They are depreciated on a straight-line or reducing-balance 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

Assets acquired under operating lease contracts are not capitalized. Assets acquired under finance lease contracts are capitalized and the corresponding borrowing recorded as a liability in the balance sheet. The accounting policy adopted by the Group is consistent with IAS 17 on leases.

Review of the “value in use” of long-term assets

The Group has applied IAS 36 since 2002 and reviews the “value in use” of long-term assets at each year-end closing.

In addition, long-term assets (tangible assets, intangible assets and goodwill) are adjusted to their “value in use” when significant adverse changes are identified indicating that the value in use of an asset appears to be lower than its net carrying amount on a long-term basis. Such events include significant adverse long-term changes affecting the economic environment, the assumptions made and commercial objectives chosen, at the date of acquisition.

For goodwill, in addition to future economic benefits, value in use takes into account the benefits expected from acquisition, such as synergies resulting from the integration of the acquired enterprise with the Group's activities and the enterprise's strategic value for the Group.

The Group assesses the value in use of long-term assets within geographical areas, reflecting the operational organization and the way in which capital employed is managed within the Group.

Value in use is determined using the discounted cash flow method, in accordance with the following principles:

- The after-tax cash flows are drawn from the annual budget and a 3-year plan (the explicit period) as prepared by the managements of the areas concerned, after review by the Group Finance Division and approval by the Management Board;
- The discounting rate adopted corresponds to the average weighted cost of capital of the Atos Origin Group;
- The terminal value is calculated by taking the final flow of the explicit period and projecting it to infinity, without taking into account a perpetual growth rate.

Value in use is determined by adding the discounted flows of the explicit period and the discounted terminal value.

Value in use is then compared to the contribution value to the consolidated long-term asset balance sheet for each geographical area.

If the recognition of an impairment loss appears necessary, the amount recognized in "Other operating income and expenses" is equal to the difference between the net book value and the value in use.

Investments

Non-consolidated participating interests are stated at the lower of acquisition cost and fair value. Fair value corresponds to value in use for the Group, taking into account the Group's share of adjusted net equity and the profitability prospects of the investment entity. An impairment charge is recorded where the fair value of an investment falls below its acquisition cost.

Treasury stock

Atos Origin shares held by the parent company are recorded 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.

Trade accounts and notes receivable

Trade accounts and notes receivable are recorded at nominal value. They are assessed individually and, where appropriate, a provision is raised to take likely recovery problems into account.

Transition and transformation costs for the initiation phase of outsourcing contracts may be capitalized in trade accounts and notes receivable when they comply with strict and precise rules. Specifically, such costs must be clearly defined in the outsourcing contract, which shall stipulate that these costs are to be paid during the operational phase of the contract and that the customer shall assume the unpaid balance in the event of the contract's early termination. They are amortized on a straight line basis over the term of the contract.

The recognition of upfront payments is described in "Other intangible assets."

Cash and cash equivalents

Cash and cash equivalents includes liquid assets that are immediately available for sale and for which there is no material risk of impairment in the short term.

The financial assets of transactions (marketable securities) are recognized at their fair value. Changes in the fair value of these assets are recorded in the Income Statement.

Assets and liabilities held for sale or discontinued operations

Assets and liabilities held for sale or discontinued operations are presented on a separate line in the balance sheet assets and liabilities.

Should these assets and liabilities represent either a complete business line or a geographical segment, the profit or loss from these activities will be presented on a separate line of the income statement.

Provisions

The Group applies IAS 37 - Provisions. The standard defines a liability as an asset with a negative economic value for the entity, which is to say the entity has an obligation (legal, regulatory, or contractual) towards a third party that will probably or definitely result in an outflow of resources benefiting the third party, without consideration that is at least equivalent expected from the latter.

IAS 37 covers amounts provided as part of restructuring plans from the time the decision to restructure is made by the competent body and notified to the persons concerned before the closing date.

It requires the discounting of provisions when the time value effect is material. The provision revaluation at each accounting period results in a provision increase recognized in financial expenses.

When acquisitions are recognized, the Group may record provisions (risks, litigation, etc.) in the opening balance sheet. These provisions represent liabilities that create or increase goodwill. Beyond the 12 months allocation period of the opening balance sheet, unused provisions corresponding to changes in estimates as defined in IAS 8 are offset in the income statement under "Other operating income and expenses."

Provisions for pensions and similar benefits

The Atos Origin Group offers its employees various long-term post-employment benefits or benefits conditional on their seniority in the Group, including a lump-sum on retirement and long-term benefits agreed during employment such as jubilee and anniversary premiums. These benefits are subject to the provisions set out hereafter:

a) Defined contribution schemes: these schemes do not create a future commitment for the Group other than the Group's obligation to pay regular contributions of a fixed percentage of the employer's and/or employee's salary to outside organizations. These amounts are charged to the income statement as and when they are paid to the outside organizations.

b) Defined benefit schemes, for which the Group has an obligation towards employees. The characteristics of these plans vary according to the legislation and regulations applicable in each country. They are essentially financed during the employment by payments to specialist funds. These commitments are valued in line with IAS 19 and mainly concern the Netherlands and the United Kingdom.

Determining the net commitment to be provisioned

Based on the internal rules for each plan in each of the relevant countries, independent actuaries calculate the discounted value of the Group's future obligations (Projected Benefit Obligations), according to criteria that are defined consistently throughout the Group. A principal actuary takes on the task of providing coordination, consistency and standardization of the actuarial parameters used. The discounted value of future obligations changes annually according to the following factors:

Recurring factors

- Increases due to the acquisition of one year of additional rights ("Cost of services given during the year");
- Increases due to "reverse discounting" with a one-year reduction on the payment date of rights ("Financial cost");
- Decreases linked to the exercise of rights ("Payments to beneficiaries").

One-off factors

- Variations due to changes in external economic assumptions (inflation rate, discount rate, yield expected from the assets, etc.);
- Variations due to changes in internal economic assumptions (salary increase rate, staff turnover rate, ...);
- Hedging assets are valued at market value at each closing.

Treatment of actuarial gains and losses

Actuarial gains and losses are created when estimates differ from the reality (e.g. the expected value of fund assets differs compared with their market value at year-end), or as a result of changes to long-term actuarial assumptions (e.g. discount rates, salary changes, etc.).

In the case of long-term benefits acquired during employment (jubilees, anniversary premiums), the actuarial gains and losses are provided for on the balance sheet date.

In the other cases (essentially for pension plans), a provision in respect of actuarial gains and losses is recognized when they exceed the greater of 10% of the present value of the obligation and 10% of the fair value of plan assets ("Corridor" principle). The provision is accounted for on a straight-line basis over the average remaining working lives of the employees covered by the scheme in question (amortization of actuarial gains and losses).

Pension and other benefit charges in the year

The charge recognized in Operating income for pension and other commitments set out above includes:

- a charge for acquiring an additional year of benefit rights;
- a charge or income for the amortization of actuarial gains or losses;
- a charge or income linked to changes in the plans or the setting-up of new plans;
- a charge or income linked to any reduction or liquidation of the plan.

The charge recognized in Net financial income with respect to the above obligations includes:

- the financial costs;
- a charge for any variation in the discounting of existing rights since the start of the financial year;
- income corresponding to the yield expected from the assets.

Debt issuance costs

Under IAS 39, debt issuance costs are deducted from the loan and amortized in financial expenses over the life of the loan. The calculation of the effective interest rate takes into account interest payments and the amortization of the debt issuance costs.

The residual value of issuance costs for loans repaid in advance is expensed in the year of repayment.

Minority interest purchase commitments

In accordance with IAS 27 - Consolidated and separate financial statements and IAS 32 - Financial instruments: disclosure and presentation: "firm or conditional commitments to purchase minority interests are similar to a purchase of shares and are to be recorded in borrowings with an offsetting reduction of minority interests. When the value of the purchase exceeds the amount of minority interests, the balance is recognized as goodwill".

This treatment adopted may change in future based on the interpretations expected from the IFRIC.

Revenue

Revenue consists of proceeds from the sale of services and equipment carried out by fully consolidated companies in the normal course of business. Revenue is recognized and presented as follows pursuant to the principles established by IAS 18.

Consulting and Systems Integration revenue from fixed-price contracts, whether they extend over one or more accounting periods or involve intellectual services or integrated systems, is recognized using the percentage of completion method. Services relating to these contracts are recorded in the balance sheet under "Trade accounts and notes receivable" for services rendered in excess of billings, while billings exceeding services rendered are recorded under "Deferred income."

Managed Operations revenue is generally based on a fixed-price agreement and/or variable IT work units rendered. On-line services revenue is primarily linked to transaction volumes and IT services rendered.

On-line services revenue is presented net of repayments to the service providers, i.e. the telematic software providers. Services subcontracted by the Group are recognized net of repayments to these external service providers when:

- The latter assume the contractual liability vis-à-vis the customer for the portion of the service for which they are responsible;
- They have full latitude for setting the price of the service and ensuring its recovery.

Operating margin

The operating performance of the Group's ordinary is tracked through the operating margin.

Other operating income and expenses

"Other operating income and expenses" covers income or expense items that are unusual, abnormal or infrequent. They are presented separately to facilitate an understanding of current operating performance in line with the CNC recommendation of October 27th, 2004 and the IASB framework.

Other operating income and expenses include the annual charge for stock options, reorganization and rationalization costs, major litigations, reversals of opening balance sheet provisions that are no longer needed, capital gains and losses on the disposal of tangible and intangible assets, and impairment losses in accordance with IAS 36.

Stock options

Under French GAAP, stock options represent off-balance sheet commitments. IFRS 2 requires that benefits relating to stock option plans concluded after November 7th, 2002 be valued and recognized in profit or loss when the rights thereto have not been vested as of January 1st, 2005 or were vested after January 1st, 2005.

Under IFRS, options are valued at their grant date with the help of a valuation model. The Group has opted to use the Black & Scholes model. The precise value of options is frozen at their grant date and is not revised over the rights vesting period to reflect changes in parameters of the valuation model. The value is amortized in the income statement in "Other operating income and expenses" over the rights vesting period using the straight-line method.

Corporate income tax

The tax charge recorded in the income statement is the total of the current and deferred taxes, compliant with IAS 12.

The Group accounts for deferred tax using the liability method on all temporary differences between the book value and tax base of assets and liabilities recorded in the consolidated balance sheet, with the exception of non-deductible goodwill and the undistributed earnings of consolidated companies.

Deferred tax assets and liabilities are netted off at the taxable entity level. Deferred tax assets corresponding to temporary differences and tax losses carried forward are recognized in the accounts as deferred tax assets and a provision raised when the likelihood of realization of future taxable profits at the tax entity level is considered low based on available historical and forecast information.

The tax charge for the half-year is calculated by applying the estimated average effective tax rate for the year to net income before tax for the period, adjusted for operations specific to the first half. It is calculated individually for each company or tax grouping and for each income category.

Earnings per share

Earnings per share (basic) is calculated by dividing the net income (Group Share) by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated by dividing:

- the net income (Group Share), 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 or convertible debt).

The dilutive impact of each convertibles instrument is determined to maximize the dilution of basic earnings per share. The dilutive impact of stock options is assessed based on the average price of the Atos Origin share over the period. Convertible debt is dilutive when basic earnings per share exceeds interest (net of tax and other changes in income or expense) per ordinary share obtainable.

Change in the scope of consolidation

The material changes to the scope of consolidation are as follows:

Acquisitions:

There was no significant acquisition during the half-year ended June 30th, 2005.

Disposals:

In May 2005, the Group sold its activities in Venezuela. Revenue for the four months ended April 30th, 2005 amounted to EUR 0.5 million, with a workforce of approximately 36 persons.

On June 29th, 2005, the Group sold its Scandinavian activities. Revenue for these activities for the half-year amounted to EUR 88.3 million, with a workforce of approximately 1,460 persons.

Subsequent events

Sale of Atos Origin shares by Philips:

On July 13th, 2005, Royal Philips Electronics sold its 10.3 million Atos Origin shares to Citigroup, which in turn sold them to a variety of investors. Following this placement, the Company's free float reached nearly 100%.

Creation of Atos Euronext Market Solutions:

On July 27th, 2005, Atos Origin extended its partnership with Euronext through the creation of an entity that is fully consolidated by Atos Origin as of July 1st, 2005.
The partnership was extended through the contribution of resources and activity:

- The activity of LIFFE Market Solutions (LMS), the IT division of Euronext and Liffe for Euronext.liffe, representing the Euronext derivatives divisions (including the LIFFE Connect® electronic transaction system);

- Stock exchange activities, with middle office and back office solutions and a 50% interest in Bourse Connect for Atos Origin.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 Personnel expenses

(in EUR millions)	6 months ended June 30th, 2005	% revenue	6 months ended June 30th, 2004	% revenue	12 months ended December 31st, 2004
Wages and salaries	(1,112.1)	-40.8%	(1,070.0)	-40.8%	(2,117.5)
Social security charges	(319.0)	-11.7%	(306.2)	-11.7%	(600.1)
Tax, training, profit-sharing	(29.9)	-1.1%	(27.9)	-1.1%	(57.3)
Net charge to provisions for pensions	(6.4)	-0.2%	–	–	16.5
Total	**(1,467.4)**	**-53.8%**	**(1,404.1)**	**-53.6%**	**(2,758.4)**

Note 2 Operating expenses

(in EUR millions)	6 months ended June 30th, 2005	% revenue	6 months ended June 30th, 2004	% revenue	12 months ended December 31st, 2004
Purchase for selling and royalties	(212.3)	-7.8%	(178.5)	-6.8%	(358.5)
Subcontracting costs	(297.8)	-10.9%	(280.3)	-10.7%	(588.0)
Maintenance costs for premises and equipment	(97.2)	-3.6%	(102.4)	-3.9%	(207.3)
Means of production	(197.2)	-7.2%	(168.5)	-6.4%	(359.7)
Telecommunications	(43.1)	-1.6%	(54.6)	-2.1%	(106.5)
Transport and travel	(61.3)	-2.2%	(84.2)	-3.2%	(144.7)
Taxes, other than corporate income tax	(13.1)	-0.5%	(16.0)	-0.6%	(30.8)
Other operating expenses	(125.5)	-4.6%	(117.8)	-4.5%	(243.5)
Subtotal expenses	**(1,047.6)**	**-38.4%**	**(1,002.3)**	**-38.2%**	**(2,039.0)**
Depreciation of fixed assets	(62.3)	-2.3%	(76.0)	-2.9%	(146.9)
Net charge to provisions for current assets	3.2	0.1%	9.3	0.4%	16.4
Net charge to provisions	31.8	1.2%	17.1	0.7%	61.8
Subtotal depreciation and provisions	**(27.3)**	**-1.0%**	**(49.6)**	**-1.9%**	**(68.7)**
Total	**(1,074.9)**	**-39.4%**	**(1,051.9)**	**-40.1%**	**(2,107.6)**

Note 3 Other operating income and expenses

(in EUR millions)	6 months ended June 30th, 2005	6 months ended June 30th, 2004	12 months ended December 31st, 2004
Stock options	(6.9)	(12.2)	(24.5)
Restructuring, rationalization and integration costs	(36.1)	(73.8)	(148.7)
Net charge to provisions for major litigation	(2.7)	(3.0)	(1.4)
Release of opening balance sheet provisions no longer needed	16.5	–	10.9
Capital gains and losses on disposal of assets	51.8	0.8	0.6
Impairment losses on long-term assets	(9.4)	–	–
Total	**13.1**	**(88.2)**	**(163.1)**

Capital gains and losses on disposal of assets mainly comprise the EUR 52.7 million capital gain generated by the disposal of the Group's Scandinavian activities.

During the first half of 2005, exposures for which provisions were recorded in the opening balance sheet at the time of the Origin or Sema acquisition, have been positively settled, leading to EUR 16.5 million release of provision.

Impairment losses of EUR 9.4 million result from the review of the fair value of long term assets.

Note 4 Financial income

Net cost of financial debt

(in EUR millions)	6 months ended June 30th, 2005	6 months ended June 30th, 2004	12 months ended December 31st, 2004
Interest expense on financing transactions	(15.0)	(18.4)	(35.9)
Gain (loss) on interest rate hedges of gross financial debt	(2.6)	(2.8)	(5.5)
Gross cost of financial debt	**(17.6)**	**(21.2)**	**(41.4)**
Gain (loss) on disposal of cash equivalents	2.0	2.3	4.2
Net cost of financial debt	**(15.6)**	**(18.9)**	**(37.2)**

The average net debt during the first half of 2005 was EUR 568 million, while the average net cost of debt amounted to 5.3%.

Other financial income and expenses

(in EUR millions)	6 months ended June 30th, 2005	6 months ended June 30th, 2004	12 months ended December 31st, 2004
Foreign exchange income and hedge related	1.7	4.2	
Financial income	**1.7**	**4.2**	
Discounting financial expenses	(2.0)	(0.9)	(5.7)
Foreign exchange expenses and hedge related			(3,2)
Other financial expenses	(16.3)	(3.6)	(4.1)
Financial expenses	**(18.3)**	**(4.5)**	**(13.0)**
Other financial income and expenses	**(16.6)**	**(0.3)**	**(13.0)**

Other financial expenses represent mainly an impairment loss of EUR 7.4 million for the unamortized residual expenses of the previous syndicated loan following its repayment after the signing of the new credit facility in May 2005, and the depreciation of a non-current financial asset for EUR 6.6 million.

Note 5 Tax charge

Current and deferred taxes

(in EUR millions)	6 months ended June 30th, 2005			6 months ended June 30th, 2004			12 months ended December 31st, 2004		
	France	International	Total	France	International	Total	France	International	Total
Current taxes	(8.3)	(9.6)	(17.9)	(9.3)	(17.3)	(26.6)	(11.6)	(26.0)	(37.6)
Deferred taxes	(4.8)	(16.4)	(21.2)	4.1	(4.1)	-	(5.8)	(4.9)	(10.7)
Total	**(13.1)**	**(26.0)**	**(39.1)**	**(5.2)**	**(21.4)**	**(26.6)**	**(17.4)**	**(30.9)**	**(48.4)**

Effective tax rate

The difference between the French standard rate of tax and the effective rate is as follows:

(in EUR millions)	6 months ended June 30th, 2005	6 months ended June 30th, 2004	12 months ended December 31st, 2004
Net income, Group share	121.3	28.3	113.3
Minority interests	3.9	3.4	7.6
Share of net income from associates	(0.2)	0.1	0.7
Tax charge	39.1	26.6	48.4
Net income before tax	**164.1**	**58.4**	**170.0**
French standard rate of tax	34.9%	35.4%	35.4%
Theoretical tax charge at French standard rate	**(57.3)**	**(20.7)**	**(60.2)**
Impact of permanent differences	8.3	2.2	7.3
Differences in foreign tax rates	8.4	4.6	(0.8)
Impact of unrecognized tax assets	(8.4)	(16.7)	8.2
Other	9.9	4.0	(2.9)
Group tax charge	**(39.1)**	**(26.6)**	**(48.4)**
Effective tax rate	**-23.8%**	**-45.6%**	**-28.5%**

The effective tax rate for the first half of 2005 is 23.8%. Adjusted for operations specific to the first half, including the capital gain on the disposal of the Scandinavian activities, the tax rate is 31.6%. In accordance with IAS 34 on interim financial reporting, this rate corresponds to the estimated average effective tax rate for the year.

Note 6 Net income - Minority interests

Minority interests amount to EUR 3.9 million including:

* AtosEuronext, Bourse Connect and companies in partnership with Euronext (EUR 0.7 million);
* Atos Wordline GmbH, a company specializing in payment services in Germany (EUR 1.3 million).

Note 7 Earnings per share

The Group applies the earnings per share calculation rules described in the accounting policies.

Basic and diluted earnings per share were reconciled as follows:

	June 30th, 2005	June 30th, 2004	December 31st, 2004
Net income - Group share [a]	**121.3**	**28.3**	**113.3**
Weighted average number of shares outstanding [b]	**67,051,174**	**64,701,248**	**65,821,887**
Impact of dilutive instruments [c]	596,106	484,457	570,375
Diluted weighted average number of shares [d]=[c]+[b]	67,647,280	65,185,705	66,392,262
Earnings per share in EUR [a]/[b]	**1.81**	**0.44**	**1.72**
Diluted earnings per share in EUR [a]/[d]	**1.79**	**0.43**	**1.71**

The total average number of stock options not exercised on first half of 2005 amounted to 6,184,382 shares, out of which only 596,106 have a dilutive effect on the earning per share.

Note 8 Trade accounts and notes receivable

(in EUR millions)	June 30th, 2005	December 31st, 2004	June 30th, 2004
Gross value	1,681.7	1,565.5	1,609.2
Provision for doubtful debts	(42.0)	(46.5)	(51.8)
Net asset value	**1,639.7**	**1,519.0**	**1,557.4**
Prepayments	(18.3)	(23.0)	(90.7)
Deferred income and amounts due to customers	(337.2)	(281.5)	(257.4)
Net accounts receivable	**1,284.1**	**1,214.4**	**1,209.3**
Number of days' revenue outstanding	**70**	**65**	**72**

Note 9 Other current assets

(in EUR millions)	June 30th, 2005	December 31st, 2004	June 30th, 2004
Recoverable VAT	46.3	37.3	85.5
Amounts receivable on disposals of tangible assets and long-term investments	1.5	2.4	1.5
Other receivables	48.9	63.1	66.0
Prepayments	118.1	88.7	112.3
Total	**214.8**	**191.5**	**265.3**

Note 10 Common stock

	Number of shares	Par value	Total (in EUR millions)
Common stock at June 30th, 2004	66,929,639	1	66.93
Common stock at December 31st, 2004	66,938,254	1	66.94
Common stock at June 30th, 2005	**67,239,013**	**1**	**67.24**

Capital increases took place as follows:

			(in EUR millions)	
Dates of Management Board meetings	**Type of capital increase**	**Number of issued shares**	**Impact on common stock**	**Impact on share premium**
March 31st, 2005	Exercise of options	222,499	0.22	7.16
June 30th, 2005	Exercise of options	78,260	0.08	1.95
Total at June 30th, 2005		**300,759**	**0.30**	**9.11**

Note 11 Minority interests

The minority interest share in shareholders' equity as at June 30th, 2005 was EUR 50.7 million. The most significant balances are as follows:

* AtosEuronext and companies in partnership with Euronext: EUR 35.8 million
* Atos Wordline GmbH, a German payment services specialist: EUR 5.1 million

Note 12 Provisions

(in EUR millions)	June 30th, 2004	Dec. 31st, 2004	Charge/ Release	Release used	Other	June 30th, 2005	Current	Non Current
Fair value adjustment	46.7	13.6	0.0	(8.5)	0.1	5.2	4.2	1.0
Reorganization	35.3	51.1	23.9	(33.9)	(3.3)	37.8	37.8	–
Rationalization	59.7	50.3	4.6	(12.6)	3.6	45.9	11.7	34.2
Project commitments	156.3	100.3	(4.4)	(21.1)	6.3	81.1	81.1	–
Litigation and contingencies	106.7	113.6	(4.7)	(5.2)	7.0	110.7	–	110.7
Pensions	520.0	514.7	45.6	(41.4)	3.2	522.0	–	522.0
Total provisions	**924.7**	**843.6**	**65.0**	**(122.7)**	**16.8**	**802.7**	**134 .7**	**668.0**

Fair value adjustment provisions consist mainly of commitments for software licences that are in excess of the Group's commercial requirements, taken over upon the acquisition of Origin and Sema Group.

The EUR 16.8 million of other movements mainly consist of the translation adjustment resulting from the translation of the provisions of the entities outside the Euro zone.

Note 13 Borrowings

(in EUR millions)	June 30th, 2005			December 31st, 2004			June 30th, 2004		
	Long-term	Short-term	Total	Long-term	Short-term	Total	Long-term	Short-term	Total
Bonds	–	–	–	–	–	–	–	(173.0)	(173.0)
Finance leases	(4.4)	(8.3)	(12.7)	(9.6)	(6.7)	(16.3)	(2.8)	(2.6)	(5.4)
Bank loans	(582.8)	(7.7)	(590.5)	(607.1)	(162.3)	(769.4)	(608.4)	(114.8)	(723.2)
Securitization	–	(146.8)	(146.8)	–	(132.8)	(132.8)	–	–	–
Other borrowings	(20.3)	(37.5)(*)	(57.8)	(15.5)	(23.1)	(38.6)	(31.2)	(17.3)	(48.5)
Total borrowings	**(607.5)**	**(200.3)**	**(807.8)**	**(632.2)**	**(324.9)**	**(957.1)**	**(642.4)**	**(307.7)**	**(950.1)**

(*) Including minority interest purchase options from the Middle East in the amount of EUR 12.4 million.

Long term debt maturity

(in EUR millions)	2006	2007	2008	2009	> 2009	Total
Finance leases	(2.7)	(0.9)	(0.7)	–	–	(4.4)
Bank loans	(0.8)	(0.8)	(0.6)	(580.4)	(0.3)	(582.8)
Other borrowings	(2.8)	(3.9)	(7.1)	(6.5)	–	(20.3)
As at June 30th, 2005 long-term debt	**(6.3)**	**(5.6)**	**(8.4)**	**(586.9)**	**(0.3)**	**(607.5)**
As at December 31st, 2004 long-term debt	**(111.2)**	**(106.0)**	**(106.3)**	**(307.7)**	**(1.0)**	**(632.2)**

On May 12th, 2005, Atos Origin signed a EUR 1.2 billion credit facility agreement with a consortium of banks. The loan has been used to refinance the previous syndicated loan of EUR 0.9 billion set up in January 2004 when the Sema Group was acquired. The new loan has a maturity of five years with the possibility of a two-year extension.

The Group is substantially within its borrowing covenants, with a Consolidated Leverage Ratio (Net Debt divided by EBITDA - Operating margin before depreciation of fixed assets and net charge for pension and operating provisions) of 0.84 at the end of June 2005. The Consolidated Leverage Ratio may not be greater than 2.5 times under the new facility. Consolidated Interest Cover Ratio (Operating margin divided by Net cost of financial debt) was nearly 12 times in the first half of 2005. It may not be less than 4 times throughout the term of the new syndicated loan facility.

Net debt

(in EUR millions)	June 30th, 2005	December 31st, 2004	June 30th, 2004
Cash and cash equivalents	281.3	465.5	273.2
Short-term financial receivables	163.0	–	–
Borrowings	(807.8)	(957.1)	(950.1)
Net debt	**(363.5)**	**(491.6)**	**(676.9)**

The EUR 163 million short-term financial receivable represents the cash consideration received on July 7th, 2005 resulting from the disposal of the Group Scandinavian activities on June 29th 2005.

Change in net debt over the period

(in EUR millions)	Notes (*)	6 months ended June 30th, 2005	6 months ended June 30th, 2004	12 months ended December 31st, 2004
Opening net debt		**(491.6)**	**(266.3)**	**(266.3)**
New loans	-n	(791.9)	(800.9)	(1,029.5)
Repayment of long and medium-term borrowings	-o	940.8	696.8	919.1
Increase (decrease) in cash and cash equivalents	q	(211.9)	(253.0)	(39.0)
Lease (change and net interest paid)	r	4.2	(6.0)	(10.6)
Short term financial receivables	z	163.0	–	–
Long and medium-term debt of companies purchased during the period	s	(1.5)	(37.3)	(37.8)
Long and medium-term debt of companies sold during the period	t	0.3	–	0.4
Impact of exchange rate fluctuations on net long and medium-term debt	u	27.3	(0.1)	(19.2)
Profit-sharing amounts payable to French employees transferred to debt	v	–	(10.1)	(8.7)
Impact of IAS 32 and 39	w	(2.2)	–	–
Closing net debt		**(363.5)**	**(676.9)**	**(491.6)**

(*) For reconciliation to the consolidated cash flow statement and the cash flow by activity below

Cash flow by activity over the period

(in EUR millions)	Notes (*)	6 months ended June 30th, 2005	6 months ended June 30th, 2004	12 months ended December 31st, 2004
Cash from operating activities restated (**)	a-x-y	220.4	197.2	405.8
Income tax paid	b	1.2	(32.0)	(55.1)
Change in working capital requirement	c	(105.7)	28.6	92.7
Net cash from operating activities restated (**)		**115.9**	**193.8**	**443.4**
Purchase of tangible and intangible assets	d	(81.0)	(71.7)	(129.5)
Proceeds from disposals of tangible and intangible assets	e	0.6	10.9	37.4
Net cash from operations		**35.5**	**133.0**	**351.3**
Reorganization, rationalization and integration	x	(54.7)	(69.6)	(141.9)
Fair value adjustments	y	(8.5)	(7.0)	(14.6)
Other changes	j+k+l+m+p+r+u+v+w	15.0	(35.6)	(77.6)
Net cash before financial investments		**(12.6)**	**20.8**	**117.2**
Financial Investments	f+g+s	(17.4)	(441.6)	(520.8)
Proceeds from disposals of financial investments	h+i+t+z	158.2	10.2	178.3
Net financial investments		**140.8**	**(431.4)**	**(342.5)**
Net cash flow		**128.1**	**(410.6)**	**(225.3)**
Opening net debt		**(491.6)**	**(266.3)**	**(266.3)**
Closing net debt		**(363.5)**	**(676.9)**	**(491.6)**

(*) For reconciliation to the consolidated cash flow statement

(**) Excluding reorganization, restructuring and fair value adjustments

Note 14 Fair value of financial instruments

At June 30th 2005, the fair value of financial instruments primarily comprises:

- the fair market value of the derivatives used to hedge the capital redemption in the United States,
- the fair market value of the derivatives used to hedge the Olympic Games contract,
- the fair market value of the derivatives used to fix the interest rate of a portion of the syndicated loan.

Note 15 Trade accounts and notes payable

(in EUR millions)	June 30th, 2005	December 31st, 2004	June 30th, 2004
Trade payables	611.2	572.0	568.6
Amounts payable on tangible assets	9.3	5.2	6.0
Total	**620.4**	**577.3**	**574.6**

Note 16 Other current liabilities

(in EUR millions)	June 30th, 2005	December 31st, 2004	June 30th, 2004
Advances and down payments received on client orders	18.3	23.0	90.7
Employee-related liabilities	260.1	294.9	286.2
Social security and other employee welfare liabilities	188.1	180.4	151.3
VAT payable	143.9	171.2	190.6
Deferred income	220.7	160.9	179.1
Sundry payables and other operating liabilities	160.2	162.7	130.0
Total	**991.3**	**993.0**	**1,027.9**

Note 17 Other information

Contractual commitments

The table below illustrates the minimum future payments for firm obligations and commitments over the coming years. The amounts indicated under the financial payable and leasing contracts are posted on the Group balance sheet.

(in EUR millions)		Maturing			
Contractual commitments	**June 30th, 2005**	**- 1 year**	**1 to 5 years**	**Over 5 years**	**Dec. 31st, 2004**
Long-term borrowings (> 5 years)	590.5	7.7	582.5	0.3	769.3
Finance leases	12.7	8.3	4.4	–	16.3
Recorded on the balance sheet	**603.2**	**16.0**	**586.9**	**0.3**	**785.6**
Operating leases: land, buildings, fittings	578.8	95.6	337.3	145.9	646.2
Leases: IT equipment	207.6	67.4	140.2	–	212.6
Leases: other fixed assets	105.5	27.9	77.7	–	91.3
Other Long Term obligation (> 5 years)	54.1	0.3	53.7	0.1	58.1
Commitments	**946.0**	**191.2**	**608.9**	**146.0**	**1,008.2**
Total	**1,549.3**	**207.2**	**1,195.7**	**146.3**	**1,793.8**

Commercial commitments

(in EUR millions)	**June 30th, 2005**	**Dec. 31st, 2004**
Performance guarantees	686.9	499.4
Bank guarantees	120.0	127.4
Pledges	5.0	5.0
Total	**811.9**	**631.8**

TRANSITION TO THE INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Context of the transition

Regulatory overview

Pursuant to European regulation No.1606/2002 dated July 19th, 2002, the consolidated financial statements to be published by the Group for fiscal year 2005 will be drawn up in accordance with the international accounting standards enacted by the International Accounting Standards Board (IASB). These international accounting standards include the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS) and their interpretations.

Following the December 30th, 2003 recommendation of the CESR (Committee of European Securities Regulation) on the information to be disclosed during the IFRS transition period, the Group published the quantified impacts of the transition on May 13th, 2005.

In order to prepare comparative financial statements for fiscal year 2005 and pursuant to the recommendation of the Autorité des Marchés Financiers (AMF) on financial reporting during the transition period, the Group has prepared the expected quantified impact of the IFRS transition on the January 1st, 2004 net equity and 2004 net income. With respect to the figures for the first half of 2004, the information published on May 13th, 2005 was completed in this half-year report.

The statutory auditors have audited the opening shareholders' equity as of January 1st, 2004. The auditor's report was presented in the IFRS transition note published on May 13th, 2005.

IFRS conversion timetable

Pursuant to the March 2004 AMF recommendations on information to be disclosed during the IFRS transition period and further to the recommendations issued by the AMF on January 31st, 2005 underlining the obligation to publish complete, reliable and audited information, Atos Origin has followed a timetable as shown below:

- The 2004 consolidated financial statements, as presented in the Annual Report, were prepared in accordance with French GAAP.
- The 2005 first quarter revenue published on May 13th, 2005 was prepared in accordance with IFRS.
- The 2004 consolidated Group shareholder's equity as audited, including net income for the period, were presented on May 13th, 2005, in accordance with IFRS.
- This half-year report represents the first complete set of consolidated financial statements prepared according with the IFRS accounting and valuation principles. The information provided in the notes, was prepared in accordance with French Regulations and specifically CNC (Conseil National de la Comptabilité) recommendation no. 99-R-01 governing interim financial statements, as well as the AMF regulations. Consequently, this information does not contain all the IFRS disclosure requirements. Such information will be provided at the time of publication of the 2005 financial statements.

Organization of the conversion project

In order to successfully complete the IFRS transition, Atos Origin set up a conversion project in April 2003.

The project was carried out by a team of operational and functional representatives from various Group entities, led by the Group's Finance Division with the support of Atos Consulting and external technical accounting experts. The Group's statutory auditors have at all times been kept informed of, and consulted on, the development of the IFRS project and the selected accounting options. The conversion project was scheduled in three main stages:

Diagnosis: identification of divergences between the Group's existing accounting standards and the IFRS, analysis of the accounting options and an assessment of the system, financial and organizational impacts. This first stage was completed in 2003. A full presentation of the accounting options was made to the Group's financial management and the Audit Committee in July 2003.

Preparation of the implementation and deployment: selection of accounting options, assessment of the impact on financial information, definition of the accounting standards in accordance with the IFRS and preparation for bringing the systems into compliance with the new standards. Options were presented to the Audit Committee on November 13th, 2003 and the status of implementation was presented on November 9th, 2004.

Deployment and implementation: implementation of the new standards in the corporate entities and deployment throughout the Group's other entities. During 2004, the Group carried on its plan to deploy and implement IFRS for their introduction on January 1st, 2005. Intensive training sessions were organized within the Group, focusing on the new accounting principles to be adopted, the impact in terms of information systems and the changes to management rules.

The Group completed this last stage as planned before December 31st, 2004. Nevertheless, all relevant staff continue to receive intensive IFRS training and an "IFRS certification" program has been set up for the Group's financial population.

A dedicated intranet site is accessible to all accounting staff, which facilitates the sharing of knowledge and the issues raised among members of the Atos Origin financial community. An IFRS taskforce and knowledge center based in Paris is fully available to assist and support local operations if necessary.

Principles adopted for the preparation of the first IFRS reporting by the Group

Atos Origin was already in line with the provisions of some of the IAS standards, as described in the 2004 Document de Référence.

These standards are:

- IAS 11 for the recognition of revenue from fixed price service contracts through the percentage of completion method;
- IAS 12 for the determination of income taxes;
- IAS 16 for recording tangible assets;
- IAS 17 for recording lease contracts;
- IAS 19 for the valuation of employee benefits;
- IAS 21 for the effects of changes in foreign exchange rates;
- IAS 36 for the impairment of long-term assets;
- IAS 37 for provisions.

The early application of the above standards mitigated the financial consequences of a sudden IFRS adoption.

This IFRS 2004 financial information was prepared in accordance with the provisions of IFRS 1 - First-time adoption of IFRS pursuant to the IFRS applicable as of January 1st, 2005. The options adopted and the exemptions used, summarized below, are those the Group elected to prepare the initial IFRS consolidated financial statements in 2005:

- The accumulated amount of actuarial gains and losses on pensions as at the transition date (January 1st, 2004) is allocated to shareholders' equity;
- Translation adjustments as of January 1st, 2004 are reclassified in consolidated reserves;
- Stock options issued prior to November 7th, 2002 are not restated;
- Business combinations prior to January 1st, 2004 are not restated.

Any amendment to IFRS occurring in the second half of 2005 could, however, lead the Group to change its January 1st, 2004 opening balance sheet and the financial statements of the following periods, at the time the 2005 consolidated financial statements are published.

RECONCILIATION TABLE FOR TRANSITION FROM FRENCH GAAP TO IFRS IN THE SUMMARY FINANCIAL STATEMENTS

Impact of the transition to IAS 32/39 on the 2005 opening balance sheet

(in EUR millions) ASSETS	December 31st, 2004 IFRS	Share purchase agreement	Interest rates hedges	Foreign exchange hedges	Debt issuance costs	Total restatements IAS 32/39	January 1st, 2005 IFRS
Notes		**Note 7**	**Note 8**	**Note 8**	**Note 9**		
Goodwill	2,160.2	9.8				9,8	2,169.9
Intangible assets	120.9						120.9
Tangible assets	232.7						232.7
Investment in associates	1.5						1.5
Non-current financial assets	29.5						29.5
Deferred tax assets	282.6		4.4	(1.1)	0.3	3.6	286.2
Total non-current assets	**2,827.4**	**9.8**	**4.4**	**(1.1)**	**0.3**	**13.3**	**2,840.7**
Trade accounts and notes receivable	1,519.0						1,519.0
Current taxes	66.8						66.8
Other current assets	191.5				(9.6)	(9.6)	182.0
Fair value of financial instruments				6.5		6.5	6.5
Short-term financial receivable							
Cash at bank and in hand	465.5						465.5
Total current assets	**2,242.8**			**6.5**	**(9.6)**	**(3.0)**	**2,239.8**
Assets held for sale and discontinued operations	**21.7**						**21.7**
TOTAL ASSETS	**5,091.9**	**9.8**	**4.4**	**5.5**	**(9.3)**	**10.3**	**5,102.2**

(in EUR millions) LIABILITIES AND SHAREHOLDERS' EQUITY	December 31st, 2004 IFRS	Share purchase agreement	Interest rates hedges	Foreign exchange hedges	Debt issuance costs	Total restatements IAS 32/39	January 1st, 2005 IFRS
Notes		**Note 7**	**Note 8**	**Note 8**	**Note 9**		
Common stock	66.9						66.9
Additional paid-in capital	1,240.1						1,240.1
Consolidated reserves	168.6		(8.1)	(1.1)	(0.5)	(9.7)	158.9
Translation adjustments	(2.5)						(2.5)
Net income for the period	113.3						113.3
Shareholders' equity - Group share	1,586.5		(8.1)	(1.1)	(0.5)	(9.7)	1,576.8
Minority interests	51.9	(1.2)				(1.2)	50.7
Total shareholders' equity	**1,638.5**	**(1.2)**	**(8.1)**	**(1.1)**	**(0.5)**	**(11.0)**	**1,627.5**
Provisions for pensions and similar benefits	514.7						514.7
Non-current provisions	143.2						143.1
Long-term borrowings	632.2	11.0			(8.8)	2.2	634.4
Deferred tax liabilities	5.4						5.4
Other non-current liabilities	0.2						0.2
Total non-current liabilities	**1,295.6**	**11.0**			**(8.8)**	**2.2**	**1,297.8**
Trade accounts and notes payable	577.3						577.3
Current taxes	74.4						74.4
Current provisions	185.8						185.8
Fair value of financial instruments			12.5	6.6		19.0	19.0
Current portion of long-term borrowings	324.9						324.9
Other current liabilities	993.0						993.0
Total current liabilities	**2,155.4**		**12.5**	**6.6**		**19.0**	**2,174.4**
Liabilities held for sale and discontinued operations	**2.5**						**2.5**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**5,091.9**	**9.8**	**4.4**	**5.5**	**(9.3)**	**10.3**	**5 102.2**

CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31ST, 2004

(in EUR millions)

ASSETS	December 31st, 2004 French GAAP	Employee benefits IAS 19 / IFRS 1 • Note 1	Discounting of long-term provisions IAS 37 • Note 2	Translation adjustments IFRS 1 • Note 3	Stock options IFRS 2 • Note 4	Business combinations and impairment losses on goodwill IFRS 3 IAS 36 • Note 5	Transition and conversion costs in outsourcing contracts IAS 11 • Note 6	Deferred taxes on IFRS restatements IAS 12	Change in consolidation method	Transition adjustments on goodwill IAS 21 • Note 5	Other reclassifications	Total restatements and reclassifications for IFRS transition	December 31st, 2004 IFRS	ASSETS
Goodwill	2,030.7		(1.3)			133.6	3.6	(1.1)		(5.5)		129.5	2,160.2	Goodwill
Other intangible assets	128.3						(7.4)		0.0			(7.4)	120.9	Intangible assets
Tangible assets	232.8								(0,1)			0.0	232.7	Tangible assets
	1.5												1.5	Investment in associates
	24.8								0.0		4.8	4.8	29.5	Non-current financial assets
Long-term investments	26.2													
								2.8	0.0		279.8	282.6	282.6	Deferred tax assets
Total non-current assets	**2,418.0**		**(1.3)**			**133.6**	**(3.7)**	**1.7**	**(0.1)**	**(5.5)**	**284.6**	**409.4**	**2,827.4**	**Total non-current assets**
Trade accounts and notes receivable	1,522.5						(2.3)		(1.2)			(3.5)	1,519.0	Trade accounts and notes receivable
	279.8										(279.8)	(279.8)		
	66.8												66.8	Current taxes
	21.7										(21.7)	(21.7)		
	4.8										(4.8)	(4.8)		
	192.2						(0.7)		(0.1)			(0.8)	191.5	Other current assets
Other receivables and prepayments and accrued income	565.4													
Marketable securities	258.6													
Cash	207.5													
	466.1								(0.6)			(0.6)	465.5	Cash and cash equivalents
Total current assets	**2,554.0**						**(3.1)**		**(1.8)**		**(306.3)**	**(311.2)**	**2,242.8**	**Total current assets**
											21.7	21.7	**21.7**	**Assets held for sale or discontinued operations**
Total assets	**4,972.0**		**(1.3)**			**133.6**	**(6.8)**	**1.7**	**(1.9)**	**(5.5)**		**119.9**	**5,091.9**	**Total assets**

(in EUR millions)

LIABILITIES AND SHAREHOLDERS' EQUITY	December 31st, 2004 French GAAP	Employee benefits IAS 19 / IFRS 1 • Note 1	Discounting of long-term provisions IAS 37 • Note 2	Translation adjustments IFRS 1 • Note 3	Stock options IFRS 2 • Note 4	Business combinations and impairment losses on goodwill IFRS 3 IAS 36 • Note 5	Transition and conversion costs in outsourcing contracts IAS 11 • Note 6	Deferred taxes on IFRS restatements IAS 12	Change in consolidation method	Transition adjustments on goodwill IAS 21 • Note 5	Other reclassifications	Total restatements and reclassifications for IFRS transition	December 31st, 2004 IFRS	LIABILITIES AND SHAREHOLDERS' EQUITY
Common stock	66.9												66.9	Common stock
Additional paid-in capital	1,240.1												1,240.1	Additional paid-in capital
Consolidated reserves	179.9	0.9		(35.5)	24.5	3.0	(5.5)	1.3				(11.3)	168.6	Consolidated reserves
Translation adjustments	(31.7)	(0.6)	0.1	35.5		(0.8)	0.2	0.3		(5.5)		29.2	(2.5)	Translation adjustments
Net income/(loss) for the period	10.5		(1.7)		(24.5)	130.4	(1.4)					102.8	113.3	Net income for the period
Shareholders' equity - Group share	1,465.8	0.3	(1.6)			132.7	(6.8)	1.6		(5.5)		120.7	1,586.5	Shareholders' equity - Group share
Minority interests	52.7	(0.3)				0.9		0.1	(1.5)			(0.8)	51.9	Minority interests
Consolidated shareholders' equity	**1,518.5**		**(1.6)**			**133.6**	**(6.8)**	**1.7**	**(1.5)**	**(5.5)**		**119.9**	**1,638.5**	**Total shareholders' equity**
	514.7											-	514.7	Provisions for pensions and similar benefits
	328.5		0.3								(185.8)	(185.4)	143.2	Non-current provisions
Provisions for contingencies and losses	**843.3**													
Borrowings	957.1										(324.9)	(324.9)	632.2	Long-term borrowings
											5.4	5.4	5.4	Deferred tax liabilities
											0.2	0.2	0.2	Other non-current liabilities
												(504.7)	**1,295.6**	**Total non-current liabilities**
Trade accounts and notes payable	577.4								(0.1)			(0.1)	577.3	Trade accounts and notes payable
											324.9	324.9	324.9	Current portion of long-term borrowings
	74.4												74.4	Current taxes
	0.2										(0.2)	(0.2)		
	5.4										(5.4)	(5.4)		
	2.5										(2.5)	(2.5)		
	993.3								(0.2)			(0.2)	993.0	Other current liabilities
Other liabilities and accruals and deferred income	1,075.7													
											185.8	185.8	185.8	Current provisions
												502.1	**2,155.4**	**Total current liabilities**
Total liabilities	**2,610.2**													
											2.5	2.5	**2.5**	**Assets held for sale or discontinued operations**
Total liabilities and shareholders' equity	**4,972.0**		**(1.3)**			**133.6**	**(6.8)**	**1.7**	**(1.9)**	**(5.5)**		**119.9**	**5,091.9**	**Total liabilities and shareholders' equity**

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31ST, 2004

(in EUR millions)

	December 31st, 2004 French GAAP	Employee benefits IAS 19 / IFRS 1 • Note 1	Discounting of long-term provisions IAS 37 • Note 2	Translation adjustments IFRS 1 • Note 3	Stock options IFRS 2 • Note 4	Business combinations and impairment losses on goodwill IFRS 3 IAS 36 • Note 5	Transition and conversion costs in outsourcing contracts IAS 11 • Note 6	Deferred taxes on IFRS restatements IAS 12	Change in consolidation method	Transition adjustments on goodwill IAS 21 • Note 5	Other reclassifications	Total restatements and reclassifications for IFRS transition	December 31st, 2004 IFRS	
Revenue	**5,302.0**						**0.3**		**(4.1)**		**(49.0)**	**(52.7)**	**5,249.3**	**Revenue**
Personnel expenses	(2,762.0)								3.6			3.6	(2,758.4)	Personnel expenses
Operating expenses	(2,155.2)						(1.6)		0.2		49.0	47.6	(2,107.6)	Other operating expenses
Operating income/(loss)	**384.8**						**(1.3)**		**(0.2)**			**(1.5)**	**383.3**	**Operating margin**
In % of revenue	**7.3%**												**7.3%**	**In % of revenue**
Exceptional income/(loss)	(149.6)				(24.5)	10.9						(13.5)	(163.1)	Other operating income and expenses
													220.2	**Operating income**
													4.2%	**In % of revenue**
	(37.3)												(37.2)	Net cost of financial debt
	(11.3)		(1.7)									(1.7)	(13.0)	Other financial income and expenses
Net financial income/(expense)	(48.5)		(1.7)									(1.7)	(50.2)	Net financial income
Income tax	(51.7)					3.4		(0.1)	0.1			3.3	(48.4)	Tax charge
Contribution from equity affiliates	(0.7)												(0.7)	Share in net income of associates
Amortization of goodwill	(117.1)					117.1						117.1		
Net income/(loss)	**17.3**		**(1.7)**		**(24.5)**	**131.3**	**(1.3)**	**(0.1)**	**(0.2)**			**103.7**	**121.0**	**Net income**
Of which														Of which
– **Group share**	10.5		(1.7)		(24.5)	130.4	(1.4)					**102.8**	**113.3**	– **Group share**
– Minority interests	6.8					0.9	0.1		(0.2)			0.8	7.6	– Minority interests
Weighted average number of shares	65,821,887												65,821,887	**Weighted average number of shares**
Net income (Group share) per share (euros)	0.16												1.72	Net income (Group share) per share (euros)
Diluted weighted average number of shares	67,473,784												66,392,262	**Diluted weighted average number of shares**
Diluted net income (Group share) per share (euros)	0.17												1.71	Diluted net income (Group share) per share (euros)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31ST, 2004

(in EUR millions)

	December 31st, 2004 French GAAP	Employee benefits IAS 19 / IFRS 1 • Note 1	Discounting of long-term provisions IAS 37 • Note 2	Stock options IFRS 2 • Note 4	Business combinations and impairment losses on goodwill IFRS 3 IAS 36 • Note 5	Transition and conversion costs in outsourcing contracts IAS 11 • Note 6	Deferred taxes on IFRS restatements IAS 12	Change in consolidation method	Taxes paid	Interest paid	Finance leases	Total restatements and reclassifications for IFRS transition	December 31st, 2004 IFRS	
Net income, Group share	10.5		(1.7)	(24.5)	130.4	(1.4)	(0.1)					102.8	113.3	Net income, Group share
Amortization of goodwill	117.1				(117.1)							(117.1)		
Depreciation and amortization of tangible and intangible assets	149.9												149.9	Amortization of tangible and intangible assets
Amortization of operating provisions	(94.6)												(94.6)	Net charge to operating provisions
Financial provisions	(10.7)		1.7									1.7	(9.0)	Net charge to financial provisions
Amortization of exceptional provisions	(22.2)				(10.9)							(10.9)	(33.1)	Other net charge to operating provisions
Gains (losses) on disposals of fixed assets and acquisition costs	(0.6)												(0.6)	(Gains) losses on disposals of fixed assets
														Unrealized gains and losses on changes in fair value
				24.5								24.5	24.5	Net charge to stock options and similar options
Equity affiliates and minority interests	7.5				0.9	0.1	0.1	(0.2)				0.9	8.4	Investments in associates and minority interests
										42.2		42.2	42.2	Net cost of financial debt
Deferred taxes	14.0				(3.4)				37.7			34.3	48.4	Tax charges (including deferred taxes)
Cash from operating activities before change in working capital	170.9					(1.3)		(0.2)	37.7	42.2		78.4	249.3	**Cash from operating activities before change in working capital requirement, net cost of financial debt and taxes**
									(55.1)			(55.1)	(55.1)	Taxes paid
Change in working capital requirement	74.1					1.3		(0.1)	17.4			18.6	92.7	Change in working capital requirement
Net cash from (used in) operating activities	**245.0**							**(0.3)**		**42.2**		**41.9**	**286.9**	**Net cash from (used in) operating activities**
Acquisitions of tangible and intangible assets	(137.4)										7.9	7.9	(129.5)	Amounts paid on acquisitions of tangible and intangible assets
Disposals of tangible and intangible assets	37.4												37.4	Proceeds from disposals of tangible and intangible assets
Net operating investment	**(100.0)**										**7.9**	**7.9**	**(92.1)**	**Net operating investment**
Long-term investments and investments on acquisitions	(585.7)												(585.7)	Amounts paid on acquisitions and long-term investments
Net cash and cash equivalents of companies purchased during the period	102.7												102.7	Cash and cash equivalents of companies purchased during the period
Disposals of financial investments	183.7												183.7	Proceeds from disposals of financial investments
Net cash and cash equivalents of companies sold during the period	(5.8)												(5.8)	Cash and cash equivalents of companies sold during the period
Net long-term investments	(305.1)												(305.1)	**Net long-term investments**
Net cash from (used in) investing activities	**(405.1)**										**7.9**	**7.9**	**(397.2)**	**Net cash from (used in) investing activities**
														Common stock issues
Common stock issues	4.1												4.1	Common stock issues on the exercise of stock options
														Purchases and sales of treasury stock
Dividends paid to minority shareholders of subsidiaries	(3.7)												(3.7)	Dividends paid to minority shareholders of subsidiaries
Subscription of new borrowings	1,037.4										(7.9)	(7.9)	1 029.5	Subscription of new borrowings
Repayment of long and medium-term borrowings	(916.4)									(2.7)		(2.7)	(919.1)	Repayment of long and medium-term borrowings
										(39.5)		(39.5)	(39.5)	Net interest paid
Net cash from (used in) financing activities	**121.4**									**(42.2)**	**(7.9)**	**(50.1)**	**71.3**	**Net cash from (used in) financing activities**
Increase (decrease) in cash and cash equivalents	**(38.7)**							**(0.3)**				**(0.3)**	**(39.0)**	**Increase (decrease) in cash and cash equivalents**
Opening cash and cash equivalents	**524.2**							**(0.3)**				**(0.3)**	**523.9**	**Opening cash and cash equivalents**
Increase (decrease) in cash and cash equivalents	(38.7)							(0.3)				(0.3)	(39.0)	Increase (decrease) in cash and cash equivalents
Impact of exchange rate fluctuations on cash and cash equivalents	(19.4)												(19.4)	Impact of exchange rate fluctuations on cash and cash equivalents
Closing cash and cash equivalents	**466.1**							**(0.6)**				**(0.6)**	**465.5**	**Closing cash and cash equivalents**

CONSOLIDATED BALANCE SHEET AS OF JUNE 30TH, 2004

(in EUR millions)

ASSETS	June 30th, 2004 French GAAP	Employee benefits IAS 19 / IFRS 1 • Note 1	Discounting of long-term provisions IAS 37 • Note 2	Translation adjustments IFRS 1 • Note 3	Stock options IFRS 2 • Note 4	Business combinations and impairment losses on goodwill IFRS 3 IAS 36 • Note 5	Transition and conversion costs in outsourcing contracts IAS 11 • Note 6	Deferred taxes on IFRS restatements IAS 12	Change in consolidation method	Transition adjustments on goodwill IAS 21 • Note 5	Other reclassifications	Total restatements and reclassifications for IFRS transition	June 30th, 2004 IFRS	ASSETS
Goodwill	2,121.8		(1.3)			64.1	3.8	(1.2)		35.7		101.2	2,222.9	Goodwill
Other intangible assets	52.8						(6.5)					(6.5)	46.3	Intangible assets
Tangible assets	243.2												243.2	Tangible assets
	0.5												0.5	Investment in associates
	27.0										4.0	4.0	31.0	Non-current financial assets
Long-term investments	27.5													
								31.8			258.0	289.8	289.8	Deferred tax assets
Total non-current assets	**2,445.3**		**(1.3)**			**64.1**	**(2.7)**	**30.6**		**35.7**	**262.0**	**388.5**	**2,833.6**	**Total non-current assets**
Trade accounts and notes receivable	1,559.3						(0.6)		(1.3)			(1.9)	1,557.4	Trade accounts and notes receivable
	258.0										(258.0)	(258.0)		
	43.0												43.0	Current taxes
	262.3										(262.3)	(262.3)		
	4.0										(4.0)	(4.0)		
	266.4						(1.1)					(1.2)	265.3	Other current assets
Other receivables and prepayments and accrued income	833.5													
Marketable securities	56.5													
Cash	217.2													
	273.7								(0.4)			(0.4)	273.2	Cash and cash equivalents
Total current assets	**2,666.5**						**(1.7)**		**(1.8)**		**(262.0)**	**(527.8)**	**2,138.9**	**Total current assets**
											262.3	262.3	**262.3**	**Assets held for sale or discontinued operations**
Total assets	**5,111.8**		**(1.3)**			**64.1**	**(4.3)**	**30.6**	**(1.8)**	**35.7**		**123.0**	**5,234.8**	**Total assets**

CONSOLIDATED BALANCE SHEET AS OF JUNE 30TH, 2004

(in EUR millions)

LIABILITIES AND SHAREHOLDERS' EQUITY	June 30th, 2004 French GAAP	Employee benefits IAS 19 / IFRS 1 • Note 1	Discounting of long-term provisions IAS 37 • Note 2	Translation adjustments IFRS 1 • Note 3	Stock options IFRS 2 • Note 4	Business combinations and impairment losses on goodwill IFRS 3 IAS 36 • Note 5	Transition and conversion costs in outsourcing contracts IAS 11 • Note 6	Deferred taxes on IFRS restatements IAS 12	Change in consolidation method	Transition adjustments on goodwill IAS 21 • Note 5	Other reclassifications	Total restatements and reclassifications for IFRS transition	June 30th, 2004 IFRS	LIABILITIES AND SHAREHOLDERS' EQUITY
Common stock	66.9												66.9	Common stock
Additional paid-in capital	1,239.9												1,239.9	Additional paid-in capital
Consolidated reserves	233.9	(94.0)		(35.5)	12.2	3.0	(5.5)	31.8				(88.0)	145.9	Consolidated reserves
Translation adjustments	(15.2)	(1.3)		35.5		0.5	0.1	0.4		35.7		70.8	55.6	Translation adjustments
Net income/(loss) for the period	(22.6)	4.3	(0.9)		(12.2)	60.2	1.2	(1.7)				50.9	28.3	Net income for the period
Shareholders' equity - Group share	1,503.0	(91.1)	(0.9)			63.7	(4.2)	30.5		35.7		33.7	1,536.7	Shareholders' equity - Group share
Minority interests	49.4	(0.2)				0.5	(0.1)	0.1	(1.4)			(1.2)	48.2	Minority interests
Consolidated shareholders' equity	**1,552.4**	**(91.3)**	**(0.9)**			**64.1**	**(4.3)**	**30.6**	**(1.4)**	**35.7**		**32.6**	**1,585.0**	**Total shareholders' equity**
	428.7	91.3										91.3	520.0	Provisions for pensions and similar benefits
	405.2		(0.5)								(249.4)	(249.9)	155.3	Non-current provisions
Provisions for contingencies and losses	**833.9**													
Borrowings	950.1										(307.7)	(307.7)	642.4	Long-term borrowings
											16.0	16.0	16.0	Deferred tax liabilities
											0.2	0.2	0.2	Other non-current liabilities
												(450.1)	**1,333.9**	**Total non-current liabilities**
Trade accounts and notes payable	574.7												574.6	Trade accounts and notes payable
											307.7	307.7	307.7	Current portion of long-term borrowings
	54.5								(0.1)			(0.1)	54.4	Current taxes
	0.2										(0.2)	(0.2)		
	16.0										(16.0)	(16.0)		
	101.9										(101.9)	(101.9)		
	1,028.1								(0.3)			(0.3)	1,027.9	Other current liabilities
Other liabilities and accruals and deferred income	1,200.7													
											249.4	249.4	249.4	Current provisions
												438.6	**2,214.0**	**Total current liabilities**
Total liabilities	**2,725.5**													
											101.9	101.9	**101.9**	**Assets held for sale or discontinued operations**
Total liabilities and shareholders' equity	**5,111.8**		**(1.3)**			**64.1**	**(4.3)**	**30.6**	**(1.8)**	**35.7**		**123.0**	**5,234.8**	**Total liabilities and shareholders' equity**

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED JUNE 30TH, 2004

(in EUR millions)

	June 30th, 2004 French GAAP	Employee benefits IAS 19 / IFRS 1 • Note 1	Discounting of long-term provisions IAS 37 • Note 2	Translation adjustments IFRS 1 • Note 3	Stock options IFRS 2 • Note 4	Business combinations and impairment losses on goodwill IFRS 3 IAS 36 • Note 5	Transition and conversion costs in outsourcing contracts IAS 11 • Note 6	Deferred taxes on IFRS restatements IAS 12	Change in consolidation method	Transition adjustments on goodwill IAS 21 • Note 5	Other reclassifications	Total restatements and reclassifications for IFRS transition	June 30th, 2004 IFRS	
Revenue	**2,652.9**						**0.2**		**(2.2)**		**(29.1)**	**(31.1)**	**2,621.8**	**Revenue**
Personnel expenses	(1,412.4)	6.3							1.9			8.2	(1,404.1)	Personnel expenses
Operating expenses	(1,082.2)						1.1		0.1		29.1	30.2	(1,051.9)	Other operating expenses
Operating income/(loss)	**158.3**	**6.3**					**1.2**		**(0.1)**			**7.4**	**165.7**	**Operating margin**
In % of revenue	**6.0%**												**6.3%**	**In % of revenue**
Exceptional income/(loss)	(75.9)				(12.2)							(12.2)	(88.2)	Other operating income and expenses
													77.6	**Operating income**
													3.0%	**In % of revenue**
	(18.9)												(18.9)	Net cost of financial debt
	2.6	(2.0)	(0.9)									(2.9)	(0.3)	Other financial income and expenses
Net financial/(loss)	(16.3)	(2.0)	(0.9)									(2.9)	(19.2)	Net financial income
Tax charge	(26.7)					1.8		(1.7)				0.1	(26.6).	Tax charge
Contribution from associates	(0.1)												(0.1)	Share in net income of associates
Amortization of goodwill	(58.9)					58.9						58.9		
Net income/(loss)	**(19.6)**	**4.3**	**(0.9)**		**(12.2)**	**60,7**	**1.2**	**(1.7)**	**(0.1)**			**51.3**	**31.7**	**Net income**
Of which														Of which
– **Group share**	(22.6)	4.3	(0.9)		(12.2)	60.2	1.2	(1.7)				**50.9**	**28.3**	– **Group share**
– Minority interests	3.0					0.5	0.1		(0.1)			0.4	3.4	– Minority interests
Weighted average number of shares	64,701,248												64,701,248	**Weighted average number of shares**
Net income (Group share) per share (euros)	(0.35)												0.44	Net income (Group share) per share (euros)
Diluted weighted average number of shares	66,364,963												65,185,705	**Diluted weighted average number of shares**
Diluted net income (Group share) per share (euros)	(0.35)												0.43	Diluted net income (Group share) per share (euros)

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED JUNE 30TH, 2004

(in EUR millions)

	June 30th, 2004 French GAAP	Employee benefits IAS 19 / IFRS 1 • Note 1	Discounting of long-term provisions IAS 37 • Note 2	Stock options IFRS 2 • Note 4	Business combinations and impairment losses on goodwill IFRS 3 IAS 36 • Note 5	Transition and conversion costs in outsourcing contracts IAS 11 • Note 6	Deferred taxes on IFRS restatements IAS 12	Change in consolidation method	Taxes paid	Interest paid	Finance leases	Total restatements and reclassifications for IFRS transition	June 30th, 2004 IFRS	
Net income, Group share	(22,6)	4,3	(0,9)	(12,2)	60,2	1,2	(1,7)					50,9	28,3	Net income, Group share
Amortization of goodwill	58,9				(58,9)							(58,9)		
Depreciation and amortization of tangible and intangible assets	77,5												77,5	Amortization of tangible and intangible assets
Amortization of operating provisions	(20,1)	(6,3)										(6,3)	(26,4)	Net charge to operating provisions
Financial provisions	1,6	2,0	0,9									2,9	4,5	Net charge to financial provisions
Amortization of exceptional provisions	(40,1)												(40,1)	Other net charge to operating provisions
Gains (losses) on disposals of fixed assets and acquisition costs	13,3												13,3	(Gains) losses on disposals of fixed assets
														Unrealized gains and losses on changes in fair value
				12,2								12,2	12,2	Net charge to stock options and similar options
Equity affiliates and minority interests	3,1				0,5	0,0	0,0	(0,1)				0,4	3,5	Investments in associates and minority interests
										21,2		21,2	21,2	Net cost of financial debt
Deferred taxes	0,1				(1,8)		1,7		26,5			26,5	26,6	Tax charges (including deferred taxes)
Cash from operating activities before change in working capital	71.7			1,2			(0,1)		26.5	21.2		48.8	120.6	**Cash from operating activities before change in working capital**
									(32.0)			(32.0)	(32.0)	Taxes paid
Change in working capital requirement	24.5			(1,2)			(0,2)		5.5			4.1	28.6	Change in working capital requirement
Net cash from (used in) operating activities	**96.2**						**(0,3)**			**21.2**		**21.0**	**117.2**	**Net cash from (used in) operating activities**
Acquisitions of tangible and intangible assets	(74.6)										2.9	2.9	(71.7)	Amounts paid on acquisitions of tangible and intangible assets
Disposals of tangible and intangible assets	10.9												10.9	Proceeds from disposals of tangible and intangible assets
Net operating investment	**(63.7)**										**2.9**	**2.9**	**(60.8)**	**Net operating investment**
Long-term investments and investments on acquisitions	(512.0)												(512.0)	Amounts paid on acquisitions and long-term investments
Net cash and cash equivalents of companies purchased during the period	107.7												107.7	Cash and cash equivalents of companies purchased during the period
Disposals of financial investments	10.2												10.2	Proceeds from disposals of financial investments
Net cash and cash equivalents of companies sold during the period														Cash and cash equivalents of companies sold during the period
Net long-term investments	(394.1)												(394.1)	**Net long-term investments**
Net cash from (used in) investing activities	**(457.8)**										**2.9**	**2.9**	**(454.9)**	**Net cash from (used in) investing activities**
														Common stock issues
Common stock issues	0.6												0.6	Common stock issues on the exercise of stock options
														Purchases and sales of treasury stock
Dividends paid to minority shareholders of subsidiaries	(1.9)												(1.9)	Dividends paid to minority shareholders of subsidiaries
Subscription of new borrowings	803.8										(2.9)	(2.9)	800.9	Subscription of new borrowings
Repayment of long and medium-term borrowings	(693.7)									(3.1)		(3.1)	(696.8)	Repayment of long and medium-term borrowings
										(18.1)		(18.1)	(18.1)	Net interest paid
Net cash from (used in) financing activities	**108.8**									**(21.2)**	**(2.9)**	**(24.1)**	**84.7**	**Net cash from (used in) financing activities**
Increase (decrease) in cash and cash equivalents	**(252.8)**							**(0,3)**				**(0.3)**	**(253.0)**	**Increase (decrease) in cash and cash equivalents**
Opening cash and cash equivalents	**524.2**							**(0,3)**				**(0.3)**	**523.9**	**Opening cash and cash equivalents**
Increase (decrease) in cash and cash equivalents	(252.8)							(0,3)				(0.3)	(253.0)	Increase (decrease) in cash and cash equivalents
Impact of exchange rate fluctuations on cash and cash equivalents	2.3												2.3	Impact of exchange rate fluctuations on cash and cash equivalents
Closing cash and cash equivalents	**273.7**							**(0,5)**				**(0.5)**	**273.2**	**Closing cash and cash equivalents**

MAIN RESTATEMENTS

The main restatements in the reconciliation tables presented in section "Reconciliation table for transition from French GAAP to IFRS in the summary financial statements" must be considered in conjunction with the following comments. The main IFRS adjustments for consolidated shareholders' equity as of January 1st, 2004 are as follows:

Note 1 Employee benefits (IAS 19)
In accordance with the option provided under IFRS 1, the accumulated amount of actuarial gains and losses at the transition date (January 1st, 2004) was allocated to shareholders' equity. Actuarial gains and losses generated as from January 1st, 2004 will be amortized using the corridor method over the average remaining active life of beneficiaries.

The valuation and recognition methods used for pension and similar benefits, as described in the notes to the French consolidated financial statements as of December 31st, 2004, are in line with the rules of IAS 19 (employee benefits), since the Group applied the CNC Recommendation No. 2003-R01 at the end of 2004, with retroactive effect to January 1st, 2004, thus anticipating the IFRS. The impact before tax represents a decrease of EUR 93.4 million on shareholders' equity and concerns the IFRS opening as at January 1st, 2004, as at June 30th, 2004 and not the December 31st, 2004 closing balance. This has a positive impact on the June 30th, 2004 net income of EUR 2.8 million and not on December 31st, 2004 net income.

Note 2 Discounting of long-term provisions (IAS 37)
Long-term provisions, excluding pensions, were not discounted under French GAAP. Under IAS 37, provisions must be discounted when the time value is material. The discount rate used is 3.65%. representing a pre-tax rate that reflects those risks specific to the liability.

Opening shareholders' equity is increased according to the impact of the discounting of provisions.

The revaluation of the discounting of provision at each accounting period results in an increase to the provisions that is recognized in financial expenses. This amounted to EUR 1.7 million for 2004.

Note 3 Translation adjustments (IFRS 1)
In accordance with the option provided under IFRS 1, the Group decided to reclassify accumulated translation adjustments in consolidated reserves amounting to EUR 35.5 million. There was no impact on shareholders' equity as of January 1st, 2004.

Future gains or losses on the disposal of consolidated entities will not take into consideration translation adjustments generated prior to January 1st, 2004.

Note 4 Stock options (IFRS 2)
Under French GAAP, stock options represent off-balance sheet commitments. IFRS 2 requires that benefits relating to stock option plans concluded after November 7th, 2002 be valued and recognized in profit or loss when the rights thereto were vested after January 1st, 2005.

Under IFRS, options are valued at their grant date using a valuation model. The Group has opted for the Black & Scholes model. The value of options is frozen at their grant date and is not revised over the vesting period to reflect changes in parameters of the valuation model. The value is amortized in the income statement over the vesting period using the straight-line method.

The expense recognized with respect to stock options, the rights of which were vested in 2004, represents an amount of EUR 24.5 million in the 2004 income statement. As this expense did not represent a disbursement and as there was an offsetting entry in a consolidated reserves account, the application of IFRS 2 has no impact on shareholders' equity as of January 1st, and December 31st, 2004.

Note 5 Business combinations (IFRS 3) and Impairment of goodwill (IAS 36)
The Group has chosen not to restate business combinations prior to January 1st, 2004. The acquisition of the Sema Group on January 1st, 2004 has been accounted for in accordance with IFRS 3. Identifiable assets and liabilities and any contingent assets and liabilities have been valued at their fair value as of the date when the Sema Group was acquired. Non-strategic assets intended for sale or discontinued operations have been valued at their probable net realizable value in accordance with IFRS 5. The consolidated goodwill of the Sema Group has been allocated to cash-generating units, i.e. to geographical areas, as a reflection of the Group's operational organization, and the benefits and synergies generated by acquired businesses.

Consolidated goodwill will no longer be amortized as is currently the case under French GAAP. They will now be subject to annual impairment tests in accordance with IAS 36, as already applied by the Group since 2002. The non-amortization of goodwill has a positive impact on IFRS net income and shareholders' equity as of December 31st, 2004 in the amounts of EUR 127.1 million and EUR 126.3 million respectively.

Note 6 Transition and transformation costs in outsourcing contracts
The "transition" phase of an outsourcing contract extends from the signature of the contract until the transfer to the target environment, as defined in the contract.

The costs incurred in the transition phase are of various nature and may vary from the physical relocation of personnel or machines, the transfer of an architecture application to an other architecture or the rationalization of a client's premises and production means. These costs are recovered through the contract's profitability.

These transition costs, as defined in the contract and for which customer compensation is expected in the event of the contract's early termination, are capitalized and amortized on a straight-line basis over the term of the contract. Costs not meeting this definition are expensed in the period they are incurred.

Note 7 Share purchase commitments (IAS 27/IAS 32)
Commitments undertaken by the Group to purchase minority interests are off-balance sheet commitments under French GAAP. Under IAS and in accordance with the provisions of IAS 27 - "Consolidated and separate financial statements" and IAS 32 - "Financial instruments: disclosure and presentation," firm or conditional minority interest purchase commitments are similar to the purchase of stock and are to be recorded in financial liabilities with an offsetting reduction of minority interests.

When the value of the purchase exceeds the amount of minority interests, the balance is recognized as goodwill. The application of IAS 32 has increased the net indebtedness by EUR 11.0 million as of January 1st, 2005. The treatment adopted may change based on the interpretations expected from the IFRIC (International Financial Reporting Interpretations Committee).

Note 8 Foreign exchange and interest rate hedges
The Group had adopted IAS 32/39 as of January 1st, 2005 without retroactive application to fiscal 2004. The adjustments relating to these two standards are therefore not presented in the 2004 reconciliation tables.

In accordance with IAS39, derivatives are recognized at their fair value on the balance sheet. The change in fair value is booked in the income statement, except where they are eligible for hedge accounting if the documentation and effectiveness criteria are met, whereupon:

- for fair value hedges of existing assets or liabilities, the hedged portion of these elements is measured on the balance sheet at its fair value. The change in fair value is recorded as a corresponding entry in the income statement, where it is offset simultaneously to the changes in the fair value of hedging instruments according to their effectiveness. The impact on opening net equity is EUR -1,1 million.
- for cash flow hedges, the effective portion of the change in fair value of the hedging instrument is directly offset in shareholders' 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. The impact on opening net equity is EUR -8,1 million.

Note 9 Debt issuance costs
Under IAS 39, debt issuance costs are deducted from the loan and amortized in financial expenses over the life of the loan. The calculation of the effective interest rate takes into account interest payments and the amortization of the debt issuance costs.

The residual value of issuance costs for loans repaid in advance is expensed in the year of repayment.

The impact on opening net equity is EUR -0,5 million.

STATUTORY AUDITORS' REVIEW REPORT ON THE HALF-YEAR CONSOLIDATED CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD FROM JANUARY 1st , 2005 TO JUNE 30th, 2005

Pursuant to article L.232-7 of the French Companies Act (Code de Commerce), we have reviewed the accompanying half-year consolidated condensed financial statements of Atos Origin, covering the period from January 1st to June 30th, 2005 and verified the information contained in the half-year management report.

The half-year consolidated condensed financial statements are the responsibility of your Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

In the context of the transition to IFRS as adopted by the European Union with respect to the preparation of the 2005 consolidated financial statements, the half-year consolidated condensed financial statements have been prepared for the first time in accordance with the IFRS accounting and valuation rules as adopted by the European Union, in the form of interim financial statements as defined by the French Financial Market Authorities ("AMF"). These half-year consolidated condensed financial statements include the year-end and half-year 2004 comparative information restated in compliance with the same rules.

We conducted our review in accordance with professional standards applicable in France. Those standards require that we perform limited procedures, to obtain an assurance, which is less than obtained in an audit, as to whether the half-year consolidated condensed financial statements are free of material misstatement. We have not performed an audit as a review is limited primarily to analytical procedures and to inquiries of Group management and knowledgeable personnel on information that we deemed necessary.

Based on our review nothing has come to our attention that causes us to believe that the half-year consolidated condensed financial statements are not prepared, in all material respects, in accordance with the IFRS accounting and valuation rules as adopted by the European Union as well as the presentation and disclosures rules applicable in France, as described in the notes to the financial statements.

Without qualifying our opinion, we draw your attention to the introduction of the "Financial Report" that presents the reason why the comparative information that will be included in the 2005 year end consolidated financial statements and in the June 2006 interim financial statements may be different from the accompanying consolidated financial statements.

We have also verified, in accordance with professional standards applicable in France, the information contained in the half-year management report supplementing the half-year consolidated condensed financial statements submitted to our review.

We have no matter to report as to the consistency with the half-year consolidated condensed financial statements and the fairness of the information contained in the half-year management report.

Neuilly-sur-Seine and Paris, September 8th, 2005

The Auditors

Deloitte & Associés

Jean-Paul Picard
Jean-Marc Lumet

Grant Thornton

Daniel Kurkdjian
Vincent Papazian

(This is a free translation of the original French text for information purposes only.)

CORPORATE GOVERNANCE

Atos Origin has a two-tier Supervisory and Management Board structure, which provides the necessary checks and balances and ensures that shareholders' interest are properly respected.

THE MANAGEMENT BOARD

The Management Board currently comprises the Chief Executive Officer and six other executives. The composition of the Management Board reflects a balanced range of business, financial and international experience, which Atos Origin believes is essential for the continued success of a global IT services business.

The Management Board is responsible for the general management of the Company's business and meets as frequently as necessary in the Company's interests. In the case of split decisions, the Chairman of the Management Board has the casting vote.

The Management Board has broad powers to represent the Company in its dealings with third parties. Although each of the members of the Management Board has specific executive responsibilities, all of its members are collectively empowered to manage the Company's business.

Name	Functions	
Bernard Bourigeaud	Chairman of the Management Board and Chief Executive Officer	
Xavier Flinois	Responsible for the United Kingdom, Americas and Asia-Pacific	Coordinating Global Markets and Accounts, and the Olympics
Eric Guilhou	Chief Financial Officer	In charge of Corporate Human Resources
Dominique Illien	Responsible for France, Germany and Central Europe, AtosEuronext Market Solutions and Atos Worldline	Coordinating Global Managed Operations
Wilbert Kieboom	Responsible for The Netherlands, Belgium, Luxembourg and the Nordic region	Coordinating Global Consulting and Global Systems Integration, in charge of Internal Communications, Marketing Communications and Public Relations
Giovanni Linari	Responsible for Italy, Spain, Portugal, other South European countries, the Middle East and Africa	Coordinating Communications sector

Jans Tielman, previously member of the Management Board, in charge of Corporate Human Resources, Internal Communications, Marketing Communications and Public Relations, left the company on October 3rd, 2005.

THE SUPERVISORY BOARD

The Supervisory Board is currently composed of seven members from various backgrounds, including both commercial and manufacturing operations, and financial institutions. Following the Shareholders Meeting on June 3rd, 2005, Diethart Breipohl was appointed as a member of the Supervisory Board and Alain Le Corvec's mandate ended and was not proposed for renewal. On September 6th, 2005 Gerard Ruizendaal left the Supervisory Board, following the disposal of Philips' share stake in Atos Origin.

Each time such changes have occurred, the composition and chairmanship of the committees is reviewed and changes are made whenever necessary. The Supervisory Board has written internal rules and responsibilities and delegates certain powers to the Management Board to ensure effective control of the Company.

Followings appointments and renewals of appointment made during the Annual Shareholders' Meeting on June 3rd, 2005, the Supervisory Board was composed of the following members at June 30th, 2005:

Name	Function	Age	Date of appointment	Committee member	Term of offices (3)	Shares held
Didier Cherpitel (1)	Chairman	61	2004	(a),(b),(c),(d)	2009	1,000
Dominique Bazy (1)	Member	54	1997	(a)	2009	20
Philippe Germond (1)	Member	48	2003	(b),(c)	2009	50
Diethart Breipohl (1) (2)	Member	66	2005		2009	10
Jan P. Oosterveld (2)	Member	61	2004	(b),(c),(d)	2007	10
Gerard Ruizendaal (2) (*)	Member	47	2004	(a)	2007	20
Michel Soublin (1)	Member	60	2004	(a)	2007	500
Jean-François Theodore (1)	Member	59	2000	(b),(d)	2009	10

1) Independent director
2) Foreign (non-French) national
3) Annual General Meeting to approve the fiscal year - financial statements

(a) Audit Committee
(b) Investment Committee
(c) Remuneration Committee
(d) Nomination Committee
(*) resigned September 6th, 2005

THE COMMITTEES

The Supervisory Board has set up the following four committees:

(a) The Audit Committee:
Dominique Bazy (President), Didier Cherpitel, Michel Soublin.

(b) The Investment Committee:
Jan P. Oosterveld (President), Didier Cherpitel, Philippe Germond, Jean-François Theodore.

(c) The Remuneration Committee:
Didier Cherpitel (President), Philippe Germond, Jan P. Oosterveld.

(d) The Nomination Committee:
Didier Cherpitel (President), Jan P. Oosterveld, Jean-François Theodore.

INVESTOR INFORMATION

COMMON STOCK

Common stock as at June 30th, 2005

At June 30th, 2005, the Company's issued common stock amounted to EUR 67.2 million, comprising 67,239,013 fully paid-up shares of EUR 1 par value each. Changes in the total number of issued shares of the Company during the half-year include 300,759 stock subscription options exercised and taken up during the period.

Transactions	Number of shares issued	Common stock (in EUR millions)	Additional paid-in capital (in EUR millions)	Total (in EUR millions)
At December 31st, 2004	**66,938,254**	**66.9**	**1,240.1**	**1,307.1**
Shares issued at March 31st, 2005	222,499	0.2	7.2	7.4
Shares issued at June 30th, 2005	78,260	0.1	1.9	2.0
Through exercise of stock options	300,759	0.3	9.1	9.4
At June 30th, 2005	**67,239,013**	**67.2**	**1,249.3**	**1,316.5**

Share ownership structure

Main shareholders

The free-float of the company's shares at June 30th, 2005 was 84.6%, with no shareholders other than Philips owning more than 5% of the issued share capital of the Company. There was no major change in share ownership during the first half of 2005.

On July 13th, 2005 Royal Philips Electronics sold its remaining 10.3 million shares in Atos Origin (15.4% of the common stock) to Citigroup in a block deal. Citigroup immediately sold those shares on to a number of investors. Ownership of the capital and voting rights of Atos Origin before and after the sale by Philips, is shown below:

	Dec 31st, 2004		June 30th, 2005		After July 13th, 2005 (a)		
In millions of shares	**Shares**	**% of capital**	**Shares**	**% of capital**	**Shares**	**% of capital**	**% of voting rights**
Philips	10.3	15.4%	10.3	15.3%			
Treasury	0.0	0.0%	0.0	0.0%	0.0	0.0%	
Public	56.6	84.6%	56.9	84.7%	67.2	100.0%	100.0%
Total	**66.9**	**100%**	**67.2**	**100.0%**	**67.2**	**100.0%**	**100.0%**

(a) after the sale of 10.3 million shares by Phillips on July 13th, 2005

The free-float of the Group's shares has therefore risen from 85% at the beginning of 2005 to almost 100% today.

Disclosure of interests

In 2005 the Company has been advised of only one share movement, relating to the Philips placement:

	Date of statement	Shares	% interest (a)	% voting rights (b)
Philips (downwards)	**20/07/05**	**–**	**–**	**–**

(a) On the basis of the capital at this date
(b) On the basis of the capital excluding treasury stock at this date

Voting rights

Voting rights are in the same proportion as shares held. No shares carry double voting rights.

Potential common stock

During the period, 1,160,200 new stock subscription options were granted to employees (of which 235,000 options were issued to the seven members of the Management Board), at a share price of EUR 49.75. This allotment is part of the 2005 annual grant to 1,365 Atos Origin employees in relation with the amount not utilized of the 8th resolution of the shareholders meeting held on June 4th, 2004. This grant corresponds to 1.7% of actual common stock compared with 2.4% for the 2004 annual grant at the same date. This allocation is in line with the recommendation of the Remuneration Committee meeting held on March 2005 to grant annually 1.75% of the common stock, with no more than 20% of such options being granted to the Management Board.

A total of 75,547 stock subscription options were cancelled and 300,759 were exercised during the period.

Based on 67,239,013 shares in issue, the common stock of the Company could be increased by 6,434,825 new shares, representing 8.7% of the common stock after dilution. This can occur only through the exercise of stock subscription options granted to employees.

	June 30th, 2005	December 31st, 2004	Change/ December 31st, 2004	EUR millions	% dilution	Weight of dilution
Number of shares outstanding	**67,239,013**	**66,938,254**	**300,759**			
Stock subscription options	5,960,825	5,176,931	783,894	355.3	8.1%	
Stock subscription warrants	474,000	474,000		34.2	0.6%	
Total Employees	6,434,825	5,650,931	783,894	389.5	8.7%	100%
Total potential common stock	**73,673,838**	**72,589,185**	**1,084,653**			

The exercise of all the options and warrants would have the effect of increasing total shareholders' equity by EUR 390 million and common stock by EUR 6.4 million. Nevertheless, 34% of stock subscription options and stock subscription warrants granted to employees have exercise conditions higher than the stock market price at June 30th, 2005 (EUR 52.4).

Unused authorizations to issues shares and share equivalents

Having regard to resolutions voted during the Annual Shareholders Meeting on June 3rd, 2005, the unused authorizations to issues shares and share equivalents are the following:

Authorization	Amount authorize Par value (in EUR)	Amount utilized Par value (in EUR)	Amount not utilized Par value (in EUR)	Authorization expiry date
EGM 22/01/2004 5th resolution Stock subscription options or stock purchase options	800,000	744,380 in 2004 55,620 in 2005	–	22/03/2007
EGM 04/06/2004 8th resolution Stock subscription options or stock purchase options	8,500,000	1,104,580 in 2005	7,395,420	04/08/2007
Sub-total stock options			**7,395,420**	
EGM 31/10/2000 7th /8th resolutions Common stock increase reserved for employees (in connection with an Employees Savings Plan)	2,188,219		2,188,219	31/10/2005
EGM 03/06/2005 16th / 18th resolutions Common stock increase reserved for employees	6,716,075		6,716,075	03/08/2007
EGM 03/06/2005 13th resolution Common stock increase with retention of preferential subscription rights	22,400,000		22,400,000	03/08/2007
Sub-total common stock			**31,304,294**	
Total			**38,699,714**	

The potential authorization to issue shares of 38,699,714 represents 58% of current issued common stock.

DIVIDENDS

The Company has not paid any dividends in the last five years. The Group's current policy is to reinvest all net profits generated, in order to maximize capital growth over the medium-long term. This policy is reviewed at regular intervals.

SHARE PERFORMANCE

Trading of shares

Number of shares traded: 67,239,013
Sector classification : Information Technology
Main index : CAC AllShares
Other indices : CAC IT, CAC IT20, CAC Next20, Euronext 100, SBF120
Market : Eurolist segment A
Trading place : Euronext Paris (France)
Tickers : ATO (Euronext)
Code ISIN : FR0000051732
Payability PEA / SRD : Yes / Yes

Atos Origin shares are traded on the Paris Eurolist Market, under Euroclear code 5173 ISIN FR0000051732. They were first listed in Paris in 1995. The shares are not listed on any other stock exchange and Atos Origin SA is the only listed company in the Group.

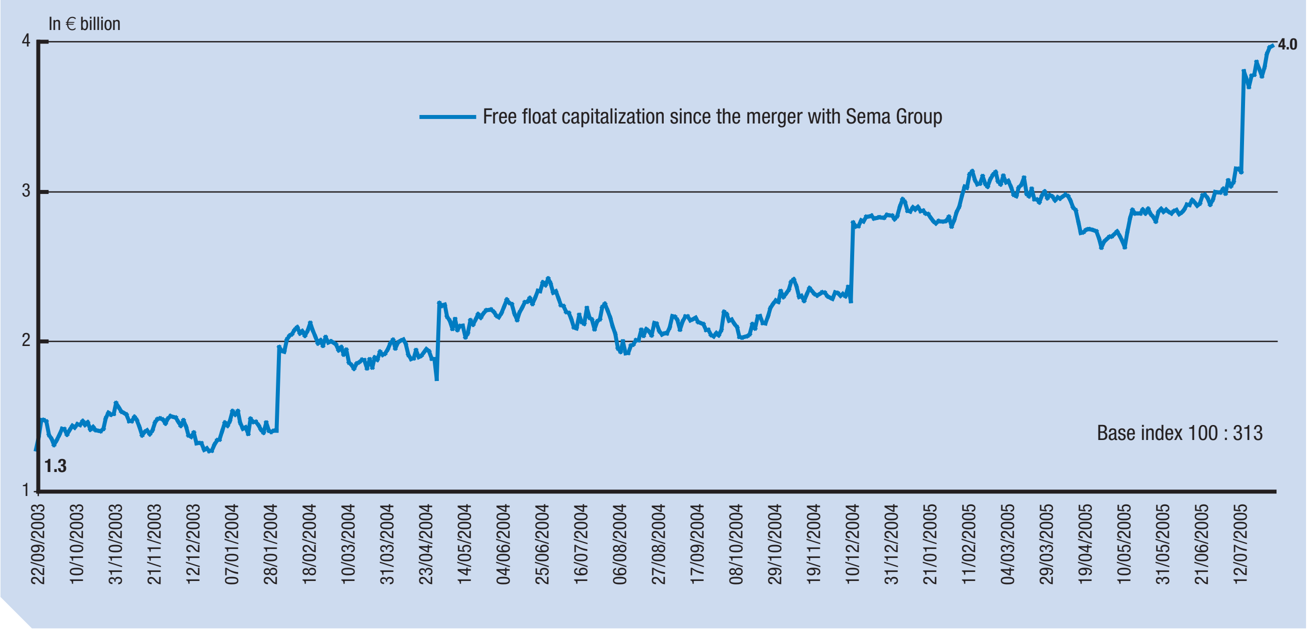
Monthly and quarterly trading volumes

Based on a closing share price of EUR 52.40 at the end of June 2005 and 67,239,013 shares in issue, the market capitalization of the Group at June 30th, 2005 was EUR 3.5 billion. Based on a closing stock price of EUR 49.97 at the end of December 2004, the Group's market capitalization increased by 5% during the first 6 months of 2005.

Source: Euronext	High	Low	Closing	Weighted average price	Trading Volume (in thousands of shares)	Trading Volume (in EUR thousands)
	(in EUR per share)					
2005						
January	52.1	48.2	49.3	50.3	7,004	352,299
February	55.3	48.6	55.1	52.5	10,402	545,953
March	55.9	50.5	52.2	53.2	9,011	479,275
1st Quarter					**26,416**	**1,377,528**
April	52.5	45.6	46.7	49.1	8,631	423,903
May	51.1	46.0	49.8	49.1	8,128	398,818
June	52.9	49.6	52.5	51.1	6,031	308,450
2nd Quarter					**22,791**	**1,131,171**
% of capital traded during the period: 73%						

The daily average number of shares traded during the first 6 months of 2005 was 390,000 compared with 357,000 in 2004, an increase of 9%.The monthly average trading volume during the first 6 months of 2005 was EUR 418 million compared with EUR 382 million in 2004, an increase of 9%.

FREE FLOAT CAPITALIZATION



Since the announcement of the merger with Sema Group at the end of September 2003, the free float capitalization has increased threefold in two years (on the basis of the actual common stock and a stock price of EUR 61.60 at the end of August), and reached EUR 4.0 billion at the end of August 2005.

SHAREHOLDER RELATIONS

Communication

The Company aims to provide regular and clear information to all its shareholders, whether private individuals or institutions.
We ensure the uniformity and transparency of information through the distribution of formal financial documents, the Company's web site and personal meetings.

Contacts

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

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Shareholder Documentation

In addition to the Half-year Report, which is published in English and French, the following information is available to shareholders:

- An Annual Report
- Quarterly Revenue and Trading Update Announcements
- The Company's informational website at www.atosorigin.com
- Regular press releases, available through the web site or via the AMF database

Legal documents relating to the Company (bylaws, minutes of Shareholder Meetings, Auditors' reports, etc.) may be viewed at the Company's registered office (Legal Department) by prior appointment.

Registrar

The Company's share registrar and paying agent is Société Générale.

Financial Calendar

2005 Calendar	2006 Calendar
• Thursday, November 10th, 2005 Third quarter revenue for 2005	• Friday, April 28th, 2006 First quarter revenue for 2006
• Tuesday, January 31st, 2006 Fourth quarter revenue for 2005	• Friday, July 28th, 2006 Second quarter revenue for 2006
• Wednesday, March 8th, 2006 Full-year results for 2005	• Wednesday, September 6th, 2006 Half-year results for 2006
• Tuesday, May 23rd, 2006 Annual General Meeting for 2005 results	• Tuesday, October 31st, 2006 Third quarter revenue for 2006
	• Wednesday, January 31st, 2007 Fourth quarter revenue for 2006

PERSONS RESPONSIBLE FOR THE DOCUMENT AND THE AUDIT OF THE FINANCIAL STATEMENTS

Person responsible for the document
Bernard Bourigeaud
Chairman of the Management Board

Person responsible for the accuracy of the document
To the best of our knowledge, the information presented in this document fairly reflects the current situation and includes all information required by investors to assess the net asset position, activities, financial solvency, results and future prospects of the Company. We confirm that no information likely to have a material impact on the interpretation of these documents has been omitted.

Bernard Bourigeaud
Chairman of the Management Board

Persons responsible for the audit of the financial statements

Statutory Auditors	Deputy Auditors
Amyot Exco Grant Thornton	Cabinet IGEC, 2, rue Washington, 75008 Paris
Daniel Kurkdjian and Vincent Papazian • Appointed on: May 30th, 2002 for a term of 6 years • Term of office expires: at the end of the AGM held to adopt the 2007 financial statements	• Appointed on: May 30th, 2002 for a term of 6 years • Term of office expires: at the end of the AGM held to adopt the 2007 financial statements
Deloitte & Associés	Cabinet B.E.A.S., 7/9, Villa Houssay 92200 Neuilly-sur-Seine
Jean-Paul Picard and Jean-Marc Lumet • Appointed on: February 24th, 2000 for a term of 6 years • Term of office expires: at the end of the AGM held to adopt the 2005 financial statements	• Appointed on: February 24th, 2000 for a term of 6 years • Term of office expires: at the end of the AGM held to adopt the 2005 financial statements

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