2010 Reference Document

This document is a full free translation of the original French text.

The original document has been filed with the Autorité des Marchés Financiers (AMF) on 31 March 2011, in accordance with article 212-13 of the AMF's general regulations.

CONTENTS

A GROUP OVERVIEW

A.1 Business profile

Atos Origin is a leading information technology services company generating annual revenues of EUR 5 billion and employs 48,000 people in more than 25 countries around the world. Predominantly based in Europe with a strong growth in emerging countries, 75% of the Group's 2010 revenue was generated by multi-year contracts in Managed Services, Application Management, High Tech Transactional Services (HTTS) and Medical BPO.

Atos Origin's mission is to advance the performance of its clients by offering innovative solutions that deliver measurable business value. Through Hi-Tech Transactional Services, Consulting, Systems Integration and Managed Operations, and its deep industry knowledge, the Group is able to provide innovative and individually tailored end-to-end IT solutions.

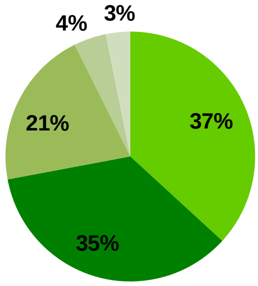
The customers of the Group are large multi-national groups and organizations and medium and small size companies which work with Atos Origin in long term business partnerships. The Group is the Worldwide IT Partner of the International Olympic Committee in charge of the IT for the Olympic Games, but also active in other critical environments such as air traffic control, payment solutions, or security systems.

Client dedication, strong values, and people are the basis of Atos Origin's unique success story. Ensuring a seamless Global Delivery and operational excellence for its international clients. The Group delivers what it promises and what its clients expect, a measurable business value.

As a global and responsible company, Atos Origin is committed to implementing sustainable best practices in environmental, social and ethical areas throughout its organization and in its business, and contributes to promoting and developing sustainable attitude by positively influencing its stakeholders to take into consideration sustainability in their decision making. Atos Origin helps its clients advance their future, reduce their carbon footprint and ensure future corporate viability through the delivery of innovative and greener solutions.

Revenue profile

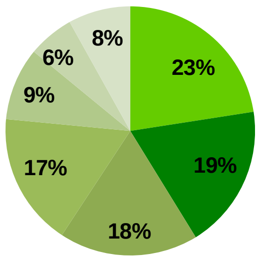
Breakdown by Services Line



In EUR million	2010	2009 *
Managed Services	1,847	1,945
Systems Integration	1,771	1,859
HTTS	1,035	991
Consulting	208	247
Medical BPO	160	159
GROUP	**5,021**	**5,202**

(*) Constant scope and exchange rates.

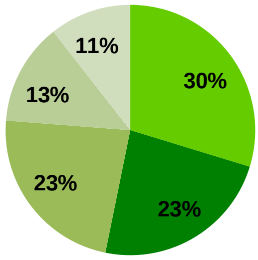
Breakdown by GBUs



In EUR million	2010	2009 *
France	1,133	1,128
Benelux	938	997
United Kingdom	904	937
Worldline	867	844
GCEMA	475	578
Spain	300	334
Other countries	405	384
GROUP	**5,021**	**5,202**

(*) Constant scope and exchange rates.

Breakdown by Market



In EUR million	2010	2009 *
Manufacturing, Retail & Transportation	1,493	1,611
Public Sector & Health	1,178	1,209
Financial Services	1,157	1,114
Telecom & Media	660	736
Energy & Utilities	533	530
GROUP	**5,021**	**5,202**

(*) Constant scope and exchange rates.

A.2 **CEO Message**

Dear shareholders,

During 2010, Atos Origin achieved for the second year running, the objectives that it set out as part of its three year plan (2009 – 2011), despite the continuing difficult economic environment from which the IT sector was not exempt.

Group profitability is 6.7%, representing an increase of 107 base points in 2010, following an increase of more than 80 base points in 2009. This is perfectly in line with the objectives of our three year plan to increase profitability by 250 to 300 base points from 4.8% in 2008. The Group objective for total net debt excluding acquisitions was achieved in 2010, thanks to an increase in free cash flow (EUR 143 million, up 22%). Group net debt was EUR 139 million at the end of 2010, including EUR 143 million for acquisitions. Decline in revenue was limited to -3.5%, in line with our expectations and despite difficult conditions in some countries, specifically Germany, where the bankruptcy of one of our major clients, Arcandor, – the German distribution company – has continued to impact our financial results.

I remain convinced that reaching our objectives year after year is the best guarantee we can provide our customers, employees and shareholders to establish a long term relationships of trust, creating value for all. This year, given the improvement in net income of the Group (EUR 116 million, up 265%), the Board of Directors will propose a dividend of EUR 0.50 per share at our next Ordinary Shareholders Meeting.

On 15 December 2010, Atos Origin and Siemens announced their intention to create a global strategic alliance of a magnitude unprecedented in the IT services industry. Siemens will transfer its subsidiary Siemens IT Solutions and Services to Atos Origin. Following approval from the antitrust authorities and consultation with the work councils, your vote at the Extraordinary Shareholders Meeting will create a European IT champion, with a turnover of almost EUR 9 billion and a global workforce of nearly 80,000 employees.

Welcomed by the markets, this partnership is fully in line the strategy of the Group which has been developed with the knowledge that post crisis the IT sector will be focused on two areas – more and more industrialised traditional IT and specific and creative IT solutions that deliver added value. In the area of traditional IT, the new company will benefit from a wider European outsourcing platform, ideally positioning it to provide cloud computing services. It will also benefit from joint investment of EUR 100 million from Atos Origin and Siemens for Research & Development to create new critical IT solutions, an area in which Atos Origin is already a leader.

In 2010, your Company continued to strengthen its activities Hi-Tech Transactional Services (HTTS), including the acquisition of Shere - a provider of integrated self-service, web and desktop systems for the UK rail and hospitality markets – and Venture Infotek - a leading Indian payments processor. This second acquisition enables Atos Origin to enter one of the fastest growing payments markets in the world.

In 2011, your Group will continue its strategy of growth and performance, while continuing to place the development of its employees at the heart of its operations.

To further improve its operational performance, the company will implement the third component of its three year TOP Program (Total Operating Performance) which aims to not only reduce costs and generate cash but also to stimulate the commercial activity and to ensure that Atos Origin is a great place to work in order to attract the best engineers worldwide. Among the initiatives underway, we continue our Lean Management Program which aims to increase the efficiency of our operations; the quality of our services to our customers and the investment in our employees. This program will of course be extended to include the acquisition of Siemens IT Solutions and Services.

To stimulate growth and in anticipation of the return of market growth, your Group will continue to invest significantly in innovation and to be supported by the Scientific Community, which I created in 2009 to bring together the top 60 scientists from across the Group. In 2010 we launched several new technology offerings for cloud computing (Atos Sphere); green IT (zero carbon ambition); smart utilities (Intelligent Smart Grid and Smart Utilities); Enterprise Content Management (ECM) and social media (Social Business Solutions). We also set ourselves the ambition to be the first company worldwide to eradicate email as a tool for internal communication and to replace it by more innovative and effective solutions. We also decided to reduce and offset all the carbon emissions produced by our data centers, making Atos Origin in 2011 the first IT services provider to offer carbon neutral IT hosting services. Behind all these initiatives is our simple goal to help and support our customers to reinvent their models of future growth at a time of massive change that can affect them financially, economically, technologically and socially.

In early 2010 I launched my ambition for "Well Being @ Work" as I want to ensure that our people are at the heart of the reinvention of your company. This program has two aims. First, that Atos Origin is recognized as one of the best companies in terms of work environment in order to attract the most talented engineers around the world. Secondly, to anticipate and support new ways of working through the development and use of new technologies. Our new Campus Atos Bezons near Paris, which was developed in close association with the "Well Being @ Work" Council which includes thirty young talents from across the Group, already provides a showcase for the workspace of the future. It offers our employees a full range of services being equipped with the latest technology solutions and design features, as well as being certified as one of the greenest buildings in Europe.

In summary, I remain convinced that while respecting our commitments semester after semester, demonstrating our ability to execute our transformation plan perfectly and anticipating the new technology trends post-crisis, at Atos Origin we have all the ingredients for success. The partnership with Siemens - with your approval - will transform your company into on of the world leaders in information technology. This is for you, respected shareholders, the Board of Directors and myself the best way to thank all those who contribute to our development and the realisation of our objectives by participating in a lasting way to create shared value.

Thierry Breton
Chairman and Chief Executive Officer

A.3 **Persons responsible**

A.3.1 For the Reference Document

Thierry Breton
Chairman and Chief Executive Officer

A.3.2 For the accuracy of the document

I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in the Reference Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I hereby declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and all the other companies included in the scope of consolidation, and that the Management Report here attached gives a fair description of the material events, results and financial position of the Company and all the other companies included in the scope of consolidation, as well as a description of the main risks and contingencies with which the Company may be confronted.

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

The Statutory Auditors produced their reports on the Consolidated Financial Statements for the year ended 31 December 2010 with observations shown in section C.3.1 of this Reference Document.

Without qualifying their opinion, the Statutory Auditors, in their report on the Consolidated Statements, drew the attention notably to the note “Basis of preparation and significant accounting policies” of the consolidated financial statements which describe the changes in accounting policy relating to the recognition of actuarial gains and losses on pensions.

The Consolidated Financial Statements for the year ended 31 December 2009 presented in the Reference Document filed with the AMF on 1 April 2010 under number D.10-0199, have been subject to a report with observations from the Statutory Auditors shown in section 22.1 of that document.

The Consolidated and the Annual Financial Statements for the year ended 31 December 2008 presented in the Reference Document filed with the AMF on 9 April 2009 under number D.09-251 have been subject to a report with observations from the Statutory Auditors shown respectively in sections 3.1 and 3.5 of that document.

Without qualifying their opinion, the Statutory Auditors, in their report on the Consolidated Statements, drew the attention to the matter set out in the note “Goodwill” to the consolidated financial statements regarding the impairment charge on goodwill recorded as of 31 December 2008.

Thierry Breton
Chairman and Chief Executive Officer

Bezons, 31st March 2011

A.3.3 For the audit

Appointment and term of offices

Statutory Auditors	Substitute Auditors
Grant Thornton Jean-Pierre Colle and Vincent Frambourt • Appointed on: 12 June 2008 for a term of 6 years • Term of office expires: at the end of the AGM held to adopt the 2013 financial statements	Cabinet IGEC, 3, rue Léon Jost, 75017 Paris • Appointed on: 12 June 2008 for a term of 6 years • Term of office expires: at the end of the AGM held to adopt the 2013 financial statements
Deloitte & Associés Tristan Guerlain and Christophe Patrier • Appointed on: 23 May 2006 for a term of 6 years • Term of office expires: at the end of the AGM held to adopt the 2011 financial statements	Cabinet B.E.A.S., 7/9, Villa Houssay 92200 Neuilly-sur-Seine • Appointed on: 23 May 2006 for a term of 6 years • Term of office expires: at the end of the AGM held to adopt the 2011 financial statements

A.4 Atos Origin in 2010

A.4.1 Income statement

(in EUR million)	FY 2010	FY 2009 (*)	% change
Statutory revenue	**5.021**	**5.127**	**-2.1%**
Impact from exchange rates		*+75*	
Revenue at constant scope and exchange rates	**5.021**	**5.202**	**-3.5%**
Statutory Operating Margin	**337.4**	**290.0**	+16.3%
% of revenue	*6.7%*	*5.7%*	
Impact from exchange rates		*+4.2*	
Operating margin at constant scope and exchange rates	**337.4**	**294.2**	+14.7%
% of revenue	*6.7%*	*5.7%*	+107 bp
Net income	**118.2**	**35.8**	
% of revenue	*2.4%*	*0.70%*	
Net income – attributable to the owners of the parents	**116.1**	**3.9**	**+265%**
Normalized Net income – attributable to the owners of the parents	**218.1**	**196.0**	**+11.3%**
Earnings per share (EPS)			
Basic EPS (1)	1.67	0.46	
Diluted EPS (2)	1.64	0.44	
Normalized basic EPS (1) (3)	3.15	2.85	
Normalized diluted EPS (2) (3)	2.99	2.64	

(*) FY 2009 figures do not include the change in accounting policy relating to the recognition of actuarial gains and losses on equity (SoRIE) of which impact is described in section C.3.3.5 of that document.

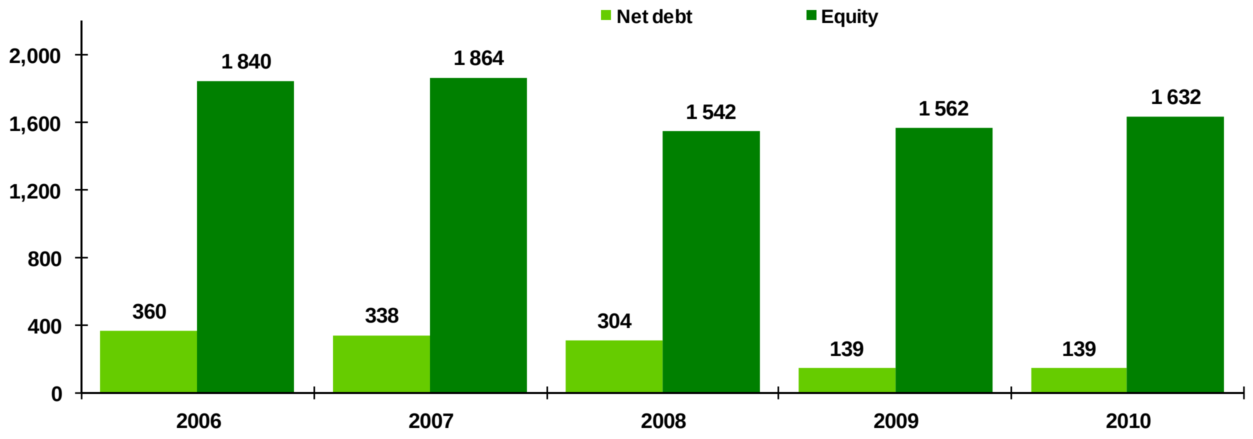
(1) In euros, based on a weighted average number of shares.

(2) In euros, based on a diluted weighted average number of shares.

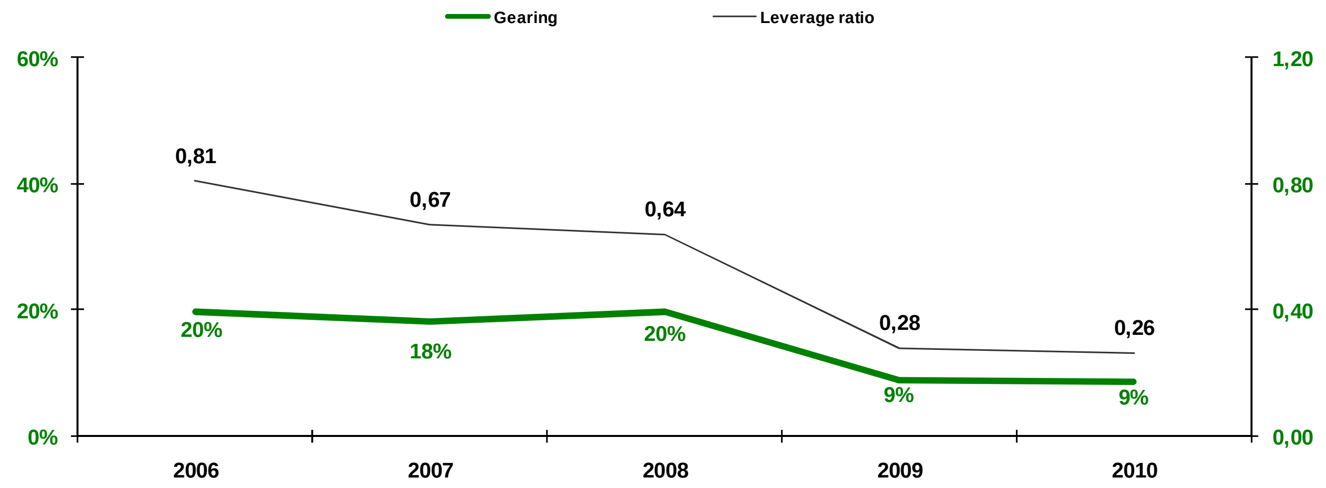
(3) Based on net income – attributable to the owners of the parents, before unusual, abnormal and infrequent items (net of tax)

A.4.2 Key graphs

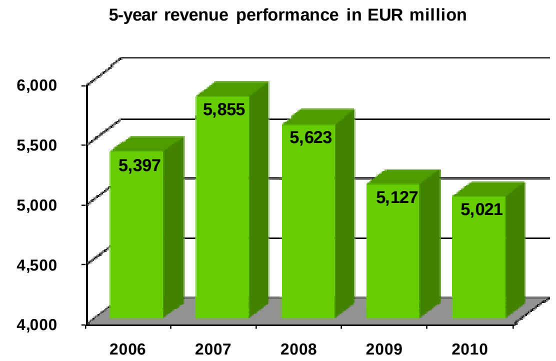
5-year Net debt and Equity at 31 December 2010 evolution

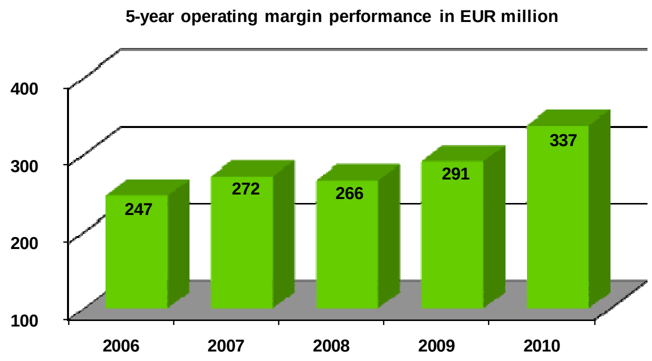


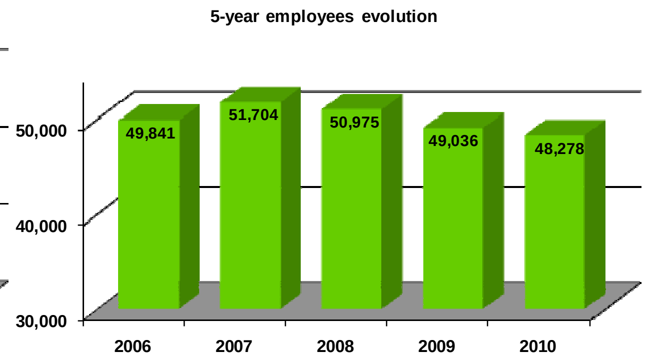
5-year Net debt / Equity and Leverage ratio at 31 December 2010 evolution



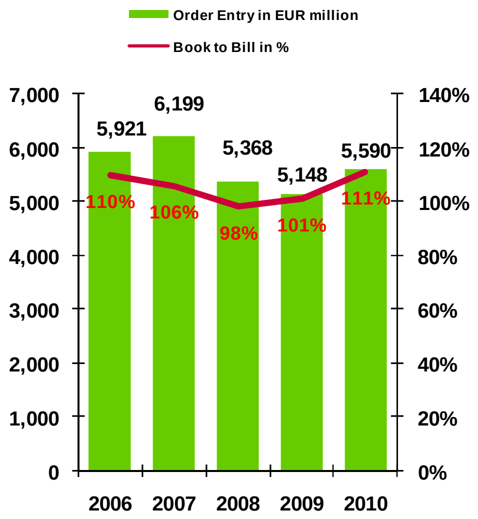
2009 figures: including SoRIE impact ; 2006 to 2008 figures: statutory

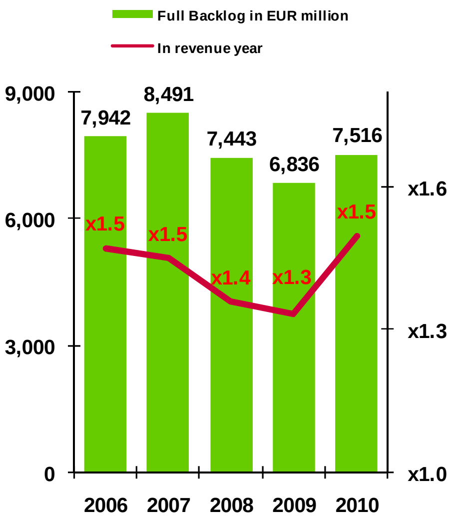


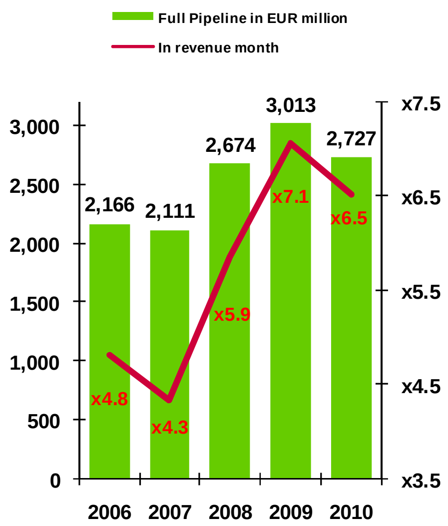


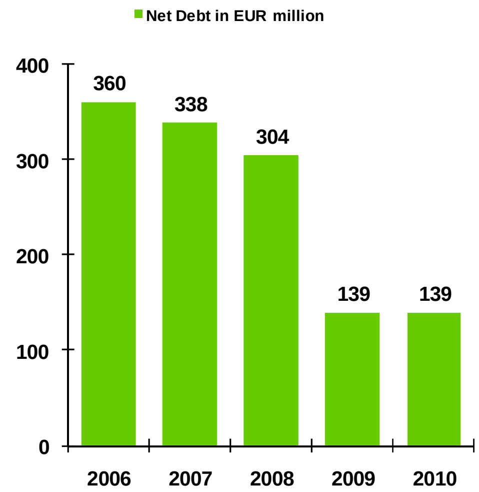


2009 figures: including SoRIE impact ; 2006 to 2008 figures: statutory









2009 figures: including SoRIE impact ; 2006 to 2008 figures: statutory

A.4.3 Key achievements

A.4.3.1 **Financial performance fully in line with objectives**

For the second year of the TOP Program, the Group announced it delivered financial results in line with objectives. Operating margin improved by +107 basis point, the revenue resisted despite the difficult economic environment with a -3.5% decline, and excluding acquisitions, net debt reached EUR 139 million, after EUR 143 million for acquisitions. After having also delivered in 2009 a financial performance fully in line, the Group has once again demonstrated its ability to achieve its goals.

A.4.3.2 **Acquisitions to strengthen activities and raise margins**

To keep apace with the ever-growing demand of its clients, to extend its international footprint and to expand its HTTS business for the benefit of its global clients, Atos Origin strengthened its organization during 2010 with important acquisitions.

On 15 December 2010, Atos Origin and Siemens announced their intention to create a comprehensive strategic alliance. As part of the transaction, Siemens should notably contribute its Siemens IT Solutions and Services for a total sum of EUR 850 million to Atos Origin in order to create a European IT champion. After consultation of the Working Council in February 2011 and the European and US antitrust organizations approval in March 2011, the transaction is expected to be approved by the Group shareholders. The transaction would create a leading IT services company with pro forma 2010 revenues of approximately EUR 8.7billion and 78,500 employees worldwide. The new company would operate the largest European managed services platforms, and be uniquely positioned to deliver Cloud computing services, market leading Systems Integration solutions such as Consolidation & Harmonization, Energy, Product Life Management (PLM) and to enhance significantly its electronic payments and transaction based activities.

The company strengthened its Hi-Tech Transaction Services activities with the acquisition of Shere, a market leading and innovative provider of integrated self-service, web and desktop systems delivering services to the UK rail and hospitality markets. This is an important step in Atos Origin's strategy to increase its revenue from transaction based services through its core expertise in Hi-Tech Transactional Services.

Another transaction fully in line with the Group's strategy of growing its HTTS activities is the acquisition of Venture Infotek, a leading Indian payments processor. The Indian payments industry has shown high growth with many strong drivers. Venture Infotek will reinforce the Group solutions and teams for payments in Asia, as Atos Origin systems are already used by a large number of leading banks in China and in other south-east Asian countries such as Singapore, Vietnam, Thailand, Malaysia, Taiwan or the Philippines. The annual average growth rate was 25 per cent over the last three years. This acquisition represents for Atos Origin a unique opportunity to enter one of the world's fastest-growing payments markets.

A.4.3.3 **2010 highlights for HTTS activities**

Atos Origin continued to strengthen its position in payments and e-services and further the deployment of the HTTS activities beyond Atos Worldline, as initiated in 2009.

In the Payments domain, Atos Origin acquired in June 2010 the 42% remaining non controlling interests of Atos Worldline Germany from Landesbank Baden Wurtenberg (LBBW), Landesbank Berlin (LBB), and Bayern Card Services (BCS). This will facilitate faster implementation of synergies within Atos Origin and, as part of the transaction, LBBW, LBB, and BCS renewed their trust and extended their customer relationship with Atos Worldline.

In August 2010, Atos Origin announced the acquisition of Venture Infotek, the leading independent player in the Indian payment market, operating in merchant acquiring, card processing, loyalty programs, government benefits programs and ATM management on behalf of the Indian Banks and major retailers. Venture Infotek has the ambition to further develop its services for government programs; it is also aiming at managing ATMs and other self-service terminals for Indian banks and large retailers. This transaction represents a unique opportunity to enter one of the world's fastest-growing payment markets. The company has been integrated into Atos Worldline in order to optimize the synergies particularly for the portfolio of offerings.

The transport area in the UK pursued its development with the acquisition in April 2010 of Shere, a market leading and innovative provider of integrated self-service, web and desktop systems for the transport and hospitality markets, positioning Atos Origin as an end-to-end provider for payment and customer transactions including now the ability to provide self-service kiosks.

A.4.3.4 **Aligning the Group by vertical market through the "GAMA" deployment**

Atos Origin's sales force has been reorganized through the Global Atos Origin Market Alignment (GAMA) project which is based on a market sector-approach in order to better adapt the Group's solutions to the specific needs of our clients. Thanks to this program, Atos Origin develop more aligned offerings based on strong industry focus and comprehensive Go-to-Markets, together with a coordinated management of the business.

A.4.3.5 **Innovation and leadership bring new wins**

Innovation is a strategic priority for the Group. Through the Scientific Community, Atos Origin is continually looking to market and industry trends to understand what its clients need not only for today, but also for tomorrow. Innovations launched during last year's "innovation" press conferences included: Atos Sphere, the Cloud Services Solution, Atos WorldGrid, the subsidiary of Atos Origin dedicated to Smart Energy solutions, and Smart Mobility, designed to enable organizations to exploit and benefit from the latest advances in mobile technology, improved connectivity and the increase in availability of data.

Atos WorldGrid, the international subsidiary that was created in 2010, is a cornerstone of Atos Origin's innovation and development strategy and focuses on offering Smart Energy solutions to enable a proper use of resources and an increase in sustainability, while improving operational performance. This entity closed major new contracts with EDF for maintenance and upgrading its nuclear simulators, and with SEDIF (Syndicat des Eaux d'Ile de France), a French drinking water plant to supply the real-time control system.

According to many of its clients, Atos Origin's ability to lead international projects and its demonstrated expertise and capacity for technological innovation were key factors in awarding the company contracts during 2010. These included new and renewed contracts for its core services (Managed Services, Systems Integrations and Consulting in the Energy & Utilities sector, Financial Services, Manufacturing, Retail & Transportation, Public Sector & Health, and Telecom & Media).

A.4.3.6 **The Olympics success story continues**

2010 was an intensive year for Atos Origin who managed multiple Olympic events. The company delivered a flawless performance for the Vancouver 2010 Olympic and Paralympic Games, as well as the Singapore 2010 Youth Olympic Games. It continues its preparations for the London 2012 Games; the volunteer portal it designed for the London 2012 Games is successfully facilitating the drive to recruit up to 70,000 volunteers who will be called "Game Makers".

Atos Origin's special expertise in designing, integrating, managing and securing the different IT systems needed to manage the Games and relay competition results to a world-wide audience of more than three billion people has been demonstrated more than once. The Group's unrivalled experience in consistently running the world's largest sports-related contract since 2002 led to an extension by the International Olympic Committee of its contract as the Worldwide IT Partner for the Olympic Games and Top Sponsor through to 2016. In addition to the London Olympic Games in 2012, Atos Origin will now cover the Sotchi Olympic Winter Games in 2014 in Russia and the Rio Olympic Summer Games in 2016 in Brazil.

A.4.3.7 **Sustainability at the core of the Group's strategy**

IT services providers such as Atos Origin play an important role in the environment. Within its transformation program named TOP (Total Operational Performance), the Group is committed to establishing sustainability at the core of its strategy and business processes. The company's first Corporate Responsibility report in line with the guidelines from the Global Reporting Initiative (GRI) - the international standard for sustainability reporting - was rated Level B+ by the GRI. Following the publication of its first ever Corporate Responsibility Report, Atos Origin has taken the step of committing to the United Nations Global Compact (UNGC), a strategic initiative for activities in line with the ten universally accepted principles in the area of human rights, labor standards, environment protection and anti-corruption.

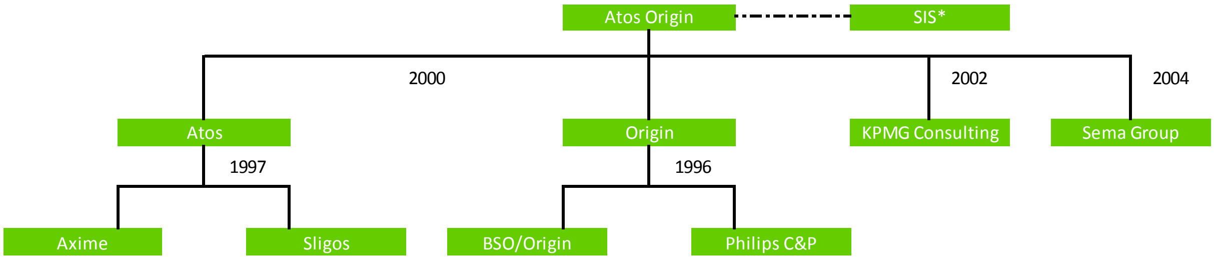
A.4.3.8 **"Well Being @ Work" puts employees as first priority**

Atos Origin launched the "Well Being @ Work" initiative, demonstrating that its employees represent its first priority. It underpins the company's ongoing transformation to become a fully integrated and global company. The new working environment meets high-quality environmental standards, has top-of-the-line facilities and services, makes the most of new technologies and should prefigure how most people will be working 10 to 20 years from now. The Atos Campus in France is the first concrete and visible result to-date of the "Well Being @ Work" program. Offices are specifically designed to reflect a new way of working, bringing together 4,600 people from several different sites and opening more ways for working across business lines. The new headquarters fit right into the Group's strategy and demonstrates that Atos Origin is global and innovative.

A.5 Group presentation

A.5.1 Formation of the Group

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



** expected transaction, to be completed in July 2011*

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

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

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

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

In December 2010 the Group announced its intention to acquire **Siemens IT Solutions and Services** (**SIS**), the IT division of Siemens. The operation is expected to be closed in July 2011. SIS reached revenue of EUR 3,670 million for the transactional scope in Fiscal Year 2010 ending 30 September 2010. This acquisition should represent approximately 28,000 additional staff.

A.5.2 Management and organization

Atos Origin is a *société anonyme* (commercial company) since the 10th February 2009 with a Board of Directors chaired by Thierry Breton, Chairman and CEO. The change of mode of governance from a Management Board and Supervisory Board system to a Board of Directors and CEO, unified and simplified the Group Governance, more adapted to the Group's new challenges.

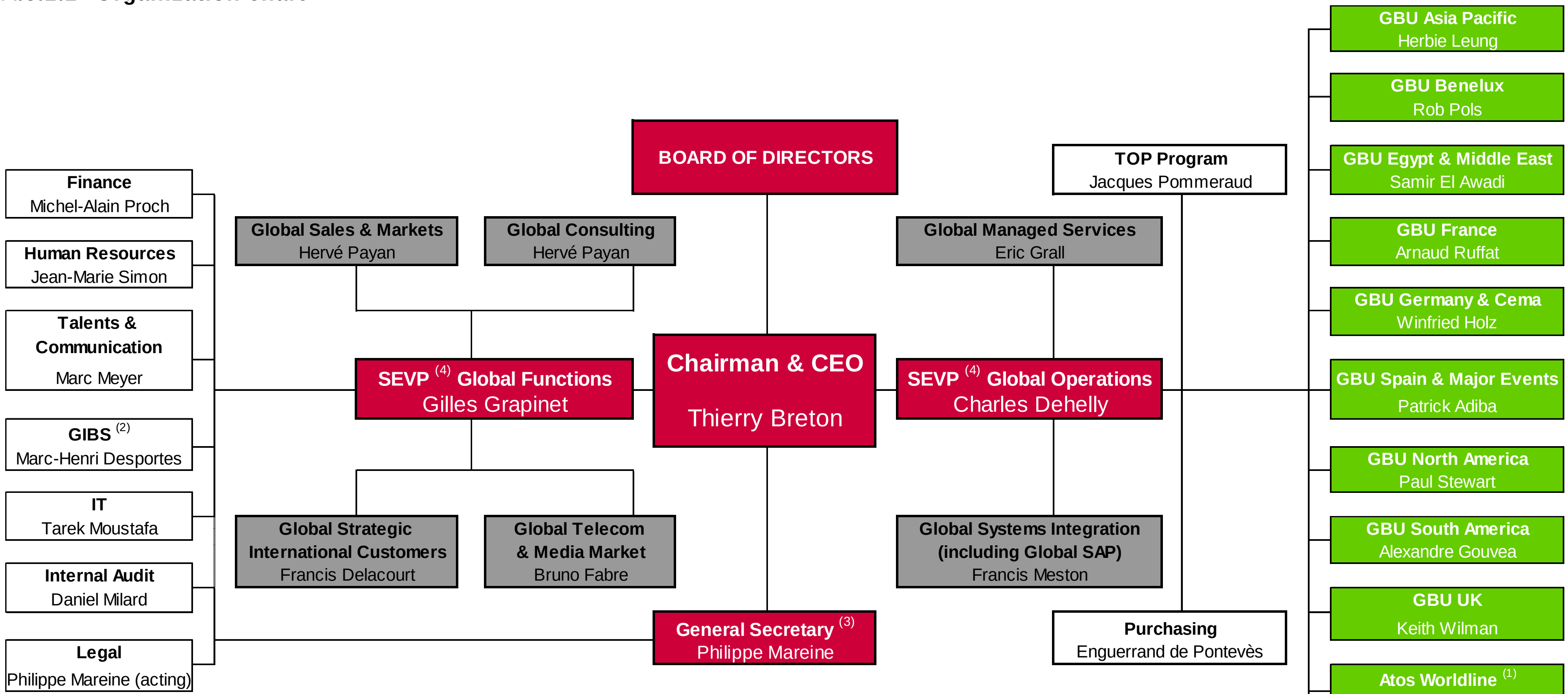
A.5.2.1 **Top management of the Group**

The Group Top Management is composed of a Chairman and Chief Executive Officer and two Senior Executive Vice-Presidents.

Name	Title	Responsability
Thierry Breton	Chairman and Chief Executive Officer	
Charles Dehelly	Senior Executive Vice President in charge of Global Operations	Global Systems Integration & Managed Services, TOP Program, Global Purchasing, Group Business Units (*)
Gilles Grapinet	Senior Executive Vice President in charge of Global Functions	Support functions, Global Sales & Markets, Strategic International Customers (SICs), Group Innovation Business Dvpt & Strategy (GIBS), Global Consulting and Hi-Tech Transactional Services

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

A.5.2.2 Organization chart



(1) Direct report to Senior Vice President Global Functions

(2) GIBS: Group Innovation, Business Development & Strategy (including Merger & Acquisitions)

(3) Direct report to SEVP Global Functions for Legal and Audit functions

(4) Senior Executive Vice President Global Systems Integration

A.5.2.3 **The Executive Committee**

The purpose of the Executive Committee is to manage the operational performance of the Group. Its main tasks are to assist the Top Management in defining priorities and monitoring operational performance, the enforcement of the TOP Program (Total Operational Performance) and the implementation of action plans. It is an entity dedicated to the operational management of the Group.

The mission of the Executive Committee is to improve interaction and cooperation between the Global Business Units, the Global Service Lines, Global Sales & Market and Global Functions.

The Executive Committee is composed of the Chairman - CEO and of the two Senior Executive Vice Presidents, as well as managers from the Global Business Units and Global Services Lines, the Chief Financial Officer, the Head of Human Resources, the Head of Global Sales & Markets, the Head of Global Strategic International Customers, the Head of Group Innovation Business Development & Strategy, the Group General Secretary, the head of Talents & Global Communication and the head of Telecom and Media.

On top of the General Management of the Group, the Executive Committee is composed of:

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

- **Francis Delacourt, Head of Strategic International Accounts and Deals**. Graduated from ESSEC business school in Paris, Francis Delacourt, joined Atos Origin in 1991. He led the Managed Services service line in France, in the United Kingdom and in the Netherlands. Since 2004, he was head of Managed Services. Previously he was President of Dun & Bradstreet Software in France.

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

- **Didier Dhennin, Head of Atos Worldline Group Business Unit**, since 2004. He joined Atos Origin in 1984, and was in charge of Multimedia activities that he launched within the Group. He was previously division manager at the CERCI (Compagnie d'Etudes et de Réalisation de Cybernétique Industrielle), a subsidiary of Jeumont Schneider and then of SEMA. Didier Dhennin is an Engineer of the Arts & Métiers school, with a diploma from ICG.

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

- **Eric Grall, Head of Global Managed Services**. Eric Grall was President and General Manager at HP with responsibility for outsourcing activities in Europe, Middle East and Africa. Eric Grall has spent his professional career at HP in a number of roles related to outsourcing. He is a graduate from ENSIEG Grenoble and from the University of Brest.

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

- **Francis Meston, Head of Global Systems Integration** appointed in February 2009. Francis Meston, joined Atos from the E.D.S French subsidiary where he had been appointed CEO since January 2002. In 1996, he joined AT Kearney as Vice President in charge of EMEA business transformation and strategy practices as well as M1A Global practice. He was previously Vice President of Gemini Consulting where he led the French operations, the EMEA Telecommunication practice and the EMEA business reengineering practice. Francis Meston is a graduate of Ecole Centrale Marseille and holds a MBA in Finance from Purdue (Indiana). Francis Meston is also “maître de conferences” à HEC Business School.

- **Marc Meyer, Head of Talent Management and Communications**. Marc Meyer comes from Dexia where he served as Head of Group Communications. Marc joined Bull Group in 1986, where he held several senior positions in corporate and marketing communications. In 1997, he joined Thomson, a consumer electronic firm and in 2001 was promoted to the company Executive Committee. Then, he joined the France Telecom / Orange Group as Executive Vice President for Communications. He is a graduate from the Sorbonne University in Paris.

- **Hervé Payan, Head of Global Sales and Markets and Global Consulting**. Hervé Payan comes from Steria where he was Deputy CEO of Steria France. Hervé is a graduate from the Ecole Supérieure de Commerce de Paris. After 10 years in Consulting, mostly with Cap Gemini Consulting and AT Kearney, Hervé has been Sales Director at EDS France from 2002 to mid 2005. Before joining Steria in March 2007, he was from mid 2005, Director of the Consulting business at EDS Consulting EMEA, where he led a team of 1,200 consultants in twelve countries.

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

- **Michel-Alain Proch, Group CFO**. Michel-Alain Proch joined Atos Origin in 2006 as Group Senior Vice-President responsible for Internal Audit and Risk Management. After six years spent at Deloitte & Touche in Paris and London, he held different management positions at Hermès, first in Internal Audit and Controlling and then as CFO for North and South America. As Group CFO since 2007, he heads Finance, Investor Relations, Controlling of commercial offers, Risk Management, and Pensions/Insurance functions. Michel-Alain Proch is a graduate of l’Ecole Supérieure de Commerce de Toulouse and holds a degree in Etudes Supérieures Comptables et Financières.

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

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

- **Keith Wilman, Head of the United Kingdom Group Business Unit**. Keith Wilman joined Atos Origin at the end of 2006. With over 25 years in the information technology field, he joins from Computer Sciences Corporation (CSC), where he was most recently President and Chief Executive Officer (CEO) of CSC's European Group Northern Region (UK, Ireland and The Netherlands). Prior to joining CSC in 1997, Keith was managing director of Easams Ltd.

Philippe Mareine, General Secretary of the Group, is the Secretary of the Executive Committee. He was manager in the French Treasury Department’s Inspection Générale des Finances unit and, previously, he was in charge of HR in the public accounts department of the French Ministry for the Budget. From 2005 to 2007, He was technical adviser in charge of employee relations and reform in the office of the French Minister of the Economy, Finance and Industry. He held several managerial positions at the French Tax Administration, after spending the first four years of his career in the Inspection Générale des Finances. He is a graduate from Ecole Polytechnique and Ecole Nationale d’Administration.

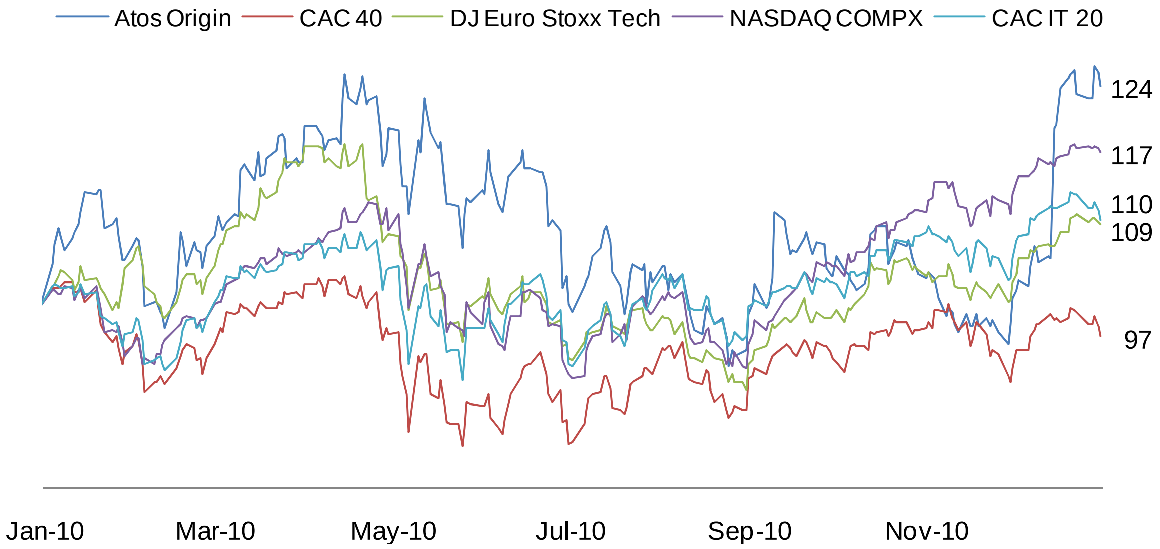
A.6 **Stock market overview**

During year 2010, Atos Origin stock price recorded a +24% growth, while the French reference index, the CAC 40, recorded a -3% decline. The technological sector performed better than others in France, as reflected in the +10% and +9% performance recorded in 2010 by the CAC IT and DJ Euro Stoxx Tech.

In the US, indices performed better, with for example Nasdaq posting a +17% growth in 2010, after the +44% reached in 2009.

In this context, after the 2009 rally, 2010 appeared more as a stabilization year for listed companies in Europe. Therefore, Atos Origin outperformed the market, the gap having particularly increased following the announcement of the deal with Siemens, showing the trust of investors in the management's ability to meet its upcoming challenges.

Share performance in comparison with indices (base index 100)



B ATOS ORIGIN POSITIONING IN THE IT MARKET

B.1 Overview

B.1.1 Market trends

The IT services market is changing quickly, and Atos Origin has classified the drivers of this evolution into ten key trends that are reshaping the industry. On top of the eight trends identified in 2009 and detailed in the previous report, the Group identified two new themes that now request its full attention, **Mobile Internet** and **Social Networks** based on the Web “2.0”.

We begin with a focus on Cloud computing, which remains a key evolution of the decade.

B.1.1.1 Cloud services: commodification and fragmentation of IT

The Group believes that the rapid growth of Cloud Computing is the one of the most relevant aspect of change for the IT industry in the decade.

The Gartner[1] research institute describes Cloud Service characteristics as “a style of computing where scalable and elastic IT-related capabilities are provided 'as a service' to external customers using Internet Technologies”. For Atos Origin, Cloud Services refer to any service delivered to clients over the Internet on a pay-per-use basis. Cloud Services are a continuum of existing services, classified in four functional layers:

- **Business Process as a Service** (BPaaS): helpdesk, CRM, and card management
- **Software as a Service** (SaaS): SAP applications, SalesForce.com and Microsoft BPOS
- **Platform as a Service** (PaaS): middleware including database and transaction processing platforms, on-demand development environments
- **Infrastructure as a Service** (IaaS): processing, storage and networking on-demand

Although still maturing, these services are being delivered today, and some analysts are predicting that 25% of IT services will be coming from such non-traditional models: business uncertainty has increased demand for utility or on-demand services, and the Company believes that the flexibility of the Cloud Computing solutions are a well-suited solutions for its clients’ needs.

Players in the Cloud include **systems integrators** or **IT services companies**, among which Atos Origin will be a European leading player, but also new entrants such as Google or Amazon, who leverage on their massive customer base, targeting mid markets by Cloud based offerings and SaaS.

As the entire value chain is getting increased more opportunities to interact with the client, the Group expects further changes in the competitive landscape, such as *Software editors*, who indicated they would offer their software based on these principles, or *Telecoms groups*, who have large customer bases and who want to move up the value chain.

[1] Gartner: one of the world’s leading Information Technology research and advisory company

Offering Cloud services will require mastering several and complex issues:

- **Security:** Data security will be transferred under the control of the Cloud services provider. Some standards for security of Cloud services are starting to emerge. Almost all public Cloud services vendors use some form of multitenant in their software, in which a shared system provides services and storage with a small number of system instances: this will request as well attention and Cloud services providers will have to face the challenge of gaining customers trust.
- **Location of Corporate Data** is a major issue for many organizations, the storage being sometimes not in the country of the customer, or not even on the same continent, and sometimes it can also be split in several datacenters in different locations in order to provide continuity of the service in the event of a system failure.
- **Service Availability** is largely under the control of the service provider too. These providers will give high guarantees of availability.
- **Services Orchestration:** Taking advantage of Cloud services, enterprises will be able to manage multiple activities traditional delivered by internal IT systems, outsourced and managed services, up to a growing number of Cloud services. These different services will require the establishment of an orchestration player, position that Atos Origin wishes to stand.

Atos Origin believes that the quality of the business relationship with the client, and the good understanding of its needs will still continue to be the key factors for value creation. Cloud Computing, in its different and complex forms, will be another way to deliver IT services that will need integration with legacy systems and management of the resulting quality of services, security or interoperability, thus creating new business opportunities for IT services companies. With the launch of Atos Sphere, the Cloud offering of Atos Origin now constitutes a unique and comprehensive set of services that bring to its customers access to its deep understanding, firepower and knowledge, accumulated over the time.

B.1.1.2 **Mobile Internet and Context Aware Computing**

Accompanying the Cloud revolution, another massive change is already underway: the emergence of Mobile Internet as a mainstream delivery medium. IDC and other analysts differ on the exact numbers involved, but there is consensus on the main point: that by 2014, more than half of the accesses to the Web will be coming through smartphones and mobile internet device than from regular fixed internet connexions. The Mobile Internet is an opening new era for distributed applications. Together, Mobile Internet and Cloud will place user experience at the centre of differentiation for any organization that deals with its customers, partner organizations or its own people via the internet.

Beyond the change of paradigm, resulting from this level of interaction with others, users will benefit from the connection with smarter context aware applications. Access by everyone to everyone and anything through mobile devices will radically change our user experience and information processing capability. In interacting with the surrounding world, users will expect the “system” to deliver appropriate content to the end device, allowed by the connection bandwidth available and understand the user’s location and context at the point that service is delivered. This “context aware computing” will be capable of understanding everything known by the “system”.

Payments through these innovations will be impacted too: the extent to which advanced mobile phones are influencing commercial transactions both directly and indirectly is quite significant. Major retailers are increasingly using mobile as another marketing or distribution channel, and mobile payments is an experience that can modify a consumer's attitude towards its propensity to spend. The growing number of smart phone applications and increased user adoption may also provide a boost for mobile payments:

- Smart phone as a payment acceptance terminal: there are number of vendors offering various technological solutions to enable merchants to accept payments using their smartphones
- Smart phone as a facilitator for P2P lending
- m-Internet payments: smartphones and WiFi access is already encouraging many major merchants to utilise mobile technology as a way of promoting, selling and enabling payments

Atos Origin, with its offering around Smart Mobility services, brings to its customers, public bodies or enterprises, various means to leverage this fantastic opportunity.

B.1.1.3 **Social Networks**

"Social networking" has become one of the major source of attention for the IT industry in 2010. The potential for computer networking to facilitate new forms of interaction between individuals or companies was suggested however a long time ago in the United States. In the late 1990s, user profiles became a central feature of social networking sites, allowing users to compile lists of friends or contacts, and search for other users with similar interests, such as Friendster, then MySpace or LinkedIn later.

Facebook, launched in 2004, has since become the largest social networking site in the world. In 2010, It is estimated that there are now over 200 active sites using a wide variety of social networking models. The same year, many events have highlighted the power of social networks used as handy tools toward social or political means. Their low cost model is also behind their widespread presence in professional environments, as they can be used as database for recruiters, as public or private platforms for collaborative content sharing when colleagues are located in various offices, tools for Customer Relationship management, etc. Companies can even use social networks for advertising in the form of banners and text ads.

Payments means will benefit as well of the social computing phenomenon:

- **P2P payment solutions:** These are already being touted by many leading sites, providing decisive value added service to other services.
- **P2C payments:** Some networking sites are now enabling person to commerce payments.
- **Content monetization:** Virtual goods, music downloads, online gaming are all typical examples where virtual content has a real value which has to be paid for in real money; micro-payments cost efficient systems such as e-wallets are increasingly used
- **Virtual Currency:** The rise of social networking sites has given rise to the so-called consumer payment institution as sites such as Facebook and Twitter edited their own payments platforms.

Applications for social networking sites have extended toward businesses and brands are creating their own, high functioning sites, a sector known as brand networking. It is the idea a brand can build its consumer relationship by connecting their consumers to the brand image on a platform that provides them relative content, elements of participation, and an audience measurement system. Brand networking is a new way to capitalize on last trends as a marketing tool.

Atos Origin believes it is very well placed to benefit of these trends and provide services to facilitate enterprises adoption of similar techniques ad increase exchanges with partners on a safe way. Its offering around Social Computing will enable its clients to fully exploit this new phenomenon.

B.1.1.4 **Content Management and collaboration**

One of the most visible trend in the IT industry in recent times has been the explosive growth of digital information: enterprise data double every eighteen months to two years. In the coming years, Atos Origin expects this growth trend will even accelerate requiring additional effort and services to be utilized to both secure as well as store this data.

The growing volume of information should be multiplied by ten in the next five years, while our ability to read and assimilate data do not follow the same trend. In the future, the need for the company to distinguish and extract relevant information quickly and easily will grow as well.

By 2013, more than 25% of the content seen by information technology users should consist of pictures, video, audio or hybrids information including text. Growing demands for incorporating rich information assets or institutional applications will generate increasing requirements in technology and infrastructure.

Managing this growing volume of information is now strategic, to increase worker productivity through greater collaboration, to respond more effectively to compliancy mandates through intelligent archiving and to enhance significantly corporate decision making.

This will require a more intense scrutiny of existing enterprise information and content management systems and will necessitate new approaches being deployed from the strategic to the architectural level in order to combine both companies structured and unstructured information into one holistic entity.

Atos Origin which has had a long history in deploying Enterprise Content Management for its customers wants to be in the forefront of this new trend in order to help its customers' gain the competitive advantages that effectively managing and leveraging their information can deliver.

In addition, the Group encourages (with all application providers of Enterprise Content Management) industrial proposals leading to adopt standards that will facilitate information sharing despite the structure and content of disparate data repositories.

B.1.1.5 **The growth in multi-sourcing and offshore**

For many years, large players have increased their low cost delivery capabilities and large Indian players have made several entries on Continental Europe. Atos Origin is seeing both Western and Indian service providers ultimately heading towards the same delivery model.

This model consists of an organization with wholly owned or held with partners delivery centers in alternative locations around the world, a network of on-site, on-shore, near shore and offshore.

Some analysts are now more mitigated in predicting an offshore service delivery increase, even with lower delivering costs. This evolution would not be sustainable, taking only into account the costs of labor taking, because of inflationary pressures, rising labor costs and changes in exchange rates. The future success of global delivery networks will depend less on the availability of low-cost resources and more on the quality of skills, tools, methodologies and alliances.

The growth numbers for the Indian service providers, that was over 25% per annum started to slow down from 2009 but is still active. After 2009 challenges, namely for those having a strong customer base in the US, manufacturing or banking, Atos Origin anticipates a slow down but expect them to keep leading the growth in 2010. The Group expects the market share of the leading Indian providers will remain relatively small in Europe

B.1.1.6 **Increasing drive for cost effectiveness (industrialisation through Lean techniques)**

Most of the IT services companies have launched strong programs aiming at decreasing their operating cost, on one hand by simplifying their operation and reducing indirect non productive workforce, on the other hand with productivity gains, i.e. using latest technologies and tooling to become more efficient (automation in infrastructure management, software based solutions to develop code and collect demand from customer with streamlined processes). Lean techniques, developed first for manufacturing industries (Six Sigma), are now promoted throughout the IT services market, mostly in the managed operation sphere.

B.1.1.7 **The drive for sustainability expanding beyond Green IT**

Atos Origin has seen a strengthening in 2010 of interest to act for sustainable development. Cost reduction, compliance with new regulations, shareholders pressure and brand development have been the main drivers in the private sector. Offerings in Governance, Risk management and Compliance (GRC) have become numerous. Besides the response to higher expectations of citizens, offers were also extended to the public sector, with the implementation of technologic solutions in favour of the environment and energy savings. Tough economic conditions of 2010 have accelerated this trend toward cost containment.

B.1.1.8 **Decrease cost of IT through Outsourcing**

Globalisation, multi-sourcing and industrialisation are well established market trends. Together they have had a deep influence on the IT services market over recent years. Customers have also been demanding more sophisticated value propositions, for example, increased flexibility through “pay for use pricing” and key performance indicators based on business outcomes. This has been coupled with more end to end processes, that scope IT support, Consulting, Systems Integration and Managed Services capabilities.

B.1.1.9 **Growth of demand for BPO (Business Process Outsourcing)**

The initial strong growth of BPO has been fuelled with enterprises outsourcing basic processes, HR, accounting, first in US and UK, but progressively in Continental Europe.

Atos Origin sees now others potential increase in the demand for BPO:

- Enterprises widening the scope of the non core processes up to procurement, finance, Customers Relationship Management (CRM), and then to business industry specific processes, such as claim management in the insurance, billing in telecom, etc.
- Public organizations, with the increasing control of public spending, looking as well to externalize the classic non core processes. The Group believes this emerging trend to grow in the coming years.

B.1.1.10 **Consolidation and Big movements within the industry across the value chain**

The movement of consolidation in the industry has continued in 2010 with several large transactions reported. This consolidation is a deep trend running through the global technology industry as clients look to allocate their IT spending to a smaller number of suppliers of Software, Hardware and Services. This year, big acquisitions have mainly concerned software vendors which have decided to expand their range of offerings along the stack. A few transactions have exceeded EUR 1 billion in this domain.

As a result, the market has been reshaped as compared to year 2000, with large players leveraging on comprehensive range of offerings, and benefiting for some of them of a global footprint.

B.1.2 SIS acquisition

In line with this consolidation movement, in the European IT Services industry, a major deal has been announced on 15 December 2010 by Atos Origin and Siemens: the two companies reached an agreement to form a global strategic partnership. Siemens will contribute its Siemens IT Solutions and Services, the SIS entity, for a total amount of EUR 850 million to Atos Origin in order to create a European IT champion. As part of the deal, Siemens will receive 12.5 million of Atos Origin shares and become for a period of at least five years the second main shareholder of Atos Origin with a 15% stake. Siemens will also receive a cash payment of EUR 186 million. Siemens will subscribe a five year convertible bond of EUR 250 million.

The transaction was subject to a consultation procedure with the Working Council of Atos Origin, which issued its opinion in January 2011. It also obtained the US and European antitrust authorities approval in March 2011. The operation is expected to close by early July 2011 after approval from Atos Origin Shareholders.

B.1.3 Market sizing and competitive landscape

B.1.3.1 Overall market size

According to Gartner[2] latest study, the Information Technology market in 2010 is estimated to be worth almost EUR 2,500 billion, out of which Telecom is 60%. Net of currency effects, it has been resuming growth at 4%, due to Telecom equipment and services being at +3% to +4%, Hardware has overperformed after the recession and is back to growth with +7% change, Software at +4% to +5%, both compensating IT services lower growth at +3%.

Excluding IT Hardware, Software and Telecom, the IT services market reached in 2010 approximately EUR 595 billion. Direct hardware and software support activities are EUR 109 billion of the IT services market in which Atos Origin is not present. That leaves approximately **EUR 486 billion** of "available" market ("professional services") targeted by the Group, of which close 1/3rd is in Europe, i.e. EUR 143 billion, the Group's principal market today.

Market by region – 2010	Total (EUR Billion)
United States/ Canada	203.9
Latin America	17.9
Western Europe	142.9
Central - Eastern Europe	6.4
Middle East and Africa	8.4
Asia/Pacific	36.0
Japan	70.2
Total	**485.7**

Sources: Gartner Dataquest IT Services Market Databook, January 2011 for Professional services figures (consulting, development and integration, IT management, process management). Currency rate of 0.761 EUR per USD

B.1.3.2 Competitive landscape and new expected position of Atos Origin

According to analysts Atos Origin was ranked 17 in the world and seventh largest IT services company in Western Europe in 2009 with a market share of 3.3%

The new group combining Atos Origin and SIS will become part of the most important worldwide players. According to Industry analyst surveys, the new company should be ranked as #1 European player with revenue generated on the IT market in Europe.

B.1.3.3 Main competitors in Western Europe

In the largest European countries, the main competitors of Atos Origin are IBM, HP, and Accenture for the US based providers, and Capgemini Logica, T-Systems and Indra for the European players with focus on specific countries.

	Main Competitors
United Kingdom	British Telecom, HP EDS, Capita, IBM, Fujitsu, Accenture, Cap Gemini, Logica
Central Europe	T-systems, IBM, HP EDS, Accenture
France	Capgemini, IBM, Logica, Accenture, Sopra, Steria
Benelux	Cap Gemini, Getronics KPN, IBM, Logica, Ordina
Spain	Indra, IBM, Accenture, Telefonica, Fujitsu

[2] Gartner: one of the world's leading Information Technology research and advisory company

B.1.3.4 **Market size and market share in Europe**

According to Gartner, based on 2010 estimated figures for external IT spending for Professional Services, market shares in each main country and service line are presented below, reflecting the strong impact of the acquisition of SIS to the new positioning of Atos Origin, the European champion.

(in EUR Billion)	Market size		Atos Origin		New Atos	
	2010	weight	2010	Mshare%	2010	%
United Kingdom	43.6	31%	0.9	2%	1.4	3%
Germany	30.7	22%	0.5	1%	1.9	7%
France	19.5	14%	1.6	8%	1.6	8%
Benelux	14.5	10%	1.3	9%	1.4	10%
Italy	9.0	6%	0.0	0%		
Iberia	10.2	7%	0.3	3%	0.4	4%
Central Europe - Nordic	14.5	10%	0.1	1%	1.1	7%
Rest of Europe	0.7	1%	0.02	2%	0.1	10%
Europe	**142.9**	**100%**	**4.7**	**3.3%**	**8.2**	**6%**
Consulting	17.3	12%	0.2	1%	0.2	1%
Systems Integration	49.5	37%	1.7	3%	2.9	6%
Infrastructure Services	54.7	38%	1.8	4%	3.9	7%
Process Management – HTTS BPO	21.3	15%	1.0	5%	1.2	6%

Source: Gartner: IT Services Worldwide Sept 2010; for Professional services only. 1 USD = 0.761EUR Currency rate of 0.786 EUR per USD

B.1.3.5 **Overall perspectives**

Industrial analysts expect the market to keep growing in Europe at a 2-3% rate, while the recovery has already started in the US. In Asia (Japan excluded), the growth rates are close to 10% and analysts expect this trend to continue.

In 2011, they also expect an increased focus on specialisation and vertical industry capability. If significant business uncertainty continues then enterprises will increasingly seek to reduce risk by turning to service providers they trust.

As mentioned earlier, new entrants are now entering the traditional infrastructure service markets with very packaged offers, providing basic services, targeting first mid size markets, before moving up in the value chain. Cloud Services and SaaS are expected to meet strong growth in 2011.

Alliances will continue to be an increasing feature of winning new and innovative business – with IT service providers teaming up with industry specialists, technical specialists, or their direct competitors.

Last but not least, highly competitive, specialist offerings (innovative / customer fit / price) will be increasingly important to increase market shares, and maintain growth over the next couple of years.

B.1.4 Classical IT evolution

Gartner has revised its growth forecast for IT Services Europe. In September 2010, Gartner projected an updated growth in 2010 at close to 3% in IT services for professional services spending in Europe, and this to continue in the future.

(in EUR Billion)	2009	2010	growth 2010 / 2009
Consulting	17.0	17.5	+2.9%
Systems Integration	48.2	49.7	+3.0%
Managed Services	53.2	54.6	+2.6%
Process management	20.2	21.2	+4.8%
Professional services in Europe	**138.7**	**142.9**	**+3.0%**

Source: Gartner Sept 2010 : IT Services Worldwide Forecast 2000-2013 - 1 USD = 0.72 EUR in 2009, 0.761 EUR in 2010.

Professional services include Consulting, Systems Integration, Managed Services and Process Management (HTTS and BPO for Atos Origin), but exclude hardware and software maintenance and support).

B.1.4.1 **Consulting**

Even if it remains moderate, recovery has been stronger in France, the UK and the Belgium than for other European markets. The Netherlands has stabilized but recovery is still uncertain. The Spanish market is still under intense pressure. In most European countries, prices have slightly improved over H2 2010 but are still significantly below what they were in 2009.

In terms of industry-sectors, Financial Services, Energy Utilities and Health are the hottest market in all countries. Public Services has seen a sharp decrease in both volumes and prices, although costs reduction initiatives launched by central and local governments may offer some interesting opportunities.

Throughout 2010, we have seen three trends that started in 2008 and we believe will continue moving forward:

- customers are hiring consultants to internally manage their transformation initiative like IT consolidation, Lean, Procurement, or the building-up of shared-service centers.
- some customers are switching from buying projects to buy consultants on a secondment basis, that they manage themselves.
- customers want to buy smaller projects focusing on delivering cost reduction and effectiveness improvement with a quick pay-back.

In addition, over H2 2010, we have seen more demand for projects aiming at implementing innovation in the fields of Cloud computing, sustainability, Machine to Machine, Enterprise Content Management, smart grids.

To benefit from these trends Atos Consulting has:

- re-organized its operations along three practices: Business Innovation, Operational Excellence, Information System Excellence,
- built a portfolio of offerings to meet new customer demand,
- implemented marketing approaches with dedicated sales campaigns.

B.1.4.2 **Systems Integration**

The Systems Integration market faced less adverse market conditions during the course of 2010 in comparison with 2009. A lot of enterprises across many industries had still to cope with revenues decrease. Numerous IT projects postponed or cancelled in 2009 started slowly to resume in 2010, sometimes via cautious engagements in professional time and materials contractual forms, or small pieces at fixed price.

The SI market is driven by two forces:

- On one hand, more and more industrialization with tooling, processes, to cope with the demand of lower prices and productivity gains,
- On the other hand, more and more industry expertise, to provide customers with leading edge solutions helping them at resuming growth and show differentiation.

Strong pressure on tariffs has been met by Systems Integration players, some contracts having to be renegotiated to meet customer demand for lower TCO[3].

However, according to analysts, the Systems Integration market would have restarted in the range of 2% to 3% in 2010.

Nevertheless, Atos Origin remains convinced that the Systems Integration market will continue to enjoy steady and significant mid and long term growth in the future. Growth will be driven both by an increase in technology usage and the addressable market, and demand for facilitate implementation of Cloud Services on selected domains of Group's clients.

Technology usage and thus requirement for Systems Integration services will be boosted by spread of communities and Web 2.0, context aware computing, mobility, machine to machine security and identity management. Addressable market size will be boosted by many factors including increase penetration of outsourcing in continental Europe, enhance reliance of public sector, health care domain as well as utilities on IT service providers as well as a boost of demand in BRIC countries (Brazil, Russia, India, China). The development of Cloud computing will in addition even boost further the addressable market as it will open the SMBs (Small and Medium Business) market to systems integrators.

B.1.4.3 **Managed Services**

Market growth in Europe for IT managed services has been estimated at exceeding 3% in 2010 by the research and advisory company Gartner.

2011 and beyond are expected to be good years for IT Outsourcing and BPO in Europe, although decision cycles are likely to be on-hold for some, and many buyers will be looking for faster ROI and increased flexibility. Re-negotiation of existing contracts, to cut costs and increase flexibility, may provide opportunities for consolidating scope and increasing the length of contracts.

[3] TCO: Total Cost of Ownership

Notable trends during 2010 included:

- “Add on” business with existing customers,
- A growing demand for Cloud Computing from the public area
- A significant growth of migration to virtual environments, as a way to offer flexibility & reduce costs,
- An increase in offshore IT outsourcing,
- Environmental exigency development, mainly with energy effectiveness.

The Group expects these trends to continue in 2011. Overall, cost reduction and skill shortages remain major drivers for outsourcing. Therefore, economies of scale will drive the ability to provide service at a reasonable cost. However, there is also a demand for service providers to have industry knowledge, to have flexibility and to bring innovation.

In a difficult economical environment, the request for “one stop shop” services to transform and operate all or part of an Information System is expected to continue its observed growth. As clients ask for innovation, industry domain expertise will be paramount into selecting the right outsourcing partner.

B.1.5 Critical IT evolution

B.1.5.1 Card payment and SEPA implementation

In order to fix the partitioning of national banking activities, and more specifically regarding legal and technical aspects, the European Commission asked the Banking industry to build the SEPA, for “Single Euro Payments Area”.

This project aims at creating a European standard for payments, so that anywhere within the zone, Direct Debits, Card or transfer payments can be treated with the same pace, same safety and same billing conditions than a domestic transaction. The objective is to provide European residents and companies common deposit and payment in euro in the same conditions regardless of the EU countries.

The Banking industry has defined the Core SEPA schemes for transfer payments and Direct Debit. The one regarding Transfers was been successfully launched in January 2008. As from November 2009, banks have gradually implemented SEPA Direct Debit services. For Card transactions, the SEPA framework has been agreed and is in the process of being implemented by banks, card schemes and card processors. The European Commission and the European Central Bank have also mandated that a critical mass of national credit transfers, direct debits and card payments should also be migrated to SEPA payment instruments by the end of 2010.

Despite significant progress already made, there is still a long way to go. Only 15 of 27 EU member states were able to pass the Payment Services Directive into national law by the November 2009 deadline. SEPA Direct Debit (SDD) also has a significant hill to climb in order to be fully operational by the end of 2010.

From a Card Industry perspective, there is much work to be done. By December 2010, the SEPA Cards Framework should be implemented. This defines the principles for all card transactions within the Eurozone and requires the full implementation of EMV Chip and PIN security standards in all euro countries. Card issuers must align their legal, technical and commercial framework for card transactions in euro throughout the SEPA area to comply with the SEPA cards framework. At the first quarter of 2010, 71% of cards, 77% of POS terminals and 93% of ATMs in the EU 27 were EMV compliant (there being variations from country to country).

Within the concept of SEPA the European Union has strongly encouraged the development of a European card scheme to challenge the competition with existing players (MasterCard and VISA).

This has resulted in the development of three different initiatives:

- **Monnet** is a scheme driven by banks as they do not want to be excluded from this important market. Initially started by a group of major French and German banks, earlier this year banks from 10 countries agreed to extend the scope of the project across Europe. However, the Group has see any concrete outcome with the participants still discussing many elements.
- **PayFair** on the other hand has already begun a pilot project in Belgium, privately owned and that claims to be completely neutral.
- **EAPS** (Euro Alliance of Payment Schemes) has taken a pragmatic approach by linking country-specific card schemes together. For example, currently there are bilateral agreements between Italy and Germany and Germany and the UK, enabling cross-border withdrawals at ATMs in those countries.

Finally, the payments market liberalization allow the creation of Payment Institutions. The number of certified PI in Europe is quickly increasing. Many UK Payment Institutions have EU passports and we notice intense activity in mainland Europe, particularly from niche players in the prepaid and remote payments services.

B.1.5.2 **Mobile payments and other trends on the Payment Market**

Mobile payments.

Mobile payments have also attracted the attention of European regulators. Aware of the complex and fragmented eco-system, the EPC published a Roadmap for Mobile Payments which explores how mobile payment services can be delivered through cooperation between service providers active in the banking industry and the new players emerging in the mobile arena. The document prioritises mobile NFC contactless card payments but also address some aspect of mobile remote payments. The EPC is working closely with the GSM Association (Global System for Mobile Communications).

The EPC also has internet payments in its sights and is currently working on an e-payments framework which aims to enable a customer to purchase goods from any Internet merchant in the Eurozone using his own local bank account. At the time of writing the framework was still to be published.

Other trends in the Payment Market

The Group has identified several other areas that will affect the payment market:

- E-commerce and thus Internet payments continue to enjoy significant growth and some interesting alternative payment methods are beginning to appear. However, payment methods still tend to vary from country to country.
- New channels are quickly adopted by users: smartphones, PC, new payment devices.
- Over recent years the adoption of contactless cards for public transport access has increased. Now, we are also beginning to see a move away from proprietary systems towards contactless payment on Visa or Mastercard model.
- Cross border transactions are still in development.
- Prepaid is a term covering a variety of market sectors, business models, products and vendors. Generalisation may be dangerous as sectors and geographies vary widely. Nevertheless, prepaid mobile top-up is now ubiquitous; likewise gift cards and to a lesser extent open loop general purpose cards are available generally. What we are now beginning to see are FIs starting to take an interest in other prepaid applications, such as government benefits and payroll and vendors from more mature markets such as the United Kingdom entering mainland Europe.

B.1.5.3 **Consolidation and movements in the payment markets**

The dynamics of the Payment market are basically around two phenomenon: the polarisation of the industry on selected elements of the value chain and the intensification of the competition. In 2010, major transactions have concerned North American and British players.

In this context, Atos Origin has reinforced its position through the acquisition in India of Venture Infotek, the leading independent player in the Indian payments market. Created in 1991, Venture Infotek operates in merchant acquiring, card processing, loyalty programs, government benefits programs on behalf of the Indian banks and major retailers. With circa 35 per cent market share, the company employs almost 500 staff and represents a unique opportunity to enter one of the world's fastest-growing payments markets

This transaction is fully in line with the strategy of the Group to grow its HTTS activities and to realise acquisitions in the payments area. Atos Origin is acquiring a company in its core business located in a country where the Group is already working with large customers, and employs 4,000 staff including specialised teams in payments solutions. Venture Infotek will reinforce the Group solutions and teams for payments in Asia, as Atos Origin systems are already used by a large number of leading banks in China and in other south-east Asian countries.

B.2 **Strategy, organization and objectives for 2011**

B.2.1 Mission & vision

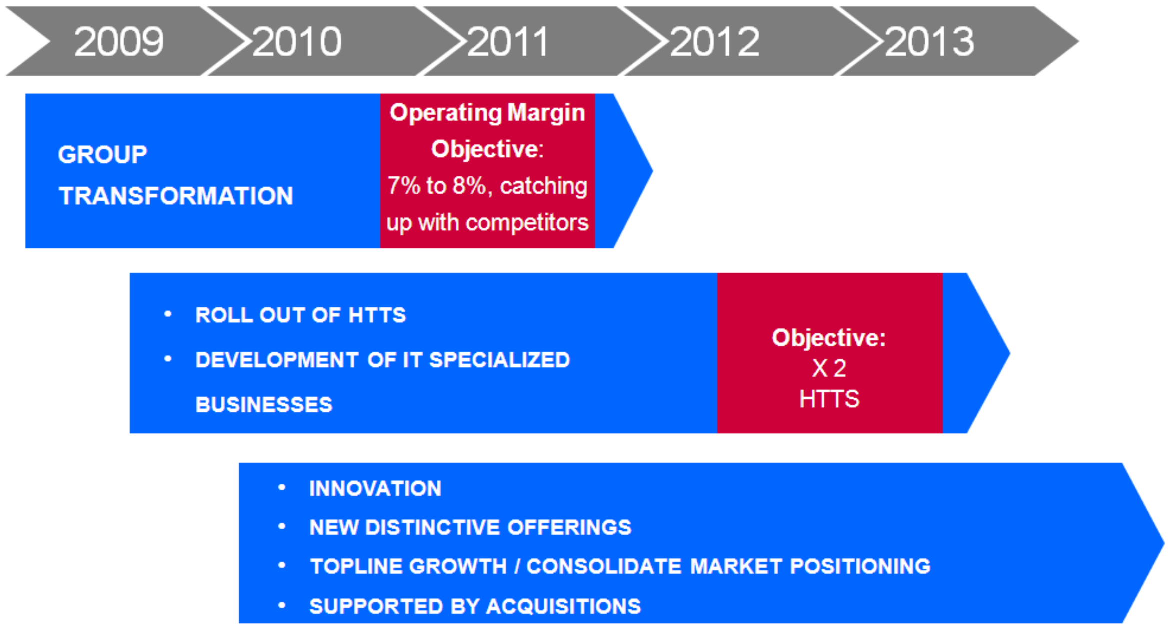
In a very competitive landscape subject to a strong price pressure, the Group has started to develop in 2009 a strategy based on two main streams of actions, aiming at:

- Restoring margin and improving the Classical IT business, where the key drivers of this are operational excellence, a high utilization of resource, and the industrialization of processes.
- Resuming growth with a first priority to reinforce Group's leadership in payments and e-services in Europe, under the HTTS initiative.
- and then developing differentiation based on the Group's strengths and strong assets, such as Atos WorldGrid, Medical BPO, as well as solutions in health, transport, and manufacturing.

Through the acquisition of SIS, Atos Origin will strengthen its means to reach these goals, as it will benefit from an increased scale, both on the Classical IT side with of a more global footprint, and on the Critical IT area by leveraging on a new set of opportunities to increase differentiation, focusing on industry expertise and innovation.

This vision is supported by a reinforced attention given to the Sales strategy. In parallel, the Group pursues its effort in its ambitious Corporate Social Responsibility program, with the ambition to be certified A+ according to the GRI standards.

The graph hereafter illustrates the deployment of the strategy:



B.2.2 TOP Program evolution

The TOP Program (Total Operational Performance) launched at the end of year 2008 represent the first step of the strategy, "the group transformation". After reaping its first benefits in 2009, it pursued to deliver its promises as it contributed in the Group financial performance in 2010, with an increase of the operating margin rate by +107 basis points in twelve months and a free cash flow reaching EUR 143 million after EUR 117 million in 2009. This was achieved thanks to a tight identification of improvement areas in the delivery model, combined to a quick implementation of new processes, so as to bring value to all group stakeholders.

The TOP Program is a three-year Program and will continue through to 2011. At the end of 2009, the Company launched new programs focused on improving the sales effectiveness, and employee ”Well Being @ Work”, covering among others Talent management, training, and mobile working.

B.2.2.1 **Cost Optimization**

Non IT costs

In 2010 cost reduction carried on with the same momentum as 2009, with significant savings from budget being delivered in non-personnel costs. One of the biggest projects delivering benefits in 2010 and well beyond is the Paris estate consolidation and the move to our new Headquarters in Bezons, near Paris. This project involved the relocation of more than 4,500 employees from six different facilities across Paris and has not only delivered real estate but also significant facilities management benefits. Substantial real estate consolidation projects have also delivered benefits notably in United Kingdom and Spain.

Travel costs despite offshoring and globalisation of the business have dropped again as we encourage employees to use technology such as teleconferencing and OCS to control demand.

With Atos Origin’s globalisation and the associated standardising of systems, purchasing has continued to benefit from greater visibility on spending with this year a better focus on spending control and compliance with Group policy as well as driving category management principles.

IT costs

Maintenance costs (Hardware and software) have been reduced not just off the back of moves to third party vendors but also thanks to detailed specification work on answering time, maintenance schedules, etc.

Hardware sourcing focussed on cataloguing the group standard products in collaboration with our Global Managed Operations teams. Work on driving compliance continues through the Capex committee.

B.2.2.2 **Lean Management**

Implementation

Since the inception of the TOP Program, Atos Origin has adopted the principles of Lean Management, which enable the Company to leverage the skills and creativity of its staff to pursue simultaneously three goals: operating more efficiently, improving quality of service, and enhancing ”Well Being @ Work”.

This disruptive approach has been pioneered in all areas of the Atos business throughout 2009, starting with ticket-based activities such as service desks, then expanding to project-based and non-repetitive topics such as application development. 2009 and the first half of 2010 were dedicated to building momentum through the declination of Lean Management techniques into a corpus of repeatable tools and methodologies, and the training of over 170 full time in-house Lean experts.

By the end of 2010, over 9,000 direct staff operate under Lean Management principles. Each employee has seen its daily activities change after one of the nearly hundred 3-month Lean projects conducted by the Group. These individuals are also equipped with action plans to further improve and reach optimum productivity within 12 to 18 months.

The group ambitions to accelerate the rollout of Lean Management in 2011, aiming at placing over 16,000 staff under Lean Management by the end of 2011.

The continued use of Lean management provides a competitive advantage to strengthen operations, develop customer loyalty through increased service quality, attract and retain top talent. The program is deployed across all countries where the Group operates and is seen as a powerful lever to industrialize working practices.

Sustainability of the method
In parallel to driving close to a hundred Lean transformation projects, the Group has developed a robust set of mechanisms to sustain the impact of Lean management and to embed continuous improvement into the Atos Origin culture.

These mechanisms include a central team in charge of auditing and maintaining operational best practices on each site following a Lean Management project. This team also constantly upgrades the Lean approach and trains the Lean experts in the latest techniques.

The community of site managers having undergone Lean transformations (Lean Commodores) is constantly increasing and is supported by Lean Coaches who are local resources trained in Lean Management and in charge of maintaining the pace of the transformation on a local level. Last, Lean Management will be embedded into new manager's trainings.

Workforce management tools and teams have been reinforced in order to ensure monetization of the work capacity freed up through efficiency gains. This essential mission ensures that staff made available through efficiency gains is reskilled as needed, then positioned on new contracts or as replacement to subcontractors, in order to minimize restructuring costs while building positive momentum in the staff.

Finally, the Group is also enhancing its change management effort, focusing on the areas of the business where the transformation and industrialization are the most disruptive, in order to enhance staff support to the transformation, motivate teams and boost its "Well Being @ Work" efforts.

Continuation in 2011
The Group will continue to roll-out Lean Management in all its operations in 2011 and beyond. The ambition is to place another 7,000 direct staff under Lean Management practices by the end of 2011, reaching over 16,000 in all areas of the business and all geographies.

New areas of operational efficiency and quality will also be tackled as part of Lean Management, such as the optimization of end-to-end customer operations that cut across multiple operational units and geographies. The application of Lean Management practices in such a way will aim at improving efficiency further than in each unit taken separately, while drastically improving customer satisfaction through a reduction in service time and increase of service quality.

B.2.2.3 **Offshore**

Managed Services
At the end of 2010 Managed Services offshore capabilities are covering most of the MS services (service desk, monitoring, server and application management, workplace and network) and are located in India, Morocco, Malaysia, Poland and Surinam.

The current footprint is based on strong and specialised center of expertise taking into account the language requirements especially in the service desk activities.

A significant growth of staff and volumes have been achieved in 2010, the overall offshpore activity doubling since end of 2008.

The strategy is not only to deliver on going services from the offshore centers but also to develop technical expertise, projects and service management. A strong action plan has been implemented in 2010 and will go on in 2011.

The MS offshore centers are part of the MS Global Factory. They are fully integrated in the end to end service management and delivery processes and are benefiting from the factory efficiency improvement plans (including roll out of lean).

Systems Integration
At the end of 2010, Atos Origin Offshore Service Strategy in Systems Integration is made of the three following main centres:

- India: 14 production lines around various technologies,
- Morocco: Stronger nearshore capabilities to support French Speaking Customers too,
- Argentina: An offshore centre dedicated to provide services to Spanish speaking customers and address the US with a low cost services business model in the same time zone.

A plan build in five steps has accelerated offshoring in Systems Integration while improving efficiency, service quality and profitability:

- Ramp-up of the Service Delivery Platform – standardized processes and tools worldwide, so that the Company can off-shore quickly and efficiently.
- Move to the "factory approach"; to create a catalogue of services at pre-defined tariffs that guarantee delivery and make it easier for Global Business Units to price solutions for their clients. This should replace the previous system where fees were calculated on a pro rata basis.
- Standardize transition processes from on-shore to off-shore – manage the transfer of existing long-term business cost effectively and without any disruption to service.
- Define principles for new operating model in India – benefit from economies of scale and deliver improved service by reorganizing the Indian operations by technologies and/or business domains. For example, there will be teams focussed on the test factory, SAP upgrades and applications, in addition to focus on service lines for applications management.
- Develop training and sales collateral in order to help the sales and account teams to master and manage more effectively the off-shore services in all new deals, implement new training program for program managers to master the complexity of Distributed Delivery.

This was first implemented in India.

Strong attention is paid as well at developing centers having similar language capabilities to the demanding Countries. To answer this need, we have strengthened our development:

- **In Morocco**, to meet the increasing demand from French clients to deliver more services off-shore by French speaking technology experts, the Company has further improved and strengthened its off-shore center in Morocco. In September 2009, the Company moved into a brand new, purpose built, technology Campus, "Casa Nearshore", located close to Casablanca; increased the size of the Group Systems Integration team and its Managed Operations team to serve clients. In 2010, the Group has applied the same approach than the one implanted in India.

- **In Argentina**: To meet demand from Spain, the Group has decided to strengthen its Systems Integration offshore capabilities in Argentina, as banks and large international Group headquartered in Spain are looking at developing their operations in South America.

Continuing in 2011
The Group intends to further develop its offshore mix to meet growing customers demand to enjoy both skills and location to implement complex projects and outsourcing services.

B.2.2.4 **“Well Being @ Work”**

The “Well Being @ Work” initiative was launched at the end of 2009 by Thierry Breton, with the ambition to attract the best talents, encourage personal development, increase managerial commitment and motivation among staff, as well as enhance integration with our ‘One Company’ philosophy.

“Well Being @ Work” covers all environment of the future workplace, the specific tools for remote working, training, talent management as well as enabling new levels of collaboration and flexible way of working. The Well Being @Work initiative has been designed the seven following initiatives:

- Where we work (Working organisation)
- The way we work (Working conditions)
- Management’s role and behaviour (Management 2.0)
- The way we reward employees (Recognize & Reward)
- And increase their abilities (Skills & Competencies)
- The Group’s identity (Communication and Social Links)
- And the values we want to share (Corporate & Social Responsibility)

Early January 2010, a Well Being @Work Council was created. It is composed of around 30 young employees of Atos Origin with high potential coming from all the countries, representing various skills and functions The Council meets physically every quarter and extensively uses and tests new tools for collaborating virtually with one another. Its mission is to share new ideas on how to improve the Atos Origin attractiveness in promoting environments and innovative methods of work by anticipating the employees’ future expectations.

Coordinated by Philippe Mareine (General Secretary), Jean-Marie Simon (EVP Human Resources) and Marc Meyer (EVP Talent Management and Communication), the Well Being @ Work constitutes one of the TOP Program initiatives. First significant deliverable of this program concern the new Group’s Campus, in particular the new headquarters in Bezons.

The ”Well Being @ Work” will be a key driver for Siemens IS cultural and managerial integration.

For further information, please refer to the Section Corporate & Social Responsibility our to the Group’s Corporate Responsibility Report.

B.2.3 HTTS development strategy

Hi-Tech Transactional Services, of which the payment activity, represent the heart of our ambition to develop a strong distinctive position in the critical business services, with a specific focus on payments and e Community Services. Since end 2009, Atos Origin has launched a specific development initiative to develop Hi-Tech Transactional Services activities in all geographical areas where the Group operates, leveraging the assets and capabilities of Atos Worldline, and deploying the specific model HTTS which underlies the profitable growth story of Atos Worldline. 2010 has seen the HTTS teams engaged in discussions with their clients in all our geographies of the Group and generate, on top of the sustained development of Atos Worldline, an additional growth potential with the first significant customer signatures.

Atos Worldline has developed over the years, a strong portfolio of differentiating assets and activities in the three domains of Electronic Payments, e-Community Services and Financial Markets. A solid track record of sustained growth in these areas is the first pillar of the development ambition.

Furthermore, the profitable development of Atos Worldline since many years is based on its specific and successful business model, based on a strong production model, and innovative revenue model.

Definition of the production Model

The production model is based around three core assets types:

- A set of software assets, standard generic building blocks, common to many services and applications across the various markets, e.g., account and card management, messaging infrastructure, authentication, archiving, rules engine, publishing… A critical aspect of these building blocks is them being built within a common architecture and development framework, allowing interoperability and easy assembly to design more complex applications.
- A collection of business knowledge assets, concentrating the market expertise accumulated over the many years of partnering with Group's customers. These assets, developed from a base of the above mentioned software assets will be reused and enhanced between the customers and geographies in the specific market sector. Some examples of these business knowledge assets are Card Schemes, Fees Management, Mobile Internet Publishing, Rich Media management, e-Commerce sites.
- A base of industrial production assets core to the efficient end-to-end service delivery model of HTTS. Based on the significant effort by Atos Worldline teams into defining the appropriate optimal infrastructure and production architecture for secure, high-volume, scalable and compliant transaction processing, the production assets comprise the dedicated state-of-the-art datacenters, associated service help desks, PCI compliant processing environments, with all security and archiving services. As a significant by-product, the industrial production assets have strongly influenced the design of the software assets, in order to ensure the applications developed deliver efficient and cost effective production costs, in a clear Build-to-Run approach specific to the HTTS business model.

The assets of the production model are designed to be able to be combined and recombined to solve the various requirements of its customers, and to be able to deliver additional services and innovation to clients who are already customers of this model.

Leveraging this production model, Atos Worldline has also defined a specific revenue model, based on key business metrics aligned with the success of the service and of the customer's activity, establishing thereby a strong partnership with its customers. Since revenues are based on volumes, aligned with the success of the offered services, Atos Origin shares both the risks and the benefits with its clients, and strives to provide low set-up costs for new services. This structuring pushes the Group to really align its services and the day-to-day collaboration of its teams with those of its clients, towards raising the quality and value for end-users, and increasing the user experience in order to create more and more volume every day.

In a nutshell, based on this industrial and yet flexible production model, and a revenue model based on creating a win-win partnership with its clients, the HTTS model is a further way to deliver IT value to Atos Origin's customers,

This model is based on:

- the full control on design & architecture of applications & services delivered;
- the processing of the services in controlled, self-designed and mutualized datacenters;
- a strong focus on structured one-time development and reusability for multiple customer services;
- a price structured along business metrics relevant to its customers' success;
- a framework of commitments aligned with the joint success of the delivered service.

It is this business model that the HTTS teams of Atos Origin are promoting into their respective markets, through the roll out of Atos Worldline capabilities, through the further development of existing local assets that are already compliant to the business model, and through the identification of new opportunities to apply this business model to solve critical business challenges of our customers.

Rolling-out HTTS

During the summer of 2009, Atos Origin has presented its ambition to strongly develop the HTTS activities, and has launched the strategic development initiative to roll-out the HTTS business model beyond the current geographical footprint of Atos Worldline (Belgium, France and Germany). The approach is for the group to leverage all the geographies of the Group where Atos Worldline is not operating today, the strong customer relations that have been built over the years by the local Atos Origin operations, and the various local assets in payments and beyond which are very close to the successful business model of HTTS. Therefore teams have been structured and mobilized during the late 2009 in all major European countries of the group and in Asia Pacific, supported by the required governance aspects implemented at Group level to ensure joint effort and dedication of Atos Worldline and the Country management teams towards this strategic development.

Operational since 1st January 2010, the HTTS teams in the countries where Atos Origin operates have continued to develop around their local HTTS assets, essentially in Asia, Spain and in the UK, and have actively been engaging with customers on the benefits of the further way to deliver IT benefits that the HTTS business model represents. These country teams are supported by a strong dedicated team of experts from Atos Worldline, who provide sales support and deep solution knowledge around the Atos Worldline assets and capabilities.

During the year, and parallel to all customer dialogues, the Country HTTS teams have continued to train the local account teams regarding the HTTS offering portfolio, and this specific business model. Several hundreds of Atos Origin employees in client facing, sales and business development roles have been through trainings or workshops raising their awareness and understanding of HTTS, allowing them in turn to engage with their customers and further identify new opportunities to apply the HTTS business model to customer business challenges.

In the last quarter of 2010, the first significant new customer contracts in new HTTS geographies have been awarded. This demonstrates the existing appetite of the market for this further way to deliver IT value, and the potential for future growth of the HTTS activities.

Globalising the Payment Platforms to remain competitive new environment

In 2010, Atos Worldline processed almost three billion payment transactions in its domestic markets - Belgium, France and Germany. In order to strengthen its position in Europe and to prepare for the SEPA market, Atos Worldline initiated the strategic IT Globalisation Program which in 2009 was incorporated into the TOP Program. It aims to deliver the first truly pan-European payment processing platforms for Acceptance, Acquiring, Issuing and Clearing and Settlement.

Over 2010, these global payment processing platforms have been designed and developed to meet the requirements of its international customers for cross-border processing, front and back office, including full regulatory compliance and fraud management.

With its global platforms, the Group aims at significantly increasing the number of processed transactions in the coming years, by growing the business in its existing markets – Belgium, France and Germany – and by expanding the business into other markets where Atos Origin has a strong presence.

Anticipating the future

For over 35 years, Atos Worldline has believed innovation must be embedded in the very DNA of its organization and therefore has been implementing a strong strategy of anticipation of new technologies and uses, supported by a pro-active investment policy.

The "Worldline Innovation Network" fosters innovation-friendly attitudes, perspective making, knowledge sharing and entrepreneurship. Innovations are highlighted and recognized internally through annual Innovation Awards.

Thanks to sustained investments in R&D, Atos Worldline has continuously demonstrated its ability to provide its clients with a reliable vision of the future so that they benefit from the leading-edge technical solutions and platforms. The teams are heavily mobilized to explore and evaluate emerging technologies as well as to conduct pilot projects together with customers.

The research covers all major domains related to mass transaction management: from strong security technologies to next generation networks, including human-machine interfaces, advanced internet applications, mobile and contactless devices, payment terminals and architectures, machine learning, natural language processing, social networks, digital identity management, etc.

B.2.4 Client at the core of Atos Origin

In order to better address its clients' needs, the Group launched a program named GAMA (Global Atos Origin Market Alignment). The objective of this Program is to bring Atos Origin in a leading position in respect to Go to Market, and to implement a consistent global sales organization across the world in terms of market sector verticals and Sales skills.

The Group has selected its five major market sectors where operates: Public & Health, Energy & Utilities, Financial Services, Telecom & Media, Manufacturing/ Retail & Transportation.

B.2.5 Innovation

The last item of the Group strategy is focused on innovation and distinctive offerings.

B.2.5.1 Developing Global Key Offerings, "GKO"

In 2010 the GKO program continued the roll out started in 2009, despite the difficult economic conditions. As part of the development of its differentiation portfolio, twelve Global Key Offerings have been developed with a strong support of the India center.

For each 'GKO', a dedicated organisation has been set up in 2010. This new organisation is placed under the responsibility of a GKO manager, who ensures the continuous review of the business cases, the supervision of the launch of offerings on a global basis. A GKO Delivery manager is in charge of the technical design, the global delivery model and frameworks and insures that each GBU is able to deliver its GKO. Finally a GKO marketing manager is looking out for the training and collaterals required for the sales force and the joint marketing plans with partners.

Training has been another key area in which a lot of time and energy has been spent in order to promote to the sales (and delivery) force about the value of the GKOs. Training programs have been rated and they appeared to be very effective to the participants. GKO Offerings workshops have been organized on a six week basis in our main European countries. Overall more that 2,350 sales people have been successfully trained.

As described in the section Innovation, several Proofs of Concepts have been as well very quickly prepared thanks to the new set of skills the Group has built in India (Android in mobile technologies, BPM and Cloud orchestration, etc.)

R&D effort of the Group will continue as one of the pillars of Group's strategy is the building of IPRs in the selected new industry verticals, that beyond HTTS and the successful launch of Atos WorldGrid, it wants to further promote, such health, transport, telecom. This effort will be done leveraging Group's offshore footprint, optimizing our skills and cost structure.

Please find hereafter the detail for our GKO, that are also available on our corporate website at: www.atosorigin.com.

Nuclear Instrumentation & Control

Atos Origin provides Nuclear & Utilities industry clients with proven monitoring and command control systems, simulation and predictive maintenance platforms in a design-build-operate offering, building on strong partnerships with leading players. Here Atos Origin's solution, part of Atos WorldGrid portfolio, ADACS, is the leading on-line computerized command control solution. This approach has been recently recommended by the International Atomic Energy Agency as the state of the art approach for safety procedures.

In 2010, as well as new business in France and the Netherlands, the main focus has been on China: two contracts have been signed for the delivery of two pairs of digital control systems (DCS) to the China Nuclear Power Engineering group and also for the delivery of two full-scope simulators. Atos Origin has also established the BTPC (Beijing Technology and Projects Center).

Smart Grid and Smart Metering

Atos Origin's Smart Metering solution is an end-to-end solution, involving a full information system and telecommunication infrastructure, which provides:

- Secured and remote acquisition, configuration, maintenance and operation of industrial and residential smart electricity meters;
- Meter data management functions, up to smart grid and customer information functions;

Atos WorldGrid which has been launched in 2010 leads one of the world's largest Smart Metering project – the one for ERDF. In France, the company has delivered the final software that will allow ERDF to manage 35,000 000 meters. It has also provided an interoperability test lab for ERDF. Pilot is underway with already more than 200,000 meters installed by ERDF out of the 300,000 targeted. In Spain, the Atos Origin consortium has started the OpenNode Smart Grid Project for the European Union (7^{th} R&D Framework Program). In China, we have won a Smart Metering pilot project for 100,000 meters through our alliance with ZTE.

Next Generation Intelligent Networks (NGIN)

Atos Origin provides telecom operators with Next Generation Intelligent Networking platforms that allow traditional Value Added Services to be supported in a both existing GSM infrastructure as well as new networking infrastructure (IMS – IP Multimedia Subsystem) while facilitating the introduction of new services going forward. The NGIN is oriented to enabling Telecom operators to attract new business customers and raise the ARPU from existing customers.

Atos Agile Manufacturing (AAM)
Formerly Manufacturing Execution Systems (MES), this ‘GKO’ was renamed in mid-2009. AAM assists manufacturing clients in reaching their business objectives such as Innovation Excellence, Manufacturing Excellence, and/or Supply Chain Excellence. Based on a unique method, developed within its AAM CoE, solutions like SCE, MES, LIMS, PLM and Asset Data Management are tightly linked to these business objectives making the value directly visible (Business Case approach). The approach also covers the capability to implement, deploy and integrate these Manufacturing IT solutions with a Business IT landscape (including ERP).

Enterprise Content Management (ECM)
Atos Origin offers services to large enterprises or public bodies to address issues related to Compliance, Collaboration, and share of all types of multimedia content (Capture, storage, content analytics, etc.)

In 2010, Atos Origin has built a very large Document Management System for a European Defense department (65,000 users, 7 million docs per year) that optimizes information flows, accelerates the collaborative work establishment, and preserves the ministry documentary production with an electronic archiving process compliant with the legal archiving regulations. The content infrastructure is based on a Microsoft Sharepoint platform. Atos Origin has rolled out an ECM Service Catalog that industrializes deliveries of SI activities in a distributed mode.

As a 2011 extension, ECM has a specialization when the content is Media oriented. « New Media Asset management" (MAM) addresses mainly audio, video and other new media content including social media content Atos Origin is providing consultancy, design, build and run of Media Asset Management functionalities or system from the archive and preservation up to the publication (and going through downloading, renaming, backing up, rating, grouping, optimizing, maintaining, thinning, and exporting) of Media files on Internet, Intranet, or other channels.

Adaptive Workplace
Adaptive Workplace provides flexible desktop and end-user support services. It combines core workplace and service desk services with seamless solutions, regardless of this mode of supply (on-line services, management of virtual desktop, applications and software "on demand " , ...).

These services allow the end user to work anywhere, anyplace, and at any time. Atos Origin’s extensive and innovative portfolio ranges from traditional desktop outsourcing to private and public Cloud-style solutions, such as “Atos in a box”. A standardized offering results in consistently high levels of end user experience, together with cost effective and sustainable methods. The working environment is changing and the Adaptive Workplace is ready for this change, with solutions to support a truly mobile workforce, including new device types (iPAD) and the BYO concept already available. Adaptive Workplace has already been successfully deployed at many clients worldwide enabling them to achieve cost reductions up to 40% on workplace management costs. Atos Origin currently manages more than 900,000 devices.

In 2010, revenue has grown by a factor of 6 in the shared Cloud workplace offering, ‘Atos in a box’, and the Group has also secured major new workplace contracts worldwide. Gartner’s latest Magic Quadrant’s for Desktop Outsourcing and Help Desk Outsourcing services in Europe places Atos Origin among the leaders. We believe that our positioning highlights the clarity of our vision and the quality of our solutions for workplace services, confirming us as a market leader.

Identity, Security and Risk Management (ISRM)
Atos Origin's end-to-end innovative approach to information security addresses the full threat landscape and partners with leading security technology providers (McAfee, Oracle, Novell, …) to integrate proven technology into compliance and security solutions that ensure the appropriate level of security for each customer.

Identity, Security and Risk Management is addressing business risks through the integration of proven information security technology. Identity, Security and Risk Management integrates security solutions into customers' business and IT environments to enable controlled business risks, improved operational efficiency and reduced costs.

To ensure the appropriate level of security to each customer, the reliability of the information system and to adapt to the client's regulatory safety and compliance specific needs, the offer includes coverage of risks and is produced in partnership with five major suppliers of security technology (McAfee, Oracle, Novell, ...).

In 2010, GasTerra, the Dutch natural gas trading and distribution firm, became the first new customer of Atos High Performance Security services.

Finally, Atos Origin was awarded Identity Management Solution of the year in the European Identity Management Conference 2010 as well as receiving the award for Cloud Security Solution of the year from Novell. Atos Origin has also been assessed by the market analysts Gartner as an upper quartile player within the EMEA security services market place for the second year running.

Testing & Acceptance Management (TAM)
Atos Origins TAM offering is based on a Service Catalog of services that are provided by Atos Consulting, Professional Services and Managed Services. The vision behind TAM is organizing Test, Acceptance and Move-to-Production in an integrated and standardized way to enable industrialization and further cost reduction of these processes in order to deliver a quality assurance solution to the customers.

Atos origin's unique approach is designed in such a way that it balances up the time, cost, risk and quality dimensions of Software Development Activities and Application Management Activities to manage changes in the IT landscape.

In 2010 more than twenty new logos have been reached, thanks to the benefits of one Global Service Catalog and a strong reinforce of the TAM community with a relevant internal communication.

These business success highlight the value added of our offer, which was awarded as N°1 in France in the Test market from Pierre Audouin Consulting this year.

Atos Sphere, our Cloud Services offering
Atos Origin is delivering a full portfolio of Cloud Services under the branded name Atos Sphere.

To accompany our customers in this new kind of services, we first offer a "Cloud Opportunity Assessment", aiming at helping our customers to identify advantages from the Cloud in their business and to build their roadmap.

Other Atos Sphere services are delivered according to the three "classical" layers of Cloud services:

- **Infrastructure as a Service** (IaaS): we deliver on-demand computing, storage, backup and network services from Cloud platforms already deployed into our own Datacenters.
- **Platform as a Service** (PaaS): we provide Test and Development platforms delivered on a fully on-demand model, with provision of hardware and software tooling including project management suites and specific packages.
- **Software as a Service** (SaaS): we offer a wide range of SaaS from Microsoft, Business Objects, Novell, Axway and other vendors, and also from Open Source. These services not only include the provision of the software packages but other services such as security, backup, integration with other applications, users management, Service Desk, reporting, orchestration.

Our Atos Sphere X-aaS services are available either as:

- Shared Cloud (customers on shared infrastructure in our Data Centres),
- Private Cloud (customers with dedicated infrastructure in our Data Centres), or
- Dedicated Cloud (customers hosting their own Cloud infrastructure in their premises)

The Group also deliver Cloud services for end users devices through Virtualized Desktop offerings, and we offer ready-to-use virtualized desktop environments through Atos in a Box offering which successfully continues its deployment in the European market.

All our Cloud Services meet green environmental regulations, and can be delivered, on request, with a zero-carbon footprint through certified carbon offsetting by external body.

Sustainability Solutions

Sustainability has become a strong element of the Global Key Offerings portfolio of Atos Origin, leveraging the effort to be in line with its own CSR.

In 2010, the Company has developed and promoted several new technologies. As a leading IT services company, Atos Origin can also support future developments in areas such as faster processing, lower energy consumption, greater efficiency and miniaturization of components may continue or leverage scientific innovations such as Control and Command for Complex systems (Smart-Grid, energy efficient buildings, and traffic management), Alternative Delivery Models, collaboration and knowledge management, and decision support systems. Our clients now require IT partners who understand the future social and economic environments and who can provide services that are innovative and sustainable. Therefore the objective is to be a globally performing IT services company and recognised as a credible, trusted, innovative sustainability service provider.

2010 Achievements: Client approved case studies with leading sustainable clients: Akzo Nobel, DSM, HMRC, Home Office, EDF Energy, Baker Hughes. Over 250 client-facing Atos Origin staff received initial sustainability solutions training. Sustainability Solutions portfolio defined and launched, fact sheets and white papers published and high profile speaker presentations at global events.

Social Business Solutions (New in 2010)

In a relatively short time-frame, online social networking has grown from a disruptive trend to claim a position as one of the most common online activities- in front of email and search. With the exception of marketing functions, many enterprises still struggle to find ways of dealing with the challenges this poses internally and externally, and have difficulty finding new ways of creating value in a changed environment. To help its clients deal with challenges and create value, Atos Origin will develop a portfolio of social business solutions; addressing current customer's pains and gains, looking for solutions through social networking concepts, technologies and services, and offering these as integral solutions through alternative delivery models and agreements.

Obviously, this offer is not just about Facebook and the likes, but it actually addres real business issues and relies on social concepts, technologies and methodologies to improve business performance. Implementing 'social business solutions' will have the objective of cost reductions through optimization of communication and collaboration within and across organizations, and/or finding new value by tapping into the 'potential of the crowd'.

Smart Mobility Services (New in 2010)
Mobile devices have transformed the lives of more than four billion people. Now there is great interest and excitement that embedded mobile connectivity, in everyday devices.

This smart mobility will deliver transformative benefits to citizens, consumers, businesses and society as a whole. And it has already started with Transportation solutions, remote monitoring technologies for healthcare, smart shopping applications, etc.

As a disruptive technology Atos Origin sees Smart Mobility as a real opportunity for future business growth in a number of areas. Atos Origin has the expertise and relevant experience to play in any part of an emerging Smart Mobility Service Ecosystem depending on client requirements.

In 2010, Atos Origin had a role on this new IT computing cycle with some consulting studies, SAP mobile implementations, HTTS activities (around payment and ticketing) and began to design some vertical mobile solutions (around e-cars parc management, Smart Metering and healthcare).

Furthermore, the company generated some business with a dedicated global communication in July, the restructuring of a mobile subsidiary in Iberia Tempos21 and a huge on-going telematics opportunity for Renault which could lead to one of the biggest and innovative reference on this market.

In 2011, Smart Mobility will be promoted as a Global Key Offering, re-enforcing its current activities, emphases verticals solutions and build a complete end-to-end enterprise approach will be the key development elements for Atos Origin.

B.2.5.2 **Investing in innovation in the long run**

In 2010, Atos Origin has launched a new IPR (Intellectual Property Rights) policy with a dedicated patent management process. This aims to better control the development and the use of our IPRs and disseminate them across the organization to improve the customer perceived value of our customers and increase our business performance with innovative proposals. This also lowers our operational cost by reusing our own assets rather than buying third party technologies. In that respect, Atos Origin has decided to capitalize some key R&D internal project as they should generate recurring revenues in the long run.

Through the TOP Program, the Company has set up a systematic approach to identify R&D projects and ensure that they would be recognised both internally and externally. It has also enabled the Company to benefit from subsidies specifically granted for R&D.

The customers remain at the heart of the Group focus, and as such, Atos Origin has conducted a great number of innovation workshops and events together with clients and partners. Those workshops and events, along with proven proofs of concept, are essential success factors for product and service innovations, as they also enable to maintain close relationships with all innovation stakeholders, their incorporation into the eco-system and the launch of new key ideas.

Conditioned by the closing of the transaction between Atos Origin and Siemens, both companies have decided to allocate EUR 50 million each to R&D, with the ambition to accelerate innovation and notably to develop jointly new differentiating offerings.

In this context, ten potential joint development projects have already been identified, including communication platform for remote acquisition of train maintenance data, integrated solutions for electric-car parc management, etc.

B.2.5.3 **The Scientific Community**

The Scientific Community is currently a network of some 60 members, representing a mix of all skills and backgrounds, and coming from all geographies where Atos Origin operates. Its aim is to help Atos Origin anticipate and craft its vision regarding upcoming technology disruptions and the new challenges faced by the industry. Sharing this vision with its clients and investing on the related findings, Atos Origin intends to help its clients to make critical choices regarding the future of their business solutions. In 2009, the scientific community has studied ten key identified challenges for its industry and its clients. In addition, the community is working on eight building blocks as user interface, process, context, social graph, data brokerage, etc. which combined with the ten challenges constitute the five-year vision for Atos Origin called ‘Journey 2014’.

In 2010, the Scientific Community has concentrated on:

- implementing with customers the concepts developed in Journey 2014 by building “proof of concepts”,
- preparing supports for external communications in line with the CEO Press Conferences,
- designing “the Future Centre” to present our Vision to customers, partners and staff,
- and initializing Open Innovation vis-à-vis students through IT Games to be organized in 2011, Universities through the creation of Chairs and Start up with an Atos Origin incubator.

More than 10 **proof of concepts** have been implemented in the domains of Smart Mobility, Cloud Orchestration, Social Network Analysis, Business Process Modelling, Identity as a service, Smart Metering, Creative Lean, Risk Assessment in Solvency 2, etc. Participation of customers to these proof of concepts program has generated opportunities for new business in innovative fields.

Having experienced the challenges and building blocks to real situations that demonstrate the theory in practice, the Scientific Community has delivered a new version of “Journey 2014” focussing on “**Simplicity with Control**”, a 60-pages document to be made available to our strategic customers, our main partners and our staff. For the same audience, eight **White Papers** have been published on adjacent topics.

The “**Future Center**” has been designed and will be implemented in 2011 to demonstrate next to the Bezons Show Room the various proof of concepts supporting our vision as well as preparing with customers and partners a common approach to implement their vision. The “Future Center” will be accessible from every large premises of Atos Origin and will be key to support an open innovation culture within Atos Origin.

The Scientific Community has operated internally using the cooperation principles sometimes called “organization 2.0” with tasks chosen and not assigned, peer rating, collaboration tools.

With the basis of Journey 2014, Scientific Community can pump prime a process of Open Innovation targeting, Students, Universities and Start up’s.

Extending the reputation of Atos Origin in the Olympics, the IT games will address a few universities in the main countries where the Group operates to identify students who can contribute to the development of Smart Mobility applications using, as needed, the concepts and tools developed by Atos Origin.

The best teams will be rewarded through several distinctive experiences including invitation to Summer Olympics in London and industrial implementation of their ideas. Universities are for most of them willing to anchor their research into industrial reality. Smart Mobility will be the first theme to create a chair with a yet to be announced university in 2011. Finally, as announced in the CEO Press Conference in July 2010, Atos will be launching an Atos Origin Incubator to support start-up financing take-off.

B.2.6 Quality

To align with the extension of distributed delivery of services across onshore, nearshore and offshore capabilities, The Groups' Quality organization had to adapt to contribute to continuous improvement of services delivered to our clients.

The decision was made and implemented in 2010 to incorporate at a country level, a Quality correspondent network strongly integrated at a Service Line level.

Whereas the country Quality correspondent are focusing on customer Service Level Agreement achievement and satisfaction, the Service Line is working to improve the back office in efficiency, quality and fluency.

As a result, distributed sourced projects and ongoing services benefit from a unique Quality Management System per Service Line implementing common way of working for all Atos Origin staff to deliver our offerings seamlessly end-to-end, delivery site notwithstanding. For this, it implements a common set of processes, guidelines metrics that are supported by our standard tool set. The roll out will cover all locations in 2011.

This ensures:

- Constant measures, reviewing the effectiveness of our delivery and using this input to implement a continuous improvement loop to improve quality, performance and predictability of our deliveries for the benefit of our customers.
- To become a learning organization – something that has been developed can be shared and re-used by other parts of the organization.
- To be more flexible in moving work to the most appropriate location based on skills, proximity and cost requirements Of course, the maturity and compliance of our standard processes and usage is constantly being assessed against Industry and international such as ISO 9001, ISO 20000, ISO 27001 as well as CMMI 3 / 5.

Another example of this focus on end to end improvement is the review by Delivery Line Global Quality Director, on a weekly basis, of action plans for all accounts that do not achieve 98% or more of their SLAs (and we plan to extend the threshold to 100%).

Thus we enforce strongest commitment to Quality and proactive problem management of Atos Origin.

B.3 **Sales and Delivery**

With the implementation of the ‘GAMA’ program, Atos Origin intends to have a strong industry focus and a comprehensive Go to Markets approach, together with a coordinated management of the business. This section summarizes the Group’s five key markets.

B.3.1 Markets: description of context, achievement and ambition for the five identified verticals

B.3.1.1 **Financial Services**

Context

After a tough 2009 year, most financial institutions in Western Europe and APAC experienced a return to profitability in 2010. However, it is important to highlight here that those institutions have still had to face two kinds of challenges:

- Make significant efforts to integrate the entities acquired during the intense mergers and acquisitions period, in order to streamline the organization and get benefits from the synergies,
- Anticipate the regulatory evolution, in order to be compliant as soon as the laws are voted, in terms of risk management, capital ratios, reporting tools, transparency, etc.

Technology offers key solutions to answer some of those needs, with services such as Business Process Outsourcing (BPO), Master Data Management, Platforms for risk and compliance, etc.

What’s new in the Financial Services vertical at Atos Origin?

In overall terms we have strengthened our focus on delivering four areas of value to banks and insurance companies:

- **Business agility in new customer services** – utilizing business solutions from HTTS. We see high market demand for e-Services, mobility and internet banking. For example, Atos Origin delivered a new iPhone based mobile banking solution to a leading French Bank, resulting in the 2nd largest downloads on launch on the website, increasing customer acquisition in a key target segment.
- **Increasing flexibility and reducing cost in core processes** – by leveraging industrial scale and expertise or outsourcing processes. Examples include: HTTS Payments, Life & Pensions Closed Book utility business models.
- **Transforming and reducing the cost of IT** – through leveraging our global factory model for IT outsourcing of Applications and Infrastructure. Also delivering Cloud services in selected IT domains to provide a more flexible “pay per use” business model.
- **Meeting Risk and Compliance Regulatory demands** – we launched our Consulting led Solvency II offering in Europe to assist insurance customers with the complex operational implementation of a new compliant target operating model.

Atos Origin ambitions

The Group aims at enhancing its presence in the financial sector. As a result, the Group will continue to take actions to develop its portfolio of solutions, offering companies more stability, resilience, and a competitive advantage. Clients should boost their spending and we expect this to increase demand for Atos Origin products and services.

In terms of customers, the Group priority will still be to continue to leverage synergies and grow its international accounts as a priority by delivering end-to-end services.

Finally, the Group continues its progressive action to expand its footprint to high-growth geographies such as APAC, South America and Middle East.

B.3.1.2 **Public Services & Healthcare**

Context

2010 has been a critical year for the Public sector: in order to minimise the impact of the global crisis on their economies, most Governments have established austerity policies and Lean management techniques to contain public expenditure and maintain a low level of deficit and national debt.

In this context, there has been a drive to enhance technologies, through the use of Shared Services, Pay-as-you-go offerings or outsourcing. However, European states have also been facing higher unemployment rates and therefore seem to be more reluctant to cut existing positions.

In a nutshell, on one side the contracts signed with Administrations in 2010 have reflected a lower bargaining power for contracts renegotiations, and on the other side the new signatures tend to show that the rise of new business areas for IT Services companies mentioned by the Governments (especially in the UK) may really be materialized into new deals, as long as they bring a solution with better value for money.

What's new in the Public Services & Healthcare vertical at Atos Origin?

In this vertical a major step has been made to achieve the aspiration of becoming a real global market. By definition a public sector seems limited by geographical borders, but the economic circumstances inspired us to leverage solutions and best practices around the globe, connect our customers internationally and support all colleagues working in this market without hesitation. In several geographies new business plans were made for entering sub markets due to the availability of reference material and thus enhanced credibility.

Outsourcing and off shoring begin to be prominent topics on the agenda of public sector and healthcare customers. Our portfolio and services are well positioned to help our customers to draw benefit from this important change in this market.

Atos Origin ambitions

The existing cost pressure influences the way Atos Origin aims at growing. As a major player in the IT Outsourcing domain there is a lot of business to win here. Executing the "cost management and cost optimization" marketing and sales campaign is an important cornerstone for growing our business too, as the portfolio we have perfectly fits. Looking at geographies, it is expected that the newer Atos Origin' Public Services and Health geographies will benefit of all results we achieved in the major European countries.

Combining the current services with relevant HTTS portfolio gives even more opportunities to enhance the business and intensify the strategic relationship with our customers.

Our position as a major player in Europe should help us enter the markets of the new member states of the EU. We are also convinced that our existing business in the Ministries of Defence in several NATO member states will also give us a solid foundation for reference needs.

Finally, the existing global communities (Defence, e-Government, Healthcare and Education) will enable us to leverage best practices around the globe and increase the re use of specific, vertical solutions.

B.3.1.3 **Telecom & Media**

Context
Although relatively resilient to the difficult macroeconomic conditions of the preceding years, European telecom markets suffered from the combination of a lack of revenue catalysts and price pressure. However in 2010 the margins were protected thanks to the effects of the tight cost cutting program implemented previously. Regarding revenue evolution, fixed line sales revenue decline is still ongoing, but mobile's revenue started to bounce back at the end of 2009.

In this context, Telco & Media organizations seek to:

- Gain differentiation with Business Solutions aiming to support core processes of their own clients,
- Leverage on their existing customer base as well as their existing network infrastructure in order to add more value beyond pure connectivity services,
- Increase the cost effectiveness as well as efficiency of their internal IT infrastructure through outsourcing initiatives. In 2010 Atos Origin was named #1 in customer satisfaction in telecom IT outsourcing for the second consecutive year, after an in-depth survey by analyst Black Book (part of Datamonitor) and was also recognized as the Database Partner of the Year at Oracle's Partner Network (OPN) France Partner Specialization Awards business in the Telco & Media vertical.

Developed telecom markets show saturation patterns with market penetration of over 130% on mobile contracts and low organic growth potential. In those mature markets, the declining pricing power, as well as inter-operator termination fees and new capital expenditures on Next Generation infrastructure are still weighing on Telecom operators. However, increasing volumes may offset the topline overall.

On the very contrary, emerging markets provide a healthy foundation for growth and attract substantial capital investments in the battle for tomorrow's market dominance. Despite far lower market penetration levels than the European and North American ones, low budget handsets and flexible prepaid tariff schemes will be the drivers for growth in the coming years.

What's new in the Telecom and Media vertical at Atos Origin?

The vertical has been a group pioneer in moving to the "GAMA" market organization by vertical to:

- Sell to all existing and targeted Telecom and Media companies worldwide through a better coverage of our customers, increasing revenue and market share outside Europe
- Limit the local offerings use and create a worldwide Telco & Media specific range of services answering the international need of our customers
- Optimize and streamline the processes with the creation of a global delivery Center of Excellence to gain in efficiency

Atos Origin ambitions
The Group has identified key areas to address in this market in the future, main ones being the following:

- Support telecom & media players secure their **core business** in the customer management, in MVNO solutions, Next Generation Access, …,
- Engage with Service Providers in **footprint expansion** (Innovation process enhancement with the support of Atos Origin Scientific Community for Digital content, Cloud solutions, …),
- Help Telecom companies in their ambitions to enter **new markets** (particularly for opportunities in cross industries businesses such as e-health, car mobility, connected home, smart utilities, etc.),
- Drive **operational efficiency** (implementation of industry best practices through process improvements, organizational excellence, Shared Services Centers offerings, etc.)

Finally, to fit to these needs in a business environment remaining challenging with increasing regulatory constraints and new entrants to appear, Atos Origin will focus on two elements to be recognized as attractive for Telco & Media organizations on their way forward:

- **Aligning the portfolio to the priorities** of customers in order to better perform the optimization of internal operations, as well as support the evolution of their Go-To-Market approaches,
- Operating a selective **extension of the current offering** portfolio to support core IT transformation initiatives.

B.3.1.4 **Manufacturing, Retail & Transportation**

Context

In 2010, the Manufacturing market, followed by the Transportation and Retail markets have steadily recovered**.** Many companies leveraged 2009 to consolidate their operations and sharpen their capabilities in operational efficiency and customer intimacy. Building on the cost savings programs achieved in 2009, projects which had been stopped or put on hold were resumed in 2010, with a renewed focus on innovation and discretionary investments in capabilities to win new customers, develop new markets, products and services while also confirming commitment to sustainability.

In this context, **Manufacturers'** priorities have been:

- The optimization of their operations by an increase in their agility (without compromising their product quality) and thanks to the availability of data so as to be able to respond to the fluctuating markets and changing needs but also to anticipate and act on changing conditions;
- The Management of the complexity and innovation around the development of their products with the right product lifecycle management strategy;
- Taking advantage of globalization in the value chain with improved sourcing models turning supply chain management as a competitive advantage;
- Extending the customer experience through the use of customization tools for products;
- Becoming more sustainable, to remain compliant with the increased regulation, and to fulfill the expectations of the company stakeholders (clients, employees, shareholders, suppliers, etc.)

Retailers focused on strengthening their position by focusing on existing customers, increasing their loyalty programs, personalizing their customer interaction and attracting new shoppers, also by going "green"**.** They looked to:

- Build and extend Business Intelligence capabilities and the use of analytics tools;
- Leverage on efficient data applications such as CRM and planning, forecasting and merchandising systems;
- Make processes more sustainable, to reduce their carbon footprint while saving on transportation costs;
- Empower their staff with the implementation of human capital management technology optimizing deployment and recruiting.

Regarding **transportation** companies, one can observe that they aim to become less fuel dependant and to be rather eco-friendly, to optimize their asset utilization to contain costs and to accelerate the use of web-channels for sales, customer service and tracking.

In this context, those organizations seek to:

- Improve planning tools to maximize their use of assets,
- Lower costs and gain in cost flexibility,
- Become more sustainable and green,
- Leverage technology in their operations as well as for customer facing processes,
- Improve customer centricity for better visibility & connectivity.

What's new in the Manufacturing, Retail & Transportation vertical at Atos Origin?

In July 2010, Atos Origin launched a new suite of Smart Mobility services to enable organizations to exploit and benefit from the latest advances in mobile technology, improved connectivity and the increase in the availability of data.

In Manufacturing:

- In January 2010, Atos Origin launched Atos Sphere PLM, evidence of Atos Origin's commitment to providing innovative Sourcing Solutions;
- In February 2010, Atos Origin launched M4MES, a proprietary Atos Origin methodology for delivering business value in plant operations.

In Retail:
In December 2010, the important contract around the management of the IT infrastructure and services for Karstadt was renewed.

In Transport:

- In March 2010, Atos Origin acquired Shere, a leading provider of integrated self-service, web and desktop systems delivering services to the UK rail and hospitality markets;
- In July 2010, Atos Origin launched in the UK www.redspottedhanky.com, an online travel retailer which is a major milestone in the Group's strategy to grow revenue based on the number of transactions recorded,

Atos Origin has also expanded its geographic footprint and capabilities to service Manufacturers in APAC, South America and in the Middle East.

In 2010, embracing the economic and environmental challenges, Atos Origin's focus on its customers' business imperatives was reflected in its own performance. Atos Origin emerged from the crisis better positioned against the competition, especially in Western Europe.

Capabilities to support our customers in delivering business value in mission critical domains was strengthened and recognized by customers and market analysts alike.

Atos Origin ambitions
Atos Origin is looking forward to leveraging on the momentum achieved during the last few years. Atos Origin's unique capability to deliver increased business value in mission critical domains was reflected in Atos Origin's performance. The Group emerged better positioned from the crisis compared to the competition, and especially in Western Europe. This was the result of how the Group embraced the economic and environmental challenges, and focused on customers' and on their business imperatives.

In 2011, Atos Origin, will continue to focus on delivering business value to its customers in Manufacturing, Retail and Transportation and to leverage its unique capabilities in mission critical domains. With more than over 10,000 skilled professionals in Manufacturing, Retail and Transportation systems and operations will continue to serve its world-class clientele including: Adidas, Ahold, Air France / KLM, Akzo Nobel, Alstom, Amadeus, ASML, Auchan, Canon, Paccar/DAF, DSM, EADS, Johnson Controls, L'Oreal, Lufthansa, LVMH, Michelin, NXP, Océ, Philips, PPR, Procter & Gamble, PSA, Renault-Nissan, Rhodia, Safran and Sanofi Aventis.

The Group has identified key areas to address in these markets in the future, including:

- Supporting Manufacturers in their processes to drive them towards sustainable manufacturing excellence notably with the launch of Global Key Offerings around Atos World Manufacturing (Manufacturing Execution Systems, Product Lifecycle Management and Supply Chain Management), and diversified offerings around Sustainable Manufacturing.
- Launching innovative solutions for Retailers, aimed to support customer, channel and experience management,.
- Leveraging our global presence in the Transport market and launching innovative offers focused on Journey Management, Operations & Infrastructure Management and (Travel) Retailing.
- Enhancing capabilities to serve global clients wherever they do business and to strengthen our position in geographies with long-term, sustained growth potential, like South American and Asia Pacific.

B.3.1.5 **Energy & Utilities**

Context

The Energy & Utility industry is for the first time at the verge of a massive transformation which should impact traditional business models: first of all, the growing pressure for de-regulation is an imperative for change. Second, in the context of a growing scarcity of natural resources, and of more and more Green concerns, finding a well balanced mix of traditional and renewable energy-sources combining the security of supply are highly prioritized business drivers.

In this context, **Energy** organizations seek to:

- Reduce costs in their traditional business activities,
- Diversify investments in new sources of energy in order to explore and prepare for coming change,
- Optimize and maximize in areas of proven recoverable reserves, production of current reserves, product delivery and time to market,
- Mitigate risks regarding substitute energy sources

In the abovementioned context, **Utility** companies seek to:

- Drastically change their traditional business model to comply with regulation and policy; to manage themes as energy efficiency and end-users becoming producers and to compete with new entrants,
- Transform into a customer-driven "Information Company", comparable to the telecommunications-industry, to retain end-users through state of the art customer intimacy.

Just like the global economy, and despite its recurring profile of the business, the Utility-sector has also suffered from the economic downturn. This has led enterprises across the sector to freeze discretionary spending on development projects, and to delay major investment plans. At the same time, end user energy consumption has decreased over the last years.

What's new in the Energy & Utilities vertical at Atos Origin?

The vertical has been focusing on sector-specific offerings and an organizational structure to enable faster profitable growth, through:

- The establishment of **Atos WorldGrid**, an international entity of Atos Origin launched in early 2010 to globally provide real-time IT-services. Atos WorldGrid has a leading position in innovative initiatives across the Energy &Utilities market,
- The launch of a global competence center for **SAP Industry Solutions**, mainly focusing on enterprise-wide integration of real time data into customer care and management information systems,
- The development of **strategic partnerships**

Through the establishment of **Atos WorldGrid**, the international entity of Atos Origin launched in early 2010 to address globally the business critical IT of E&U market, Atos Origin reaffirms its overall strategy to address specific markets with highly differentiated replicable solutions to enjoy a stronger profitability in the Energy & Utilities market. Atos WorldGrid provides IT services in areas where IT is the core of the business: oil, gas, water and electricity and all innovative initiatives across the E&U market. For each E&U market, Atos WorldGrid develops, integrates, installs and maintains a comprehensive portfolio of solutions in order to cover the whole value chain from the production, transport, storage, to the distribution and then retail.

The first Atos WorldGrid subsidiary was created in **France** in August 2010. Atos WorldGrid was officially launched in **Brazil** during the SENDI event in Q4 2010. This year was also created a Join Venture between ZTE Utility (70%) and Atos Origin BV (30%) in **China** to promote smart grid solutions for a power distribution network operator in mainland China. Atos WorldGrid also contributed to major innovation projects such as MedGrid in France and is the unique IT shareholder of the MedGrid company.

Major deals were signed in 2010 in France, including a contract with GRT Gaz (for physical dispatching/ SCADA), with EDF (web portal for the mass market), and two in China, one in Hanan for the management of the nuclear plant's Digital Control System, and one in the South of the country for the first smart meter management pilot project of a major coastal city.

Atos Origin ambitions

Based on the strategy that has set in, the group has clearly defined a roadmap to further gain positions in this market. Main areas are:

- Supporting Energy & Utility companies with their main **business themes** such as resource optimization, regularity compliancy, energy sources sustainability, Smart Utilities and supply security,
- Supporting Energy & Utility companies with their massive transformation towards a, **customer centric** organization, managed with efficient database
- Further expanding its footprint in **emerging countries**

For Atos WorldGrid, the Group has also set high ambitions. In the first quarter of 2011, the launch of two additional Atos WorldGrid subsidiaries in China and in Spain will be effective.

For the year to come, Atos WorldGrid will focus on three domains:

- The promotion of smart grid solutions and the related customer oriented information system in fast growing areas like Asia, Brazil and in Occidental Europe.
- The promotion of Digital Control System (DCS) for nuclear plants in China through a consortium headed by Invensys.
- The promotion of a new generation of physical and commercial dispatching to comply efficiently with the coming deregulated market rules.

For each domain, Atos WorldGrid will continue to create strategic partnerships with major E&U players to offer the best end-to-end solutions for its customers.

B.3.2 Marketing approach

The transformation and the globalization of the marketing function has been a key focus area of the group in order to ensure future growth. As a global function, strong reporting lines have been implemented from the local marketing teams to the corporate level; on the corporate level the Global Head of Marketing reports to the Global Head of Sales.

Beyond organizational changes to improve efficiency and to create a strong alignment between marketing and sales, the transformation of marketing – which is one of the TOP Sales projects – is characterized by three aspects:

- **Global campaigns:** Marketing campaigns are being developed globally in order to ensure both efficiency of marketing operations as well as a global consistency of marketing messaging; campaigns are being adapted locally in order to reflect local market needs when necessary. During 2010, various campaigns were developed and pushed.
- **Sales training on offerings and campaigns:** Since its long standing client relationships are key assets of the group, client proximity is a key sales objective. Consequently, an in-depth understanding of client needs and client business processes combined with a vast knowledge of IT and technology are key requirements for Atos sales and consultants. Since Q2 2010, the marketing function has taken over the responsibility of constantly training sales on new offerings and initiatives as part of marketing campaigns. In 2010, the marketing function delivered more than 2.000 trainings.
- **Portfolio development and sales support material:** As part of the verticalisation of the go-to-market, marketing has been streamlining the existing offering portfolio and has been linking portfolio elements to market drivers and clients' needs. Sales support material has been developed for more than 150 global offerings including the group key offerings; tools enabling the sales force to guide clients and prospects through the Atos offering portfolio in new ways will be released in H1 2011.

B.3.3 Consulting

The mission of Atos Consulting is to deliver tangible sustainable results to its customers, by helping them to transform their behavior, business models, processes and IT to reap the full benefits of technology adoption and deliver innovation and improved effectiveness.

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

Atos Consulting delivers the "Design" component of the Atos Origin "Design – Build – Operate model". It is leveraging Atos Origin's global expertise and assets and is considered as another channel to deliver its expertise to clients, next to Systems Integration, Managed Services, BPO, and HTTS offers.

As such, Atos Consulting:

- is the focal point for Atos Origin's expertise in Process and IT Transformation,
- contributes to manage change and transformation on Systems Integration and Managed Services projects,
- is Atos Origin's engine for helping clients to innovate and transform
- drives Atos Origin's consultative selling approach on targeted accounts

In order to ensure both a strong industry focus and a leverage of knowledge on cross-industry issues, Atos Consulting is organized around Markets and three practices (Business Innovation, Operational Excellence, and Information System Excellence) made of 15 Centers of Excellence. These Centers of Excellence are developing functional expertise across Markets while Market teams are developing industry specific expertise and vertical oriented offerings.

B.3.4 Delivery Lines

B.3.4.1 **Hi-Tech Transactional Services**

A unique expertise

The strategic initiative of developing Hi-Tech Transactional Services activities, launched in the summer of 2009, is heavily based on leveraging the Atos Worldline Global Business Unit. Leader in end-to-end services for critical electronic transactions, Atos Worldline is specialized in:

- Electronic payments services - issuing, acquiring, terminals, card and non card payment solutions & processing,
- e-CS – e-Services for Customers, Citizens and Communities - client service processes, messaging, web platforms and digitization, trust and archiving services,
- Financial Markets - clearing & settlement, brokerage services and asset management.

Atos Worldline has acquired a strong position as a professional European Partner of the banking, telecoms, retail, public sector and healthcare markets.

Since 2010, the deployment and structuring of HTTS teams in the key European countries of Atos Origin and in Asia Pacific has complemented the HTTS portfolio of activities with significant new capabilities in the areas of Payments, and e-CS.

Electronic Payments Services

Atos Worldline is a European leader in payment services with over 35 years of experience and in-depth expertise of the payment industry in main European countries. It covers the full value chain of payments, ranging from issuing, acquiring, terminals, card and non-card payment solutions and processing. The company delivers end-to-end payment solutions to help its clients better anticipate the major European regulatory challenges and optimize the performance of their end-to-end electronic transactions..

- **Payments Acquiring**

Atos Worldline develops and processes tailor-made acquiring services for all types of payments. By acquiring the Group means: receiving electronic financial data from merchants related to a payment transaction, and processing that data. Atos Worldline expertise includes:

- Payment transaction processing including central acquiring
- Visa/MasterCard European commercial acquiring licence
- Remote payments management
- Development of payment technology solutions
- Authorization servers, data collection management
- Development, sale, renting, installation of payment terminals
- Call center: contract, fraud and claim management
- Gateways to international payment networks
- SEPA mandate and direct debit management

- **Payments Issuing**

Atos Worldline develops and process tailor-made issuing services for all types of payment. Issuing covers: processing and management of cardholders' transactions. This expertise includes:

- Card management system: debit, credit, corporate cards,
- Prepaid card, international co-branded cards, fuel cards
- Consumer credit
- Authorization servers
- Call center management for cardholders, Cardstop
- Payment solutions dedicated to eCommerce: virtual cards, top-up accounts, 3D Secure
- Contactless, mobile payment
- Real time fraud management.

- **Interbanking Payments applications**

Atos Worldline develops state of the art interbanking payments applications, Real Time Gross Settlement and Account Clearing Houses solutions, widely deployed in Europe and worldwide.

Significant expertise in Electronic Payments is also available to our customers and Asia Pacific, where Atos Origin is the leading solution provider to the Asian Banking industry.

e-CS, e-services for Customers, Citizens and Communities
Atos Worldline has more than 30 years of experience and expertise in the development of e-Services for Customers, Citizens and Communities, including the development of tailor-made Customer Relationship Management (CRM) services fully combined with technology-driven multi-channel solutions (Internet, mobile and voice services).

The usage trends governing the e-CS domain are a continued appreciation by customers of consumer self-service facilities as they tie up fewer human resources and yet deliver higher user satisfaction. A second generation of tools serving ever new channels is about to be implemented, catering for a coherent, seamless and more engaging consumer experience. Huge quantities of data are created on e-commerce, community and e-document platforms as well as e-mail systems; the need of storing this data in a structured way is becoming more and more essential.

Mobility has become a significant source of business for Atos Worldline and Atos Origin, with many mobile services and applications realized for our customers, bringing large successes with applications in mobile banking, transportation, public services, mobile media and mobile payment. By generating new transactions on existing platforms and new cases of use for transactional services, mobility will be a strong contributor to future growth.

Atos Worldline and Atos Origin's HTTS solutions help its clients optimize their client relations and transactions through all interaction channels.

- **Client Service Processes & Loyalty**

The services provided in this area are geared to improve the customer relationship, hence business performance of customers. They allow clients to interact with their customers through many channels (voice, web, mobile, kiosks, SMS...). They also provide means to retain and up-sell to the most profitable customer segments and cater for business intelligence on user profiles and behavior.

- **Messaging**

Messaging solutions represent secure core mail systems for ISPs and Telco and confidential communication channels for public and commercial organizations especially banks, complying with Basel 2 requirements. Messaging enables convergence of voice and mail channels and support "anytime, anywhere, any device" usage.

- **Web platforms**

Web platforms are based on Web 2.0 internet content management systems on top of which are added dedicated business engines such as e-commerce applications, trading systems, e-administration platforms or ticketing services. In order to serve the growing market of mobile internet, those platform functionalities have been extended to mobile devices and guarantee a perfect mobile internet user experience with all handsets available on the market.

- **Digitization, trust and archiving services**

These services foster the transformation of paper-based processes into e-document workflows (ex: e-Invoices). They offer state-of-the-art technology, compliant with European legislation on strong user authentication and electronic signature based on PKI (Public Key Identification). Storage and complex archiving processes round off the digitization value chain. As Trusted Third Party the company offers these services requiring the highest infrastructure security, process expertise and regular certification as external service provider in a cost efficient way.

- **Market Specific Transactional Service Platforms**

Based on the control of its self designed solutions and services portfolio, Atos Worldline and Atos Origin HTTS teams have developed dedicated service platforms to cater market specific needs of new high volume of critical transactional services. These tailor-made dedicated service platforms leverage the agility of our teams to combine our assets while ensuring security and reliability of the industrial processing environments delivering the customer services. Examples of such platforms cover as diverse areas as traffic speed control, national health record systems, and transport ticketing.

Financial Markets Services

Atos Worldline expertise in Financial Markets covers global markets throughout the investment process - asset managers, private bankers, brokers and intermediaries, exchanges, clearing houses, CCPs (Central Counter Parties) and CSDs (Central Securities Depositaries).

Based on its in-depth business understanding of the industry dynamics and its leadership towards new collaborative technologies, Atos Worldline turns its capacity for innovation into value-in-use solutions, allowing to face new market challenges and offer new solutions to cover the entire lifecycle of securities, investment funds and derivatives. These solutions cover the following domains:

- Real-time market information
- Online brokerage and Innovative Front to Back office Services
- Securities and Derivatives Clearing and Central Counter Parties (CCP) Solutions
- Securities Settlement and Depositary Solutions
- Advanced multi-asset Portfolio Management System

Processing billions of electronic transactions

Atos Worldline offers strong industrial processing capabilities that enable to process 15 billion electronic transactions per year on its main highly secured data-centers in Europe. Atos Worldline fully interconnected datacenters run 24/7. Commitment to offering best quality services is demonstrated through strong Service Level Agreement and compliance to ISO 9001 standards.

This industrial processing capability and unique value proposition is also leveraged for all Atos Origin customers as the deployment of the HTTS offering portfolio into the geographies of the group progresses.

Selected volumes processed in 2010 by Atos Worldline

Payment	e-CS	Financial Markets
28 million credit & debit cards	2 billion calls (IVR & contact centers)	280 million trade orders
2.2 billion acquiring transactions	1 billion SMS (Short Messages Services)	EUR 450 billion assets under management
570,000 terminals 415 million remote payment	60 million e-mail boxes	

Continuous innovation

Through its unique value proposition, Atos Worldline focuses on delivering innovative solutions and services that help its clients advance their business strategies to meet today's business agility and competitive challenges:

Atos Worldline offers its customers a unique value proposition and helps them differentiate themselves by:

- High quality end-to-end services
- Strengthened productivity and cost efficiency through volume aggregation mainly across Europe
- Customized solutions and price per transaction, based on clients' business criteria
- Leading edge services through strong R&D focus and long-term commitment
- Successful and unique approach with key clients through a "win-win" model, offering to share investments and revenues.

Every year Atos Worldline wins prestigious market awards in recognition of its continuous commitment to research and development of leading edge solutions. Awarded solutions cover expertise in areas such as mobile payments, secure IPTV payment, online CRM, paperless solutions.

B.3.4.2 **Systems Integration**

2010 has been a very rewerding year for Atos Origin's Systems Integration services. The Group has strengthened and widened its portfolio of offerings, while constantly focusing on the globalization and industrialization of its operations so that it can design, build and operate practical and robust solutions in a seamless manner.

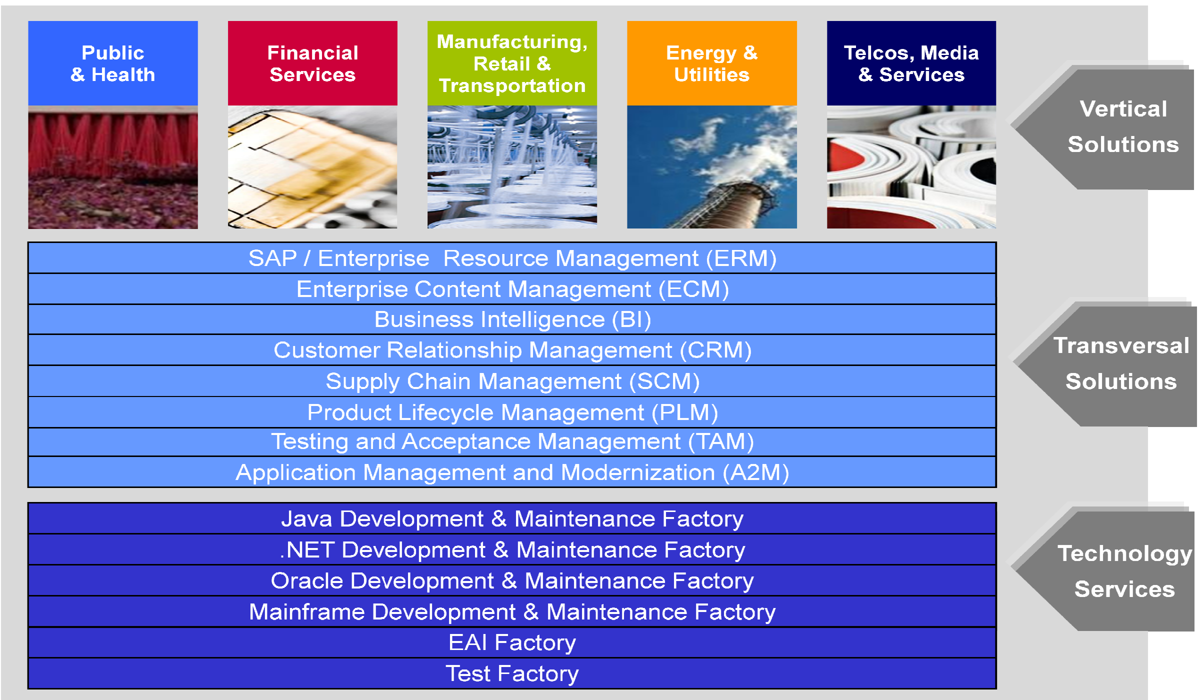
Portfolio

2010 has been a cornerstone for Atos Origin SI offerings. There has been a constant and powerful focus on structuring Systems Integration offerings as the basis for increased added value for Atos Origin customers, as well as a source of increased growth and profitability, and also a formidable foundation for industrialization and leveraging of AO global delivery system.

SI offerings are now structured across three strategic segments:

- Vertical offerings that are specialized by industry market and that directly target performance improvement of vertical industry-specific business processes as for example supply chain optimization in manufacturing, web marketing in consumer goods, billing in utilities.
- Functional or cross industry offerings such as Testing and Acceptance Management (TAM), Enterprise Content Management (ECM) or ERP solutions for support functions such as Human Resource Management System, payroll system or financial management system.
- Technology services, that deliver end-to-end Systems Integration Application Development and Maintenance services for different technology like Java, .Net, MVS, EAI and also for Independent functional testing.

SI offering structure is detailed in the diagram below:



- **Vertical offerings**

Atos Origin designs and builds industry-specific solutions, which require both a very deep level of industry knowledge and technology competences. These solutions are designed and built either using market software package such as SAP, Oracle, Line Data (back office banking solutions), Cordys (Business Process Modeling), etc. or software developed by AO Origin engineers (examples are Grid management systems for utilities or payments solutions).

- **Transversal offerings**

Transversal offerings enjoyed a double-digit growth in 2010 demonstrating the value creation for customers.

In 2010, Atos Origin enhanced its positioning particularly on these transversal offerings: Testing & Acceptance management (TAM), Enterprise Content Management (ECM), Application Management & Modernization (A2M), Business Intelligence (BI) and SAP.

While TAM and ECM are detailed in our Global Key Offerings, Application Management, Business Intelligence and SAP Practice are described hereafter.

Application Management & Modernization (A2M)
More and more customers are confronted by ever increasing cost and complexity of their application portfolio in order to satisfy the demand of their customers, own people as well as suppliers. The main lever is better management of existing application, simplification and modernization. By applying the “innovate, expand, optimize & manage” approach tuned to the business lifecycle of applications, Atos Origin brings measurable values to clients’ applicative environment and improves its alignment with business objectives while significantly reducing costs and improving quality of service. Application management customers include Blue Chip Company worldwide such as ChemChina, Procter & Gamble, Renault, SFR, KPN as well as several UK ministries.

Business Intelligence
Atos Origin covers all activities from setting up a BI strategy for an enterprise up to delivering change management. It performs all activities to arrange metadata management, master data management and to provide day to day operational support. Solutions range from simple point solutions providing reporting functionality on top of an ERP implementation, to solutions that generate an integral customer profile. This enables the organization to maximize the value of every customer via solutions supporting full closed loop performance management systems based on forecast applications. Over 1,000 specialists deliver high value BI solutions to our customers on a day to day basis.

SAP
Despite the economic downturn affecting the IT Services Industry, Atos Origin’s Global SAP Practice has achieved over 15 percent year on year growth and can now rely on a pool of 4,400 consultants worldwide. Atos Origin focused on providing an end-to-end service capability (projects, applications management and hosting/Cloud based services) with real devotion to a personalized client service. A new global “One Way of Working” has been rolled out to the business to ensure consistency of approach and a seamless partnership for our global clients in terms of onshore, nearshore and offshore services.

Atos Origin helps its customers to generate increased value from their SAP investments by improving the business performance of their processes and reducing the total cost of ownership of their SAP systems. Atos Origin's global portfolio of SAP service offerings is now being taken to market and delivered consistently on a global basis. In the near future, Atos Origin will deliver more and more of its services on an “On Demand” basis. The traditional strength of Atos Origin SAP practice has been in manufacturing but the Group is now beginning to branch out successfully in financial services and utilities. Apart from a strong regional presence in its core mature markets (Western Europe), Atos Origin SAP practice is undergoing strong growth in Latin America and Asia and is developing domestic businesses in India and the Middle East.

- **Technology Services**

These segments of service consist on standardized application development by technology. Atos Origin value proposition is to offer standardized, cost competitive and high quality commitment development factory by technology to customers around the globe. Technologies covered include Oracle, EAI, MVS, .Net.

More than 4,000 engineers work in these highly automated global delivery centers including India, Morocco, France, Germany, Spain, the United Kingdom, the Netherlands, Argentina and China.

Globalization and Industrialization of process

- **Distributed Delivery**

In order to address the demand of increased quality, scalability, predictability and flexibility at a lower price point, Atos Origin has enhanced its distributed delivery model based on:

- A framework of global processes named "Global Delivery Platform", that are embedded into an integrated set of tools providing end-to-end control and visibility across the delivery line – regardless of geography;
- An access to all the tools through a central "Shared Service Center (SSC)" which allows all users to manage consistent real-time information and material for their application maintenance and development activities and helps them to control the process through predefined and customizable automated workflows; Specialized Organization units Software Delivery and Maintenance Centers organized by technologies and specific skills; Centers of Excellence organized around specific product and industry knowledge;
- Consistent end-to-end metrics to measure production, productivity and quality by technology integrated into a seamless management system.

The integration of the tools enables the company's workforce to follow delivery processes, from business requirements to design and build of the software in a controlled and efficient manner regardless of where a specific part of the process is executed.

Overall, efficiency gains are generated in the Global Factory based in its international delivery centers via standardization, common tools and processes, repeatable processes and solutions, and economies of scale. Currently, 11 factories are delivering end-to-end Systems Integration service offerings.

- **Industrialization**

In order to capitalize the economies of scale of the distributed delivery model and the Global Delivery Platform, we deploy Lean Management techniques, that identify inefficiencies (waste) throughout the process allowing engineers to focus on the creation of value for their customers and get rid of non-productive activities. Atos Origin is a pioneer in the use of Lean techniques for Systems Integration.

Atos Origin's customers benefit from:

- Standard productivity and quality measurements with committed improvements;
- Output based pricing (Function Points/Unit of Work);
- Full price and quality transparency;
- Capacity to work anywhere according to client's needs.

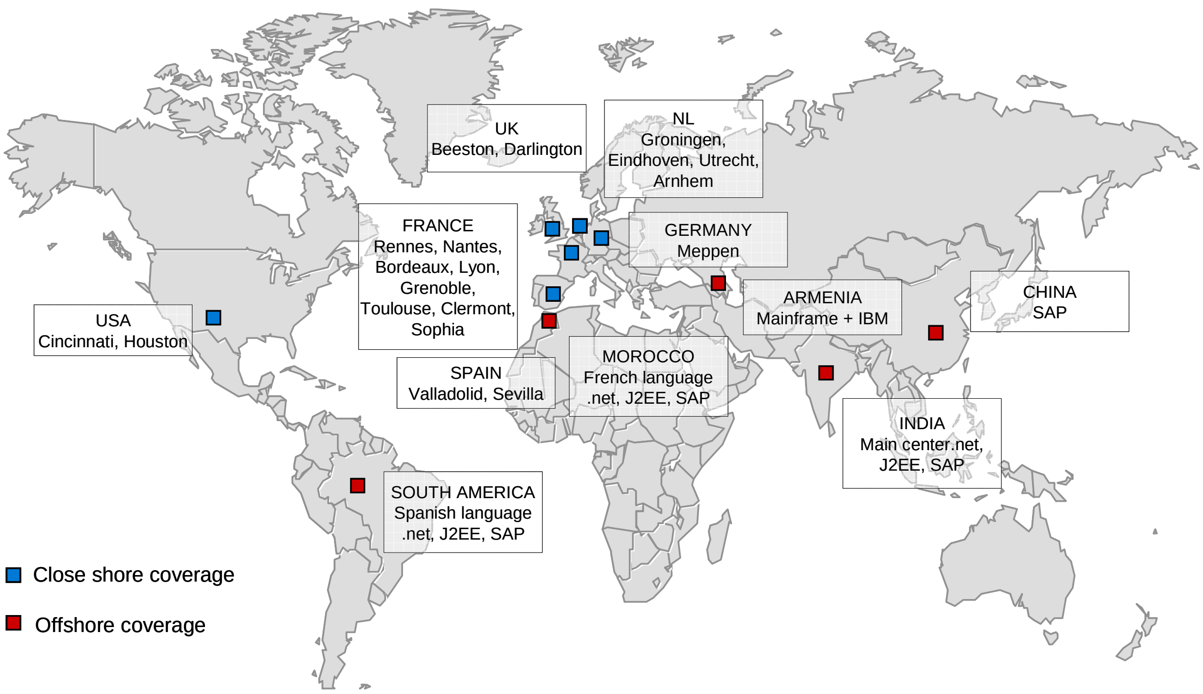
To harmonize the processes and services quality across geographies and service lines, Atos Origin has built a Group Quality Management System. During the Paris Motor Show in October 2010, Atos Origin was presented by Renault as the winner of the Renault Global Award for Facilities and Services (software applications), being described as giving "a shining performance in terms of quality-cost-delivery. It is a best-in-class supplier for Renault."

- **Offshore and Global Sourcing**

Atos Origin Distributed Delivery model heavily depends on its nearshore and offshore capabilities. In 2010, Atos Origin Systems Integration has strongly increased its nearshore and offshore presence:

- The headcount reached a total of more than 230 in Morocco
- Indian operations have now reached 3,450 staff in multiples centers at the following four locations: Mumbai, Pune, Bangalore and Kolkata. In 2010, Atos Origin also opened a new center in Chennai for Renault.
- It opened an offshore center in Argentina notably to serve Spanish speaking countries and the United States.
- In 2011, Atos Origin will broaden the capabilities of its SAP center in China.
- Atos Origin continues to deliver Mainframe technologies and niche skills from Armenia.

The map below shows Atos Origin's nearshore and offshore Systems Integration capabilities:



Cloud Strategy for Systems Integration

Atos Sphere, which is supported by Atos Cloud Infrastructure and offers notably the three following Cloud services: SAP Regression Testing, Data Management, and Product Life-cycle Management (PLM).

Moreover, Atos Origin is constantly adapting its existing portfolio of offerings to cater for the increasing demand for Software-as-a-Service, e.g., TAM on Cloud, ECM & Collaboration on Cloud. In October 2010, Atos Origin signed a worldwide agreement with SAP BusinessObjects to deliver SAP

BusinessObjects on-demand exclusively. For this purpose, a true SaaS model was created, allowing clients to use BusinessObjects on a per-user / per-month subscription pricing model.

B.3.4.3 **Managed Services**

Description of activities

Atos Origin specializes in managing and transforming the IT operations of its clients. This includes the management of clients' entire information and data processing systems, covering datacenters, network and desktop support operations, identity access and security systems, application management and implementing processes and tooling that enable clients to benefit from state-of-the-art technology in a flexible environment to gain competitive advantages in their business.

Atos Origin is a leading European outsourcing company and has as well a significant position in the rest of the world. Atos Origin provides 24/7 "follow the sun" infrastructure and application management and support through its global network and have unrivalled experience in major roll-out programs covering complex and multi-site solutions including SAP and CRM applications.

With the TOP Program and the current actions of all teams, Managed Services reinvented itself in order to grow profitably in the short term, and to implement a new organization leveraging the best practices and the investments of the whole Group to drive innovation and value creation to our stakeholders in the long run.

Managed Services Portfolio

Atos Origin can provide all the "design, build, and operate" elements of a complete outsourcing solution. The scope includes datacenters and office-centric services, and ranges from hardware support to business application management. The company specializes in transforming the IT infrastructure and business operations of its clients to improve their efficiency. The outsourcing services are supported by proven organizational structures, processes, and tooling, which are ISO 9001 and ISO 27001 accredited, ensuring consistent service-level delivery worldwide.

Among the Managed Services portfolio, some offers have been classified as GKO. Those offerings (Adaptive Workplace, Cloud Services through Atos Sphere, Identity Security & Risk Management) are detailed in the dedicated section of this document. The others are described hereafter:

- **Mainframe Services:** Providing of a fully managed mainframe environment delivering processing, storage, transaction processing, database services and timesharing. Activities are charged on a per-use basis. The latest mainframe technologies are delivered from our mainframe datacenter, located in Essen, which is one of the Europe's largest. Providing local technical and business interfaces, Atos Origin is skilled in transition benefits from the latest technologies. They allow a rapidly scalable and sustainable solution combined with clear, cost effective and predictable pricing.
- **Infrastructure Solutions -** infrastructure management and hosting services available across all our regions ranging from remote infrastructure management, secure data centre hosting to utility services. These infrastructure solutions continue to be offered separately to our Cloud services however our ability to combine both traditional infrastructure and Cloud services for our clients is important. Infrastructure services are continuously focusing on cost efficiency, sustainability, resource consumption, security and regulatory compliance through our global factory improvement programs.

- **Application Hosting -** The goal is to combine TCO reduction, regulatory compliance, business continuity, and continuous improvement of customers' application landscapes. Atos Origin has deployed a unique scalable and flexible growth model. Service delivery is globally standardized, based on the Information Technology Infrastructure Library (ITIL) compliant and globally deployed Continuous Service Delivery Model (CSDM). The Application Hosting portfolio covers the ERP Application Management and Collaborative Application Management with global services based on SAP, Oracle, and Microsoft technologies. Delivery models vary from customer-dedicated solutions to fully flexible on demand concepts (SAAS).
- **Infrastructure Professional Services –** these services address all customers, whether outsourced or not. The Group provides Technical Consultancy, with high skilled consultants on topics like IT Governance, Security or Green IT. The Company also performs ICT Transformation Services, with a particular focus on virtualization projects for servers, desktops, storage.

Delivery Model evolution: 2010 has been a key year in delivery organization for Atos Origin.

Into a global delivery model
A model was developed in Managed Services to align all efforts to serve our customers within GAMA model.

For the latter, the Global Factory model, set-up as a "functional" organization in 2009 swapped into an operational organization in 2010. Its structure is simple, with six practices that are managed globally:

- IT Infrastructure Services (ITIS), encompassing Datacenters, Server Management, Storage management, Enterprise Monitoring Centers
- Mainframe Services (MFS), including Application technical services for Mainframe
- Workplace and Service Desk (WSD)
- Application Technical Services (ATS), including Database & Middleware Services
- Network and Security Services (NSS)
- Service Management Tools and Processes (SMTP)

Concrete projects were achieved with increased efficiency.
For the IT IS practice, for example, the aforementioned first release of Sphere services, our Cloud offering, is a key step for our development and the offering of professional, secure Cloud services to our customers. This set of services is consistently delivered from onshore regional datacenters and with support from India. Building on the same expertise, a global virtualization initiative is launched, a way to offer a carbon-sensible way forward to our customers with ageing systems and reduce unneeded crowding of Datacenters. This very busy year also saw completion of tests and start of roll out of monitoring & alerting system (MONA) for all countries and technologies. Finally, Monitoring centers rationalization was completed, with onshore consolidation with at most one centre per onshore country, and consolidation in three offshore locations : Malaysia, Morocco and Poland (for Network services).

For the NSS practice, 2010 saw the move of all international calls to our global network, a very significant achievement with the growth of the offshore component of our delivery model. Similarly, key dataflow was moved from Internet to our own global network, with improved performance and availability.

All practices ran Global Requests for Proposals, resulting in the selection of two global suppliers for each major king of equipment or services. Thanks to this, on top of cost improvements, our customers will benefit from more consistent support and reduced dependency.

The new model is supported by a new integrated Quality & Security organization. All countries achieved "ISO 9001: 2000" and "ISO 27001" certifications. Most of our relevant services and locations also got SAS70 generic reports.

Right shoring progress

Managed services achieved quantitative and qualitative progress in its offshore delivery capabilities:

- From a **quantitative point of view**, offshoring grew in 2010 from 1,500 to 2,200 positions worldwide.
- From a **qualitative point of view**, each practice defined its offshoring model (right shoring of each service component), and action plans were setup and launched in each offshore site (Poland, India, Morocco…).

Ensuring a worldwide consistent quality level in service delivery is a key success factor for implementing Global Sourcing strategies. The Global Delivery capabilities include offshore service desks and support centers in India, Malaysia, Poland, Surinam, Morocco and Brazil. These complement its existing onshore and near-shore delivery centers. The Global Sourcing Centers operate at the highest levels of ISO 9001.

B.4 **Human Resources policy and talent development**

B.4.1 Fundamentals

For Atos Origin, our employees are the most precious assets. With their expertise and their high level of competencies, they are able to provide our customers with first class services. They extend the image of excellence of the Group and they substantially contribute to the image, competitiveness and the profitability of our company.

Initiated by the top management, a very strong focus has been put on people development. Indeed, more than ever through a tough economic downturn, it is essential to preserve the employability of our staff in order to ensure that they have the prospect of moving from one technology to another, to move from one service line to another, or to give them the opportunity to learn from other cultures through short or long term assignments abroad.

Technologies are evolving rapidly and we need to be able to respond to our customers' future needs. Thus, it is crucial that our employees have the highest levels of knowledge on the market.

Group HR actions, together with HR strategy and programs, aim at maintaining the employees' motivation and development, as well as their retention. Operations and strategy are focused on the motivation of our people and federating within the organisation, making them proud of their valued contribution.

From the recruitment of our employees to the end of their career, the HR team, together with group managers, have the responsibility to accompany these individuals throughout their professional evolution. The objective is to take into account the potentiality of our people, together with their aspirations, in order to provide them with the professional development they expect. Because PEOPLE CARE is not just a word at Atos Origin, we work within the spirit of the expression: “give the best to your people and they will provide you with the finest”.

B.4.2 Talent attraction

Attracting new employees continues to have its importance in order to consistently present our employer value, Group strategy and the career opportunities within the Group. We have continued our presence at recruitment fairs and through job boards throughout our main locations.

In particular, we have launched the Talent Search Program to provide internships and graduate positions so that new talents have the opportunity to gain work experience and get to know Atos Origin and in this way, bring in new technologies and skills into the Group.

In recruitment, we have focused on the centralization of the function within each country and on the implementation of a new global eRecruitment system. This allows candidates to apply directly online and it allows our recruitment service and hiring managers, to manage the end to end process with the candidate online as well.

We also benefit from a better view on open positions worldwide and on the availability of candidates that have either applied for a specific position or made a speculative application.

In 2010, more than 6 600 new employees were hired for ongoing needs as well as meeting the demand from some of our key areas of business growth.

The HR team is well embedded in the organisation & has contact with the operational teams at all levels. For the last 4 years the implementation of the HR transition program has ensured that from HR Business Partners through the special teams and within, the service delivery of the HR Shared Service Centres now badged PeoplePoint, we support our Managers & Employees thus ensuring that they are able to work in a free and committed way. Using a variety of tools the basics are in place so that all employees are free to maximise their knowledge and skill.

B.4.3 Talent Development

With an average of 4.23 learning days per employee throughout the year, Atos Origin has again substantially grown its Learning & Development effort in 2010 vs. 2009 (+33.8%), and aims at increasing even further in 2011, up to 5 to 6 days per employee on average.

Atos Origin's corporate learning pursue a number of key objectives, such as enhancing people employability, improving operational excellence in Sales and Delivery and driving innovation, inventing and ingraining a new management culture and growing the future leaders, helping to integrate and globalize the organization.

In order to ensure that every Atos Origin employee can benefit from the Learning & Development (L&D) opportunities which support those objectives, we have started deploying in 2010 our new L&D Portal. This platform is an innovative Learning Management System through which people can search for the training they need to enhance their skills and career from a catalogue of thousands of internal and external, online or classroom-based courses, apply directly for courses, view their personal dashboard, and build their training plan. But our L&D Portal will also help us develop further informal learning (e.g. eLearning on-demand, videos, podcasts, and other embedded assessments or learning assignments), which is the most valuable approach to leverage the fantastic potential of our people as knowledge workers. The deployment of Atos Origin L&D Portal will be completed as early as the 1st part of 2011.

In 2010 Atos Origin pursued its **global e-learning Program**, which provides all employees with access to the best available online learning libraries, offering 5,000+ courses in a wide range of topics, such as English language, IT, project management, leadership, and custom content on the company's offerings, tools and processes.

This program gives our people the opportunity to further develop their skills both professionally and personally, to ensure that they master the latest technologies and soft skills to meet the needs of our clients today and in the future. In 2010, the volume of online learning within Atos Origin grew from 16,000 to nearly 60,000 hours.

Atos University, the company's corporate university, also launched some new strategic training programs in 2010. Some examples of those are:

- The GOLD Program, an international Talent development program supported by HEC Paris, which is an 8 months blended learning cycle including seminars, eLearning and task force project work on innovation challenges, attended by 40 high potential employees from the Group.
- The Global Distributed Delivery program, a blended learning program featuring eLearning, coaching and seminars, aimed at developing the mindset and skills for thousands of engineers - and particularly project managers - to work effectively in the new distributed value chain.
- The HR Business Partners program, another blended learning cycle involving a series of workshops, webinars and on-the-job learning sessions, over an 8 weeks cycle, to build the mindset and skills of our HR community, and make it a truly strategic partner of our businesses.

B.4.4 Workforce Management

To serve our clients, Atos Origin strives to always have the right number of people with the right skills available at the right location at the right cost. This requires a combination of strong strategic workforce planning and dedicated operational resource management. Workforce Management coordinates the globalization of these functions and develops processes, standards and tools that enable Atos Origin to match skilled people to work.

In 2010 one unified global Resource Management process has been defined. This now serves as a strong basis for consistent systems development and implementations that progressively enables us to construct resource matches across country and internal business unit borders.

To enable globally consistent capture of the skills that are required to do the work for our clients as well as the skills of our current staff a uniform skills catalogue is deployed across the organization.

Atos Origin uses instruments like ‘lean’ and ‘off-shoring’ to eliminate redundant activities and waste in regular operations in an on-going drive for operational excellence. Workforce managers engage on a frequent basis with line management and initiative leaders to ensure transparency is created concerning changes and possibilities for freed-up staff and to ensure that the anticipated savings are captured in actual practice.

B.4.5 Talent reward and Retention

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

As a company, the aim of our reward policy is to recruit, motivate and retain key contributors wherever they are located, whatever their position. Reward is one of the cornerstones) to deliver our strategy and achieve operational excellence, at individual, team and company level. Therefore, to ensure our competitiveness and make sure our compensation packages are in line with market practices, we conduct an annual benchmarking exercise with our competitors in the ICT (Information and Communication Technology) and High Tech sector and monitor trends in the labour market.

Recognition is also a cornerstone of our strategy as a company. We have identified the best practices in the Reward area and developed initiatives through our “Well being @ Work” initiative to allow managers to recognize outstanding employee performance in the Group. As an example, we have introduced in 2010 a new Award called Success Story which rewards the best team projects. The first teams have been reward in March 2011.

Financial and Personal objectives are set each semester in line with the Group objectives. Our policy is to ensure that all objectives are SMART (Specific, Measurable, Achievable, Relevant and Time-related).

Our global bonus policy is therefore reviewed each semester to align objectives and guidelines with business strategy to deliver the best performance for our shareholders.

B.4.5.1 **Performance management and Human Resources Annual Review**

Performance Management
Performance appraisal is key in the people development process. With two performance review cycles per annum, Atos Origin Managers are playing a key role in this process while being fully supported by our HR Business Partner' team. One of the aims is to identify training needs for each of our employees and build programs that will allow them to further develop.

We have therefore raised the profile on training all our managers on our performance management tool and philosophy.

Each Atos Origin employee worldwide is now appraised according to our performance management cycle. It is made up of four constituent elements: objective setting, mid-year review, annual appraisal and an individual coaching and development plan. This core mechanism is supported by tools defining and measuring performance, competencies and capabilities.

Human Resources Annual Review
Annual HR review is a very important part of our talent management program. Indeed, it presents the opportunity to identify new talents and to build succession plans across the group.

The people review and succession planning ensure that our strategic and operational business goals are translated into our people processes. It allows the HR team to act as a business partner for the managers and to accompany them in their business development plans.

B.4.6 Employee and management shareholding

Atos Origin encourages employee and management shareholding in order to reinforce the sense of belonging to one community and develop the entrepreneurial spirit, thereby aligning internal and external stakeholders' interests.

Three stock option plans granted in 2009 in favour of the Top 400 managers of the Group, whose aim is to implement TOP (Total Operational Performance). A further grant was made on December 31, 2010 to a limited number of key managers including new Top Leaders.

As in 2009, this plan is structured in three categories (category 1, category 2 & category 3) that will vest on three vesting dates at three increasing exercise prices. This plan is strongly tied to financial performance:

- Options have subscription prices representing a premium over the share price of Atos Origin shares calculated at grant date, which constitutes in itself an external performance target to achieve for such options to be "in the money".
- Performance criteria based on key financial indicators (Operating Margin, Cash Flow) have to be met to vest Tranche 2 or Tranche 3.

This plan was approved by the Board of Directors of Atos Origin SA pursuant to the authorization granted in the nineteenth resolution of Atos Origin shareholders' meeting date May 26, 2009.

Vesting date for this plan is as such:

- July 1st, 2011 for category 1
- July 1st, 2012 for category 2
- July 1st, 2013 for category 3

Subscription prices for this plan are the following:

- Category 1: EUR40,41
- Category 2: EUR48,11
- Category 3: EUR57,74

This plan granted 374,500 options to 18 participants.

Overall, the employee ownership (mutual funds and corporate savings plans) moved from about 0.5% of the Group's share capital in 2005 to 3.6% as of December 2010.

B.4.7 International mobility

With our customers' demand for us to be present, and offer competitive advantage in, an ever increasing number of locations across the globe, and our desire to extend the global reach of our service offering, International Mobility is an essential vector of our business strategy.

Whether it be for career management or business critical reasons, Atos Origin is committed to individual development through international exposure, and currently has several hundred employees working outside of their regular home location. Our philosophy in this respect is not only to integrate International Mobility within the wider career management cycle, but to serve our clients better with human resources presenting competitive edge with broadened understanding of international issues and culture, as well as superior language skills and heightened international work practice awareness.

The last twelve months have presented particular challenges related to the economic climate, which mean that communication and promotion of the significant value of International Mobility to the business and its clients, has become increasingly important. In order to leverage best value, reflect the changing business landscape, and further align organisational and individual motivations, we have been through a thorough review process of applicable Policies and service delivery structure. This process has resulted in a certain number of changes, currently being implemented, designed to stream-line our delivery structure, improve the assignee experience and provide better cost effectiveness and control to the business.

B.4.8 Pensions

Atos Origin provides pension benefits in several countries where it operates. These benefits are usually provided by associated pension funds, insurance companies or directly by the Group (book reserves). There are two types of pension benefits that Atos Origin offers to its employees: based on defined contributions and based on defined benefits. Atos Origin has a preference for defined contribution systems which are the more prevalent in its industry sector and provides its employees with the most flexibility. Defined benefits plan that Atos Origin has granted to its employees are accounted for in accordance with the international accounting standard IAS19. Pension funds are usually legally separate entities with their own governance structure, independent from Atos Origin. The related assets and liabilities are nevertheless included in Atos Origin financials, as stipulated by IAS 19.

Atos Origin improved its capacity to monitor the risks embedded in associated pension funds, and increase its cooperation with such external bodies, by installing a Global Pension Steering Committee as well as Local Pension Steering Committees in the countries where it has significant plans. In 2007, a Group Pension Investment Committee was established to further develop this governance model. All aspects of the management of pension benefits which are under company control have since been subject to specific internal control rules as part of the Group book of internal controls.

Atos Origin has a dedicated team in place to supervise its existing pension arrangements with the support of local pension managers, also providing technical expertise to business managers in outsourcing deals. The team also monitors developments worldwide and amends pension arrangements in respect of new legislation and regulations, and participates in Trustee boards or investment committees to the extent possible.

In 2010, Atos Origin continued its efforts towards harmonizing pension benefits and reducing related financial risks, in cooperation with its independent pension funds.

In the United Kingdom, Atos Origin created effective July 1st, 2009, a single Trustee company to manage its main pension schemes, in order to improve the efficiency of dedicated committees and avoid the duplication of advisers and costs. The new Trustee Board has endorsed and continued the de-risking plans undertaken by previous Trustee companies which has been fully implemented in 2010.

In the Netherlands, following the agreement reached with the Pension Fund on a 5-year recovery plan in July 2009, Atos Origin has continued the collaboration with the various governance bodies of the Pension Fund to review the investment strategy and related processes in order to secure the recovery of the funding ratio.

B.4.9 Communicating with representatives

The European Work Council (EWC) is well established and well recognized within the Group. It allows Atos Origin management to share strategy, changes and concerns with the employees' representatives at European level and bring transparency, cooperation and trust between the participants. It is an opportunity to exchange ideas and very often, to find solutions for global issues. Three face to face meetings have been held during the course of 2010 and continuous communication has been maintained between top management and EWC & Select Committee throughout the year.

B.4.10 Communicating internally with employees

Internal Communications initiatives in Atos Origin contribute to develop the coherence, the human relations and the sense of belonging in the company. The long term objective of the Internal Communications is to contribute to develop an environment where each employee around the world can express his potentialities, and work efficiently with the colleagues to meet at best the client's needs. The Internal Communications daily effort is to encourage them to take an active role in the transformation of the company, proposing ideas, taking new challenges and stimulating innovation. It has a key role in building the Atos Origin new way of working and develop the ambitions of the "Well Being @ Work" program.

In 2010 we created different channels and networks through which all employees can communicate and collaborate with their colleagues. With FISH each employee can propose their ideas and their colleagues can comment and contribute to make the ideas real. With AOwiki each employee can participate in projects by contributing or modifying contents, enabling people from different countries to work together. With the Atos 360° Live, the Atos Or igin internal TV, the employees can broadcasts their international and local stories.

With OCS and LiveMeeting solution, the employees communicate to their network with voice, video, instant messaging and conferencing facilities. With Livelink they can collaborate and share documents with their colleagues, everywhere they are in the world. With the internal global magazine Connect and the refreshed intranet Source the teams and experts of Atos Origin can express their views on major trends and present their stories and their projects.

At Atos Origin we also encourage direct communications as townhall management meetings, informal breakfasts with talents and top managements, employees ceremonies in order to boost understanding of Atos Origin's strategy and vision.

Several initiatives and social events are carried out for promoting social cohesion and encourage engagements and participations in local projects. They play a key role in developing our global company culture and the sense of belonging of all the employees in one Atos Origin global community.

B.4.11 The Olympic experience

As the Worldwide Information Technology Partner for the Olympic Games, the year 2010 was a busy year for Atos Origin MEV (Major Event).

After having delivered successful services during the Olympic and Paralympic Winter Games in Vancouver, the Group participated to the Youth Olympic and Paralympic Games (YOG) that were hosted in Singapore in August 2010.

We are proud of our technology team members who have worked together in the true spirit of the Games. Our team is now fully focussed on the preparation for the London 2012 Games, but has also already started working on the next Winter Sochi 2014 Games.

For our employees, the Games are a once-in-a-lifetime opportunity. Joining such a complex, demanding but also rewarding project provides them with chances to meet and work with other highly talented and knowledgeable specialists from all over the world in wide-ranging fields sharing their skills and experience.

Each team member knows that they contribute to the Olympic success of thousands of athletes, millions of spectators, and billion of viewers.

B.5 Corporate and Social Responsibility

Environmental and societal challenges have become major sources of attention for the IT industry in the post crisis environment, as expectations for a sustainable development continue to grow.

In regards the environment, while in 2009 Information and Communication Technologies (ICT) products and services represented 2% of total CO^2 emission, some recognized experts state that the use of ICT could save up to 15% of CO^2 emission by 2020, which would translate into EUR 600 billion of energy cost savings (according to the Climate Group).

In relation to social networking and people mobility, it is estimated that there are now over 200 active sites using a wide variety of social networking models and by 2014, more access to the internet will be via smart phones and the mobile internet than via PCs with fixed internet. Web based services make it possible to connect people who share interests and activities across political, economic, and geographic borders.

We are living in a world where new technologies will further dominate the way we work, and the following year looks to be a pivotal point in what we understand to be the 'workplace' today. The top working talents' demands are changing. Increases in flexible options such as job sharing, childcare and a boom in individual entrepreneurship will be partnered with a lower reliance on geographic location, increased collaboration and a higher level of technical competence across the board.

Paradigm changes in our society make IT services companies like Atos Origin have then key players in bringing about IT enabled transformation, promote innovation & ”Well Being @ Work” and make possible behavioural change in companies' approach and attitudes towards sustainability

B.5.1 Vision & Strategy

Atos Origin's global corporate responsibility strategy is based on three axes that guide actions and choices in light of rapidly changing environmental, social and economic conditions.

B.5.1.1 Leadership in IT for Sustainability

In 2010, following the economic crisis, our clients have faced fundamental and permanent changes in the way they do business. Over the next ten years, the successful and surviving businesses will be those that embrace sustainability.

Atos Origin's ambition is to be recognized as a world leader in providing innovative IT solutions to help its clients become more sustainable. Atos Origin wants to become 'best in class' not only for its own operations but also in the way it serves its clients. By embedding sustainability in our own company as part of the Group's DNA, we automatically ensure that it is similarly embedded in all the propositions we make to our clients.

B.5.1.2 Corporate responsibility at the core of Atos Origin business and processes

Atos Origin's Corporate Responsibility program, launched in 2009 as part of the Group's TOP Program is overseen by the Group's General Secretary, who reporte directly to the Chief Executive Officer, Thierry Breton.

Atos Origin's sustainability challenges are around operating in compliance with the best international responsibility charters, implementing global policies to reduce its carbon footprint, contributing to the well being of its employees and to the development of social communities as well as developing innovative and sustainable solutions that meet the demands of its clients and their desire to improve their own sustainable performance.

All corporate responsibility strategic decisions, investments, partnerships are presented and discussed on a regular basis at Atos Origin Executive Committee level.

In 2010 a Sustainability office has been put in place. Under the responsibility of the General Secretary, it is composed of an international team of around 15 people including 10 countries head of corporate responsibility as well as service lines representatives.

B.5.1.3 **Identifying challenges, establishing priorities, measuring performance**

Atos Origin communicates regularly with its stakeholders in order to alert, mobilize and identify their main issues. In 2010, the Group launched a materiality process of social and environmental key performance indicators in order to identify the challenges considered by the market and its main stakeholders as key for Atos Origin to be managed and communicated in its Corporate Responsibility report.

A total of ten challenges across four main categories have been identified and prioritized according to their impact on stakeholders and their potential likelihood to happen. The detailed mapping with "de facto" recognised standard guidelines defined by GRI has allowed the selection of 33 significant KPIs on which global reporting has been focused. They provide series of statistics against which to measure our sustainability progress and also indicate how we are hitting our sustainability targets. The whole process has been conducted and validated by an external third party.

In 2009, Atos Origin became the first company in our sector to join this world de facto standard in sustainability reporting. In 2010, thanks to proactive stakeholders dialogue and materiality exercise we have been able to measure our success in strengthening our sustainable performance.

B.5.2 Mission and Commitments

Atos Origin's sustainability program mission is developed in four different domains of action:

- **Governance, Ethics & Compliance:** Implementing corporate governance best practices, ensuring compliance with international regulations and guaranteeing respect of ethics in business and in the relationships with Group's stakeholders.
- **Social Responsibility:** Launch of a "Well Being @ Work" ambition aiming to improve employees working environment and composed of several social projects (remote and flexible working, social links, collaborative working environment, learning and development, diversity schemes,…)
- **Environmental Commitment:** A global program aimed at measuring, monitoring and reducing the Group's impact on the environment (carbon, energy efficiency, renewable energy, waste, purchasing, travel…) ;
- **Business Development:** Accompanying our clients on their journey toward sustainability and bringing about IT-enabled transformation and behavioural change in our clients' approach and attitudes towards sustainability.

B.5.2.1 **Corporate Responsibility Commitments**

From the materiality test and continuous dialogue with its stakeholders, the Group has drawn up key commitments that are described below. During 2010, Atos Origin continued to focus on implementing actions and programs and followed its sustainability program roadmap in order to achieve its targets:

- Operate in compliance with sustainable best practices and international standards and anticipate new European regulations
- Continue to invest in and develop our People, contribute to their ”Well Being @ Work”, and commit to good Corporate Responsibility
- Improve our environmental performance and reduce our carbon footprint by a minimum of 15% by 2012 from our 2008 position and within comparable scope
- Support our clients on their journey toward environmental excellence
- Undertake proactive dialogs with our main stakeholders

B.5.3 Achievements of 2010

Below is a selection of the key achievements in 2010. Please refer to the Corporate Responsibility report 2010 for a complete overview.

B.5.3.1 **Operating in compliance with sustainable best practices and international standards**

Atos Origin’s support to the United Nations Global Compact
Following the publication of its first ever Corporate Responsibility Report 2009, Atos Origin has taken the step of committing to the United Nations Global Compact (UNGC).

In July 2010, Thierry Breton, Chairman and CEO of Atos Origin signed this high-level strategic policy initiative which is for businesses that are committed to aligning their operations and strategies with the ten universally accepted principles in the areas of human rights, labor standards, environment protection and anti-corruption.

Atos Origin is committed to making the Global Compact and its ten principles part of the strategy, culture and day-to-day operations and to engaging in collaborative projects which advance the broader goals of the United Nations.

Atos Origin embodies the Global Compact’s principles by implementing a series of actions which are reported in our Corporate Responsibility Report 2010. Actions include for instance the development of a new Code of Ethics, which has been communicated to all Group’s employees in December 2010.

Complying with best reporting standards
In 2009, Atos Origin was the first IT company to join the Global Reporting Initiative (GRI). In 2010, the Group produced its first corporate responsibility report according to the GRI guidelines and it has been rated the Application Level B+ in accordance with the GRI reporting criteria.

Showing leadership in Sustainable IT
In 2008, Atos Origin joined the Green Grid, a consortium of IT manufacturers and users that take action to promote sustainable development on a national, European or world level. In 2010, the Group reinforced its commitment by becoming a proactive member of the organisation.

At country level, there has also been extensive participation in key working groups and reports around Sustainable and Green IT. In France, for instance, as a member of Syntec Informatique, Atos Origin contributed to the publication of the Green Books on Green IT and Carbon accounting and in Spain it developed jointly with IDC a report on “ICT as a key factor in cost optimisation”.

B.5.3.2 **Contributing to the well being of our people - A responsible Employer**

Early 2010, on the initiative of Thierry Breton the “Well Being @ Work" program was launched at Group level. This is part of the Group’s transformation Program TOP with the objective of imagining new ways of working, intensively using new technologies while matching the social expectations of employees and the “Y generation”.

“Well Being @ Work" covers all aspects of the future workplace, from implementing efficiency through management processes, delivering specific tools for remote working, and covering training, talent management as well as enabling new levels of collaboration and flexible working.

Early 2010, a “Well Being @ Work” council was implemented. It is composed of around 30 young Atos Origin employees with high potentials from all the countries where we operate. Their mission: imagine new working methods; define with the company professional links and relationships of the future and anticipate with a visionary approach our clients’ future expectations.

Coordinated by Philippe Mareine (General Secretary), Jean-Marie Simon (EVP Human Resources) and Marc Meyer (EVP Talent Management and Communication), the Well Being @ Work’s ambition will be one of the key drivers for Siemens IS cultural and managerial integration.

The initiative has been designed along an approach which namely covers all features needed to build the “company of the future”. The Group has identified and rated 100 Best Practices in its organisation worldwide that cover the key “Well Being @ Work” challenges and is currently deploying most of them globally.

The way we work and where we work implementing new working organizations within the group, facilitating the development of virtual communities, the easy access to collaborative tools and the development of remote working; enabling a convivial and innovative working environment, hence facilitating a better balance between work and personal life.

In 2010, all Atos Origin employees in the Paris region joined the brand new Group’s French headquarters in Bezons. This Campus model is one of the first emblematic projects within this program which namely enables to strengthen the concept of « One Company » by getting the teams physically closer, by federating them around a single workplace; by improving teams effectiveness through collaboration and an increased sharing in order to better serve our clients; by creating pleasant working conditions improving conviviality. Other Campus models will be further developed worldwide.

In 2010, Atos Origin started the rolling out of a unified communication tool on a phased basis to all countries that will be further deployed in 2011. It provides new and improved ways to communicate and collaborate including video, voice, instant messaging, web conferencing, recording meetings and presence management and will help the group to achieve its zero email ambition within the next three years.

In some countries it has been agreed that employees can work formally at home for certain days of the week, for instance in France with the move to the new Campus in 2010. The number of remote workers in Bezons is in line with targets 2010 (10%), and we think to overachieve our goal in 2011 (20%). It is a voluntary program allowing people to work at home a significant part of their working time.

Management’s role and behaviour: Accompanying the group towards a “Management 2.0”. In 2010 Atos Origin has launched a Project “Management 2.0”, which introduces the concept of Enterprise 2.0 describing an open, flexible, transparent and dynamic organization that is geared to meet the demands of tomorrow’s stakeholders. The Well Being@ Work project not only provides arguments as to why changing the way the company works and upgrading management skills is a must, but also develops and implements an organizational change program and training programs to facilitate and increase the implementation of “Management 2.0”.

The way we reward employees and increase abilities: Investigate new levers, in order to guarantee a higher recognition of employees and retain the best talents; facilitate and foster employee's knowledge and skills personal development all along their careers in harmony with their expectations.

As a company, we recognize that public and official awards are extremely important for motivation. Therefore we conducted in 2010 a review of our best practices in terms of recognition and reward and will deploy various reward schemes in 2011 at Group level, such as the recognition of individual or teams achievements by managers, or the recognition of team success with clients.

In 2010, Atos Origin further developed its Atos University program, with eight new global academies and the roll out of a new Learning and Development (L&D) Portal, with a first launch in France and accessible to around 12,000 employees. In 2011, the portal will be further extended to other countries. It offers a single online training catalogue to all employees worldwide..

Our values and identity place Atos Origin as a responsible actor with regards to its all stakeholders, strengthen the group identity and values and reinforce the sense of belonging to the company, to the same community. As announced previously, in 2010, Atos Origin joined the United Nations Global Compact and published a new Code of Ethics, thus confirming once again its commitment to operating under socially responsible principles.

Building a sense of belonging to the community from the first day at work is essential to our culture. In 2010 an ambitious project of "rethinking" the corporate values has been launched with the aim of identifying a set of differentiating values that will represent Atos Origin as a whole: one worldwide company. The project seeks to integrate main stakeholder's expectations in the process, from employees' expectations to top management directives. Results of the project will be available in 2011.

In 2010 the Group developed a global framework worldwide in order to welcome its new joiners. Various initiatives are being implemented or reinforced in all countries aiming to favour new joiners social integration within the group and ensure that they feel expected, are provided with a proper work environment with necessary tools and information to be as operational as quickly as possible, etc.

In 2010, Atos Origin social engagement included 42 programs around the globe, involving employees from most of the countries where the Group operates and positively contributing to local communities and the society at large. This include projects where Atos Origin seeks to promote the use of new technologies in a responsible way, encourage the practice of sport among its employees to facilitate networking and share experiences, give confidence to young generations, promote wellbeing habits and rise funding to combat specific diseases in a decisive way to support the Millennium goals. Atos Origin social ambition is to be a major lever to enable society changes and contribute to progress thanks to the responsible use of ICT technologies.

For further details, please refer to the Group's Corporate Responsibility Report 2010.

Through the "Well Being @ Work" initiative, Atos Origin's ambition is to attract the best talents, encourage personal development, increase managerial commitment and motivation among staff, as well as enhance integration with our 'One Company' philosophy.

The "Well Being @ Work" initiative demonstrates that our employees remain our first priority and will underpin our ongoing transformation to become a more integrated and global company.

B.5.3.3 **Continuing the Group's Green transformation - Improving our environmental performance**

Atos Origin's environmental program aims to address all environmental impacts (air, soil, water, biodiversity) generated by its activities. In order to reduce dramatically its environmental footprint, Atos Origin addresses carefully the whole lifecycle of its activities (design of our needs and solutions; procurement of goods, IT equipment & services; usage and end of life).

Atos Origin has designed a program based around specific issues: energy and greenhouse gases, environmental protection and waste (including waste electrical and electronic equipment), innovation and new service offerings.

This mechanism is applied to all Atos Origin site locations worldwide. It includes the following initiatives:

- Carbon footprint abatement scheme (measuring, reduction, carbon offset, management and optimisation);
- Optimising energy consumption and the development of renewable energy supplies;
- Development of new sustainable policies (waste, green IT, Green Data-centre, risks and the environment, etc.) and adjustment of internal policies (purchasing, travel, vehicle fleet, etc.);
- Environmental Certifications scheme (ISO 14001, EMAS, THPE [Very High Energy Performance], etc.);
- Increase employees awareness (communication, training, events)
- Development of a network of partners enabling Atos Origin and its clients to adopt best practices.

Our carbon footprint: a plan in action

Our objective is to reduce our carbon footprint by 15% by 2012 (2008 baseline). From 2009 onwards, the Group's global carbon emissions already started to decrease by 3% from our 2008 position at comparable scope. In 2009, the Group's carbon emission figure gave us a starting point upon which to create a plan to reduce emissions across the business.

In 2010 we estimated our total emissions for direct and indirect energy consumption to be 122,111 tonnes of CO_2, thus a 14% reduction compared to 2009 at comparable scope and well above the 2008 Group's target; and in two years the accumulated reduction of carbon amounts to a total of 17%, at comparable scope. In addition of the objective, Atos Origin is developing an ecosystem made of Carbon expert companies (ex: ADEME, O2France, Carbon Trust, AECOM) to select the best partners for us and our clients.

We identified that over 50% of these emissions came from our 50 data-centers, making this a priority for reduction. In conjunction with our partner, Schneider Electric, we have instituted a programme to improve efficiency, optimize energy consumption and reduce component count, through initiatives such as virtualization. The objective is to achieve ongoing reductions year-on-year, compensating the remaining emissions through partnerships with proven specialists in carbon off-setting.

The first global IT company to offer carbon neutral hosting services

A first in the IT sector

Based on a successful experimentation conducted in one of our key data-center in 2009, we decided in 2010 to launch a Global Carbon initiative with all our Data-centers. To address specifically the carbon issue, Atos Origin will carry out a Bilan Carbone® (based on the ADEME tool) in all our Data-centers. Supported by an external company (O2 France, accredited by ADEME), the program aims at auditing 15 data-centers over 15 months (from Q4 2010 to end of 2011).

"Carbon Neutral" Datacenter

Atos Origin - not subject to regulatory restrictions on their greenhouse gas emissions - has decided to implement a voluntary offsetting mechanism. In 2010, Atos Origin decided to offset all of its Datacenters, representing 117000 tons of carbon (2009 figure). The project selected is a wind power project located in India and validated to the "Voluntary Carbon Standard". The partnership has been signed at the beginning of 2011 with the Carbon Neutral Company.

Adhesion to the European Code of Conduct

This code aims at informing and encouraging data-centres operators and owners to reduce their energy consumption by being more efficient. In 2010, Atos Origin in the UK signed the European Code of Conduct on Datacenter Energy Efficiency, with objective of a Group's signing in 2011.

Deploying Green Policies worldwide to reduce the impact of our activties

During 2010 we developed and finalized a number of global policies concerning sustainability and corporate responsibility. Below some highlights, please refer to the Corporate Responsibility Report 2010 for further details.

Waste Management Policy

In 2010, Atos Origin implemented a global waste management policy, in order to ensure that the collection, storage, transportation and disposal of waste are properly managed and recycled when possible so as to minimise the impact on environment and the risks to the health and safety of people.

Car Fleet policy

As from January 2010, the Atos Origin Car Management Policy does not allow cars with emission above 120g CO_2 /km and leasing terms for cars having a carbon emission above 120g CO_2/km could not be renewed or extended anymore.

Smart travel policy

Atos Origin travel policy allows travelling when remote device of communication is not appropriate for the business purpose. The train is preferred for both economic and environmental reasons. However, video conferencing and conference call are strongly recommended for brief meetings, national or international. To encourage remote meetings, the Group has started the deployment of Microsoft Office Communication tool, thus enabling virtual meetings through chats, web or video conferencing, sharing of documents.

Certifications

Environmental Certification roll-out

Atos Origin has decided to implement the ISO14001 Environmental Management System in all countries where the Group operates (buildings and datacenters). Objective for 2010 is to have 35% certified by end 2011 and 80% certified by 2013.

B.5.3.4 **Supporting clients on their journey toward sustainable excellence - Sustainable Business**

Atos Origin's mission is to become 'best in class' not only for its own operations but also in the way it serves its clients. Atos Origin is fortunate enough to have a large portfolio of clients covering all aspects of the world economy, and who affect a significant portion of the world's population through their extended value chains and stakeholders. For example, both DSM and Akzo Nobel, the world's top two chemicals companies within the Dow Jones Sustainability Index, use our solutions to run their businesses more sustainably.

Key Achievements in 2010:

A Global Sustainability Solutions strategy & portfolio

In 2010, Atos Origin launched its Global Sustainability Solutions strategy and portfolio, including 3 focus areas:

- Strategy: solutions that help evolve our clients' business models from a Firm of The Past to a Firm of The Future.
- Operations: solutions that enable Sustainable Operational Excellence
- Infrastructure: solutions that embed sustainable platforms, infrastructure and technologies

In each area we provide leading innovative solutions. Taken separately or as a complete portfolio, Atos Origin provides the innovation; solution-focus and long-term partnership approach to ensure our clients adapt and flourish in these increasingly volatile times. Atos Origin provides fit for purpose solutions in all of the below aspects of Sustainable Operational Excellence:

- Energy, Waste and Water Management
- Sustainability Performance Management – Intelligent Sustainability
- Maintenance Excellence
- Governance Risk & Compliance, REACH
- Sustainable Product Lifecycle Management

Here are the key aspects of our Sustainable IT portfolio:

- Atos WorldGrid – Smart grid and smart meter technologies are an important part of the transformation towards a more sustainable future. This is an area that Atos Origin excels in.
- Atos Worldline/HTTS – Atos Origin is a world leader in providing the infrastructure to run transaction services in sustainable ways.
- Green IT – Ensuring the It function runs as sustainably as possible, we provide solutions ranging from Green Data Centres through to Green IT Strategies.
- Carbon Free Ambition – Atos Origin has a unique offer to measure, manage, reduce and offset the carbon footprint of aspects of your infrastructure (not limited to IT but all aspects of the business).

Please refer to our Corporate Responsibility Report 2010 for further information.

Sustainable Innovation & Social Business

Information systems are a useful resource when it comes to social business, public health and environment management. In 2010, the Group contributed its sustainable expertise and innovative solutions to these domains. Examples include Group's contribution to build renewable electricity production facilities on the South and East of the Mediterranean basin; ensuring the reliable production and distribution of drinking water for over 2 million inhabitants in the Paris region; developing an innovative solution for long-term preservation of cultural heritage, etc.

Training salespeople globally on Sustainability Solutions

In 2010, the Group increased its sales people awareness on Sustainability issues and launched a specific sales training program for its sustainability offering. Around 500 sales people from all Group business units were trained.

Accompanying our clients' sustainable transformation

In 2010, Atos Origin provided real leadership and helped its clients from all industry sectors to bring about a real transformation in what is one of the biggest IT transformational issues today – around sustainable transformation. Atos Origin supported various clients' operations and value chains to become more sustainable. The clients include, among others Akzo Nobel, Baker Hughes, and the International Olympic Committee and the Vancouver 2010 Organizing Committee.

C FINANCIALS

C.1 Operational review

C.1.1 Executive Summary

Due to a decline in the IT budget from a large number of clients, particularly in the cyclical activities, and the impact of the Arcandor ramp down in Germany, revenue in 2010 came in at EUR 5,021 million representing an organic decline of -3.5% compared to the prior year. This performance was in line with the Group's full year guidance: a slight revenue organic decrease at a lesser extent than the one achieved in 2009 (-3.7%).

Order entry reached EUR 5,590 million, up +7% from previous year. Commercial activity increased principally in Benelux, United Kingdom, Germany / CEMA and Asia, due to both renewals and new businesses. The Book to Bill ratio stands at 111%, compared to 100% last year. During the last quarter, the Book to Bill ratio reached 125%, in line with 120% committed to the market by the management.

Operating Margin reached EUR 337 million or 6.7% of revenue. This represented an organic increase of EUR +43 million or +107bp compared to previous year. The performance exceeded the high end of the Operating Margin guidance (+50bp to +100bp compared to 2009).

C.1.2 Operating performance review

The underlying operating performance on the ongoing business is presented within the Operating Margin, while unusual, abnormal and infrequent income or expenses (other operating income/expenses) are separately itemized and presented below the Operating Margin, in line with the CNC (Conseil National de la Comptabilité) recommendation n°2009-R-03 (issued on 2 July 2009) regarding the financial statements presentation.

In EUR million	**FY10**	**FY09**	**Change vs last year**	
Statutory scope				
Revenue	5,020.6	5,127.0	-106.4	*-2.1%*
Operating Margin	337.4	290.0	+47.4	*+16.3%*
Operating Margin rate	*6.7%*	*5.7%*		*+1.1pts*
Constant scope				
Revenue	5,020.6	5,201.5	-180.9	*-3.5%*
Operating Margin	337.4	294.2	+43.2	*+14.7%*
Operating Margin rate	*6.7%*	*5.7%*		*+1.1pts*

The details from Operating Margin to operating income and net income are explained in the financial review, in the following chapter.

C.1.3 Revenue

C.1.3.1 Revenue profile evolution

In 2010, 75% of the revenue base was recurring (74% last year), deriving from multi-year outsourcing contracts (51% of total revenues), and including specialized businesses such as Hi-Tech Transactional Services (21% of total revenues in increase of 4 points), and Medical BPO (3% of total revenues, stable).

Europe remains the Group's main operational base, generating 92% of total revenue but in decrease by 2 points due to the combined effect of the revenue decrease in Germany / CEMA (-18%), Benelux (-6%) and Spain (-10%), and the growth in Asia Pacific (+ 10 %).

The Group services and solutions add value across many industry sectors including Public & Health, Financial Services, Telecoms & Media, Manufacturing Retail Transport & Services, and Energy & Utilities. These five industry sectors represent 100% of the total revenue.

Financial Services reached +4% of growth in the context of recovery of the banking industry, while Energy & Utilities maintained previous year revenue. Due to government budget restrictions, Public & Health showed a slight decrease at -3% similar to Manufacturing Retail Transport & Services without the impact of the Arcandor ramp down. Finally, Telecoms & Media declined by -10% in an overall challenging environment. The other sectors suffered from the economic slowdown and, regarding Public & Health, from the overall cut in public expenses.

C.1.3.2 **Organic growth**

External revenue in 2010 amounted to EUR 5,021 million, representing a decline of -2.1% against statutory revenue of EUR 5,127 million last year. On a constant exchange rates basis which represents a positive impact of EUR 75 million, organic revenue decrease reached -3.5%, representing EUR -181 million over the period.

In EUR million	Revenue	
2010	**5,021**	
2009	**5,127**	
Exchange rates	75	
2009 Constant scope	**5,202**	
Statutory change	**-106**	**-2.1%**
Organic change	**-181**	**-3.5%**

C.1.3.3 **Exchange rate and scope effect**

By Service Line, exchange rates and internal changes of scope had the following impact on last year's revenue:

In EUR million	FY 09	Fx rates	Scope	FY09 at Constant Scope
Consulting	247.9	2.1	-2.7	247.4
Systems Integration	1,894.2	31.0	-66.0	1,859.3
Managed Services	1,953.1	30.0	-38.4	1,944.7
HTTS	878.7	5.4	+107.0	991.1
Medical BPO	153.1	6.0		159.0
GROUP	**5,127.0**	**74.5**	**0.0**	**5,201.5**

The change of internal scope relates to the set up of the Hi-Tech Transactional Services in 2010, with the transfer of relevant contracts from the other Service Lines to this new line of activity as previously disclosed.

Exchange rate movements resulted in a positive adjustment of EUR +75 million on a comparable year on year basis, mainly from the British pound for EUR +35 million, US dollar and US related currencies for EUR +22 million.

C.1.3.4 **Revenue per quarter evolution**

in EUR million	Q1	Q2	Q3	Q4	H1	H2	YTD
Revenues 2010	1,231	1,264	1,210	1,316	2,494	2,526	5,021
Revenues 2009	1,302	1,313	1,255	1,332	2,615	2,586	5,202
Organic change	-71	-50	-44	-16	-121	-60	-181
Organic growth	*-5.5%*	*-3.8%*	*-3.5%*	*-1.2%*	*-4.6%*	*-2.3%*	*-3.5%*

The slowdown in revenue showed a clear decelerating trend during the year, with -1.2% in Q4, flat excluding the Arcandor ramp down effect.

C.1.3.5 **Revenue by GBU analysis**

In EUR million	FY10	% total	FY09 CS*	Change	*Organic growth*
France	1,133	23%	1,128	+6	*+0.4%*
Benelux	938	19%	997	-59	*-5.9%*
United Kingdom	904	18%	937	-33	*-3.5%*
Worldline	867	17%	844	+23	*+2.7%*
GCEMA	475	9%	578	-103	*-17.8%*
Spain	300	6%	334	-35	*-10.4%*
Other Countries	405	8%	384	+21	*+5.6%*
GROUP	**5,021**	**100%**	**5,202**	**-181**	***-3.5%***

(*) Constant scope and exchange rates.

France

France generated +0.4% of organic growth in 2010 with external revenue amounting to EUR 1,133 million. This organic growth was mainly driven by an increase of +3.0% in Systems Integration and +6.8% in Consulting, more than offsetting the -3.0% decline in Managed Services.

The revenue growth in Consulting mainly came from additional projects in Manufacturing Retail Transport & Services and in Energy & Utilities. Price pressure which led to a lower average daily rate in 2009, continued in 2010, but due to strong actions from the management, the utilization rate significantly improved to 75% in 2010 compared with 66% in 2009.

In Systems Integration, the revenue growth accelerated in the second half of the year at +3.5%, thanks to Energy & Utilities sector (+20%), mainly driven by EDF projects and despite lower revenue in Public & Health (-5.3%). The recovery in the Financial Services sector led to a +5.6% growth on a full year basis. Telecoms & Media increased by +1.2%. Average daily rate was slightly lowered in 2010 but utilization rate remained at a level above 83%, comparable with the level of 2009.

In Managed Services, revenue was down by -3.0%, due to a lower level of new contracts and a lack of cross selling on existing contracts. Expected orders were postponed, therefore there was no significant ramp up on new projects to generate additional volumes and revenue over 2010. However the decline slowed down in the second half of the year, with an organic decrease of -2.3%.

Benelux

Benelux decreased by -5.9% in 2010 with an external revenue reaching EUR 938 million. This decline was mainly driven by a drop of -27% in Consulting and -8% in Systems Integration, while Managed Services and HTTS remained flat.

The revenue decline in Consulting came from a lower market demand but also from a heavy tariff pressure. This Service Line's underperformance led to a change of the management team of this activity and refocus consultants on market practices.

After reaching -25% in 2009, revenue in Systems Integration declined by -8% in 2010. While the overall market environment remained challenging, prices in time and material practices stabilized in the second half of the year. The two main markets affected by the slowdown were Telecoms & Media with a reduction in KPN activity, and Financial Services.

Managed Services revenue was flat compared to 2009 thanks to the strong resistance of recurring businesses. The volume increase on current contracts, such as UVIT in Financial Services allowed to offset the lack of large deals awarded on the Dutch market and the contractual reduction of KPN volume.

United Kingdom

Revenue in the **United Kingdom** was down -3.5% in 2010. This decline is completely due to the moratorium decided by the new UK government on IT spending which ended for Atos Origin with the signing of the Memorandum of Understanding with the Cabinet Office on September 10th 2010.

Consulting revenue was almost flat at EUR 51 million following the 2009 complete reorganization of the practice.

In Systems Integration and in Managed Services, revenue declined respectively by -10% and -9%, year on year. This was linked to the freeze of orders during the moratorium in the public sector, affecting particularly customers such as NHS, Government Gateway, Ministry of Justice and Border Agency (Home Office). Revenue increased with DWP.

As part of the Group strategy to develop HTTS in new geographies, this Service Line revenue was up +42% compared to last year, mainly led by higher volume of transactions in the Financial Services and in Manufacturing Retail Transport & Services, including the contribution from Shere.

Medical BPO was flat with increasing volumes from DWP, offsetting a lower activity in the Occupational Health.

Atos Worldline

Atos Worldline reported a revenue of EUR 867 million with an organic growth of 2.7% despite the negative performance of Financial Markets. This activity inherited from Atos Euronext in 2008, was impacted by the ramp down of LCH Clearnet contract this year and the end of Euroclear contract in the second half of 2009. Excluding Financial Markets, the growth reached +4.4% fuelled by a significant increased number of transactions in Payments Services, particularly in Belgium and in Germany.

Revenue in France showed a slight increase thanks to the ramp up of the newly signed Health Personal File contract (Dossier Medical Personnalisé) and additional revenue with SMS activity which compensated the unfavorable comparison basis linked to the speed control device deployment compared to 2009.

Belgium revenue increased by +4% reaching a historically high level of number of transactions in Payments Acquiring businesses.

In Germany, revenue remained stable. Major processing contracts with German banks have been renewed in 2010 for another 5 year period.

Finally, revenue in India through the newly acquired Venture Infotek, contributed for EUR 6 million in Card Processing for financial institutions.

GCEMA

GCEMA includes Germany and Central Europe / Mediterranean / Africa.

Revenue in **Germany** decreased by -17%, mainly due to the ramp down of the Arcandor contract amounting EUR -69 million. Excluding Arcandor ramp down, revenue for Germany was almost flat.

Revenue in Systems Integration declined by -10% compared to last year with -4% coming from the Arcandor ramp down and -6% due to a reduction of volumes with E-Plus (German subsidiary of KPN) and British Petroleum, following the client budget restrictions this year.

Managed Services was the activity the most affected by Arcandor, materialized by a revenue decline of -22%. Nevertheless, excluding this effect, the activity in Managed Services grew by +2% due to the dynamic trends of our German clients in Financial Services.

Revenue in the **CEMA** region was around EUR 100 million in 2010 declining by -21%. The Group suffered in this region from a lack of critical size, particularly acute in South Africa, Turkey and Switzerland. Revenue in these countries dropped by circa -40%, consequence of a tight customer base fully in telecom sector where drastic cuts took place in projects activity.

However, the global contract signed by the Group with France Telecom benefited to Poland which saw its activity almost doubling in Project Services delivered to the TPSA Telecom operator.

Austria and Greece limited the decline of revenue in the range of -3% to -6%.

The planned acquisition of Siemens IT Solutions and Services (SIS) is expected to provide the critical size in each country of this region.

Spain

In **Spain**, the difficult market conditions pursued throughout 2010. As a result, revenue decreased by -10% at EUR 300 million. This economic downturn impacted all Service Lines.

While Consulting activities were particularly affected with -19% decline at EUR 44 million, due to a freeze of projects, mainly in the private sector, the decrease was contained in Systems Integration at -6% with a revenue reported at EUR 198 million. Price pressure continued in all sectors, but more particularly in Public & Health and Telecoms & Media. The tight workforce management allowed to maintain the utilization rate at a high level reaching 86% in 2010, stable compared to 2009.

The Managed Services activity was impacted by the ramp down with Telefonica. This Service Line represents 11% of the total revenue in Spain.

Finally, HTTS activities reached EUR 25 million in the Loyalty Cards processing businesses.

Other Countries

In **Other Countries**, revenue, amounted to EUR 405 million in 2010, up by +5.6% year on year.

Asia, including India, reported revenue at EUR 206 million, a +12% organic growth thanks to increasing revenue in Managed Services, deriving from a contract with a major financial institution which has been renegotiated at the end of 2009. Sales related to the Singapore Youth Olympic Games also contributed to the growth in Asia.

In North America, revenue reached EUR 88 million, decreasing by -6%. The situation was more difficult mainly in Systems Integration, with the ramp down of some Application Management contracts in Manufacturing Retail Transport & Services.

In South America, revenue decreased by -4% reaching EUR 76 million. The decline was concentrated in Systems Integration, especially in Telecoms & Media and Energy & Utilities. The new management aims at achieving an organic growth in line with the IT market local trend.

In the Major Events unit, revenue increased by +43% thanks to the successful delivery of the projects related to the Vancouver Olympic and Paralympics Games.

The HTTS activities continued to benefit from growing transactions in the banking sector, reaching EUR 36 million. Overall revenue was however flat against a strong comparative basis in 2009 that included one-time gains tied to the termination of a contract with a global insurer company.

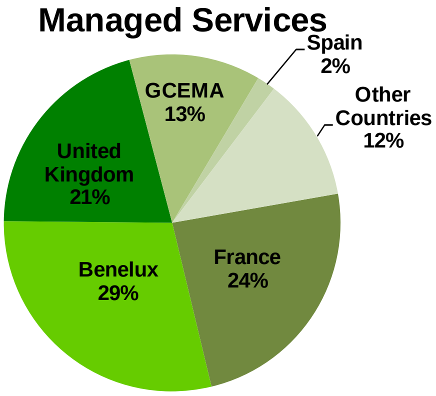
C.1.3.6 **Revenue by Service Line analysis**

In EUR million	FY10	% total	FY09 CS*	Change	*Organic growth*
Managed Services	1,847	37%	1,945	-98	*-5.0%*
Systems Integration	1,771	35%	1,859	-89	*-4.8%*
HTTS	1,035	21%	991	+44	*+4.4%*
Consulting	208	4%	247	-40	*-16.0%*
Medical BPO	160	3%	159	+1	*+0.6%*
GROUP	**5,021**	**100%**	**5,202**	**-181**	***-3.5%***

(*) Constant scope and exchange rates.

In **Managed Services**, revenue in 2010 was EUR 1,847 million, representing 37% of total revenue down -5.0% compared to 2009. Two thirds of the decline was the result of the planned ramp down of activity with Arcandor, the remaining part was a consequence of the UK public sector moratorium ended in the last quarter.

During the fourth quarter of 2010, there was a slight decline in revenue of -0.8%. Excluding the impact of Arcandor, revenue grew +2.5%. Benelux returned to growth, up +9% and Asia was up +16% while France and the United Kingdom declined slightly, -5 and -3% respectively. As a result of EUR 16 million less with Arcandor, revenue in Germany declined EUR 15 million.

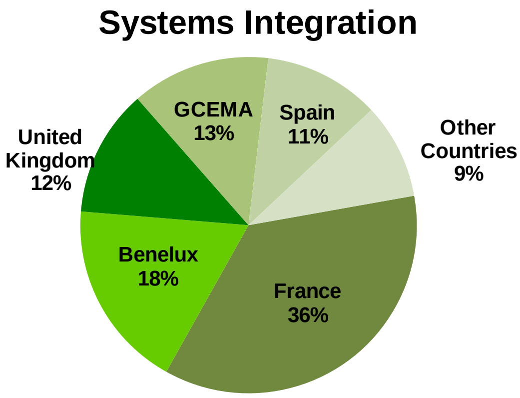


Systems Integration revenue was EUR 1,771 million, representing 35% of total revenue and an organic decline of -4.8%. On a full year basis France grew +3.0% and Other Countries +2.2% with +10% in Asia, while Germany, the United Kingdom and Benelux declined between -8% and -10%.

The breakdown of Systems Integration activities was the following in 2010:

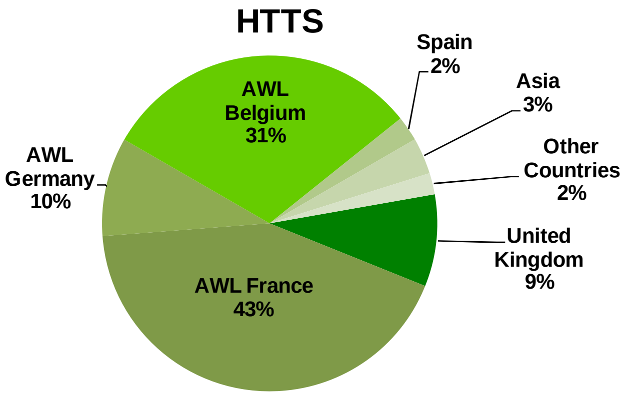
- Projects: EUR 576 million representing 33 per cent of total (30 per cent in 2009)
- Time and Material: EUR 476 million representing 27 per cent (30 per cent in 2009)
- Application Management: EUR 718 million representing 40 per cent (40 per cent in 2009)

During the fourth quarter, revenue declined by -4.2%. France and Benelux posted growths of +1.4% and +2.5% respectively. Asia and Americas grew +21.3% and +5.5%. The main decline came from CEMA with less business in South Africa and Turkey in the telecommunication sector, and from the United Kingdom, following lower demand in the public sector. Revenue in Germany was almost stable.



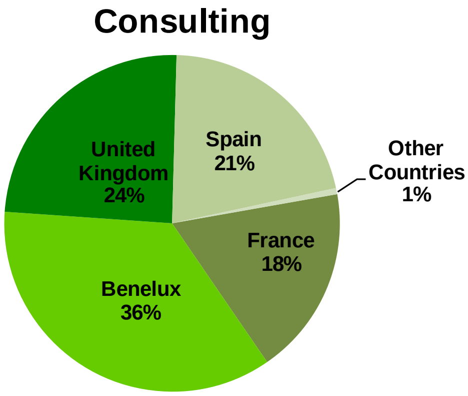
Hi-Tech Transactional Services reported revenue of EUR 1,035 million representing 21% of total revenue, up +4.4%. The Payments activity posted a growth of +6.7% and Electronic Services of +4.2% while Financial Markets declined as anticipated, following the reorganization of this division inherited from Atos Euronext in 2008.

Including Venture Infotek, during the fourth quarter, as expected, revenue growth was +7.5% above the +5.5% achieved in the third quarter and the +2.2% in the first half of 2010.



Consulting revenue was EUR 208 million, representing 4% of the Group revenue and an organic decline of -16%. France returned to growth and the United Kingdom was almost flat. Revenue decline was concentrated in the Netherlands where a new management is now in place, and in Spain still impacted by a strong price pressure.

In the fourth quarter, the trend was almost the same compared to the first nine months of the year. The market conditions remained tough even if first signals of recovery were noticed at the end of 2010.



BPO Medical revenue for 2010 was EUR 160 million, representing a slight organic increase, despite, as already disclosed, the delay of contracts linked to the Moratorium in the United Kingdom public sector.

C.1.3.7 Revenue by industry sector

Revenue performance by **industry sector** was as follows:

In EUR million	FY10	% total	FY09 CS*	% total	Change	*Organic growth (%)*
Manufacturing Retail Transport & Services	1,493	30%	1,611	31%	-118	*-7.3%*
Public & Health	1,178	23%	1,209	23%	-31	*-2.6%*
Financial Services	1,157	23%	1,114	22%	+43	*+3.8%*
Telecoms & Media	660	13%	736	14%	-76	*-10.3%*
Energy & Utilities	533	11%	530	10%	+2	*+0.4%*
Group	**5,021**	**100%**	**5,202**	**100%**	**-181**	***-3.5%***

(*) Constant scope and exchange rates.

The Group is organized in the five industry sectors described hereunder.

Manufacturing, Retail, Transportation & Services

Manufacturing, Retail, Transportation & Services is the first market with 30% of Group total revenue. This sector stands at EUR 1,493 million for the total year 2010, which is an organic decrease of -7%. The impact of the Arcandor bankruptcy, one of our main retail clients, represents more than 70% of this decrease which was limited to -2% excluding this client ramp down.

The sector is less concentrated than the other ones with 10 main accounts representing only 29% of the revenue. The revenue generated by these 10 accounts decreased by -13%, fully due to Arcandor.

Main Customers are Renault, Philips, NXP and Arcandor.

Public & Health

Public & Health is now the second market with 23% of revenue. This sector stands at EUR 1,178 million for the total year, down by -3% in organic growth.

Top 10 accounts revenue accounted for 65% of Public & Health sector representing a decrease of -2 points compared to 2009. These 10 accounts represent a revenue of EUR 768 million down by -6% from last year. Other accounts, mostly municipalities, compensated partially with an organic growth of +3%.

Main customers are French Ministries, the Department of Work & Pensions, the UK Ministry of Justice and French Social and Health Agencies.

Financial Services

The Financial Services sector representing 23% of total Group revenue, increased by +4% in 2010. This sector stands at EUR 1,157 million.

Revenue from the Top 10 accounts reached EUR 585 million representing 51% of the sector. The performance of the Top 10 accounts reached +13% organic growth.

Main customers are BNP Paribas, ING, Achmea and a large Asian based bank.

Telecoms & Media

Telecoms & Media represented 13% of total Group revenue. This sector stands at EUR 660 million, which was a decrease of -10% compared to previous year.

Revenue from the Top 10 accounts reached EUR 516 million representing 78% of the sector. These accounts are participating for more than 50% of the total decrease of the sector.

Main customers are KPN, France Telecom, Vodafone and SFR.

Energy & Utilities

The Energy & Utilities sector amounted to 11% of Group revenue. This sector stands at EUR 533 million, slightly increasing from previous year.

Revenue from the Top 10 accounts reached EUR 386 million representing 73% of the sector. The performance of these accounts reached +5% growth.

Main customers in this sector are EDF, Schlumberger, GDF, Total, Veolia, Delta and Nuon.

C.1.3.8 **Portfolio**

Group Order Entries totaled EUR 5,590 million in 2010. The book to bill ratio was 111%, above the level of 100% reached in 2009. During the fourth quarter of 2010, the Group reached a 125% book to bill ratio with EUR 1,650 million Order Entry, representing an increase of +39% compared to the fourth quarter of 2009.

Most recent new contracts and renewals signed were the following, particularly in Public & Health and in Manufacturing Retail Transport & Services: France signed a new contract in Infrastructure Management with Rexel, with EADS in Product Lifecycle Management (PLM), and in Managed Services with DGAC. In the United Kingdom, renewals with the public sector have been signed as expected in Medical BPO, with the Department for Work and Pensions and with Royal Mail, and in Managed Services with the Home Office. In the Netherlands, Managed Services contracts have been signed in the public sector and in Systems Integration with Phillips, ING, ABN•AMRO and Achmea, Atos Worldline signed Payments Processing and Payments Acquiring contracts with ING, Cortal Consors and ABN•AMRO, In Germany, the contract with Karstadt was renewed by the new owner until the end of 2012. The German operations also signed a contract with Neckermann for extended services. The sales activity restarted in Spain with contracts signatures in Systems Integration in the telecom and banking sectors. The Group also renewed its contracts with Petrobras in Brazil and Vodacom in South Africa.

The roll out of the HTTS Group initiative in the priority geographies has started in the first half of 2010. The primary focus was on generating sales leads and strengthening the pipeline with the aim of closing significant new deals in the next few months. A good commercial activity pursued in the UK through contracts signed with Leaseplan, and East Coast Main Line in Transport, and in Asia in Payments. First contracts leveraging Atos Worldline assets and capabilities were signed with Rabobank in the Netherlands and Nomura in the United Kingdom.

At the end of 2010, the un-weighted pipeline in HTTS, excluding additional very large opportunities, was in the range of EUR 500 million for The Netherlands, the United Kingdom, Spain, China and Germany.

In 2010, the Group decided to create a new international subsidiary – Atos WorldGrid – operating in France, Spain and China. Atos WorldGrid brings together the strong portfolio of solutions and the deep industry knowledge of Atos Origin in Smart Energy & Utilities.

At the end of 2010, full backlog was EUR 7.5 billion representing 1.5 year of revenue, an increase of +8% compared to 31 December 2009.

The full qualified pipeline at 31 December 2010 was EUR 2.7 billion, almost the same level as that of 30 June 2010, but lower compared to the EUR 3.0 billion one year ago.

C.1.4 Operating Margin performance

In 2010, Operating Margin reached EUR 337 million, representing a 6.7% Operating Margin rate. This level of profit represents an increase of +16.2% against the statutory margin of EUR 290 million in 2009. On a constant exchange rates basis, organic margin increase reached +15% representing EUR +43 million over the period. The Operating Margin rate improved by +107 basis points compared to 5.7% achieved the prior year, and exceeded the high end of the market guidance which was to increase the margin rate between 50 and 100 basis points.

In EUR million	Operating Margin	
FY10	**337.4**	**6.7%**
FY09	**290.0**	**5.7%**
Exchange rates	4.2	5.6%
FY09 constant scope	**294.2**	**5.7%**
Statutory change	**47.4**	
Change at same exchange rates	**43.2**	**+107 bp**
		+15%

In 2010, Operating Margin rate regularly improved over the year from 4.1% in the first quarter to a strong 7.9% of revenue in the second quarter, maintained at 5.8% in the third quarter while absorbing the reduction of volume during the summer time, and back up with an increase to 8.9% in the fourth quarter.

The Operating Margin rate achieved in the first semester at 6.0% of revenue was significantly higher than the performance of the same period last year (increase of +147bp) benefiting from the savings generated by the TOP program and the strong workforce management initiated in 2009.

The Group achieved in the second half a 7.4% Operating Margin rate, compared to 6.8% for the same period last year, representing an increase of +64 basis points.

Following the directive of the French accounting regulator (CNCC), this performance in 2010 includes the reclassification of part of the new French Business Tax (Cotisation sur la Valeur Ajoutée des Entreprises) for a total of EUR 18.2 million over the year. This tax was previously recorded in Operating Margin and is now classified in Income Tax.

In EUR million	Q1	Q2	Q3	Q4	H1	H2	YTD
Operating Margin 2010	51	99	70	118	150	187	337
Operating Margin 2009	46	73	66	110	119	175	294
Change at same exchange rates	+5	+26	+4	+8	+31	+12	+43
Percentage change	*11.0%*	*35.6%*	*6.1%*	*7.4%*	*26.1%*	*6.9%*	*14.7%*
Percentage to Revenue in 2010	4.1%	7.9%	5.8%	8.9%	6.0%	7.4%	6.7%
Percentage to Revenue in 2009	3.5%	5.6%	5.2%	8.2%	4.6%	6.8%	5.7%
Change in basis points	*+61bp*	*+228bp*	*+52bp*	*+72bp*	*+147bp*	*+64bp*	*+107bp*

From statutory to constant scope

The FX rates and internal changes of scope had the following impact on last year:

In EUR million	FY 09	Fx rates	Scope (*)	FY09 CS **
France	44.7		2.4	47.1
Benelux	84.2	0.0		84.2
United Kingdom	82.1	3.2		85.3
Worldline	133.2	0.0		133.2
GCEMA	21.7	0.9		22.6
Spain	11.6	0.0		11.6
Other Countries	9.1	0.1	-2.4	6.8
Total Central Costs ***	-96.6	0.0		-96.6
GROUP	**290.0**	**4.2**		**294.2**

(*) Morocco was reclassified from France to Other Countries
(**) Constant scope and exchange rates
(***) Central Costs and GDL costs not allocated to GBU

Exchange rate changes resulted in a positive adjustment of EUR 4.2 million mainly due to the British pound for EUR 3.2 million.

By Service Line, the FX rates and internal changes of scope had the following impact on last year:

In EUR million	FY 09	Fx rates	Scope (*)	FY09 CS **
Consulting	3.2	-0.3	-0.7	2.2
Systems Integration	94.8	1.8	-16.3	80.2
Managed Services	106.8	0.7	-3.6	103.9
HTTS	135.6	1.3	21.3	158.3
Medical BPO	19.6	0.8	-0.1	20.3
Central Costs ***	-70.1	0.0	-0.6	-70.6
GROUP	**290.0**	**4.2**	**0.0**	**294.2**

(*) Some contracts have been classified in HTTS to reflect a consistent scope of activities between the Global Business Units, whereas they were previously classified in 2009 in the other Service Lines.
(**) Constant scope and exchange rates
(***) Central Costs exclude the Services Lines costs

C.1.4.1 **Operating Margin by GBU**

In EUR million	FY10		FY09 CS *		Deviation	
France	45	3.9%	47	4.2%	-2.5	-0.2pts
Benelux	92	9.9%	84	8.4%	8.2	+1.4pts
United Kingdom	77	8.5%	85	9.1%	-8.2	-0.6pts
Worldline	150	17.4%	133	15.8%	17.3	+1.6pts
GCEMA	10	2.2%	23	3.9%	-12.3	-1.7pts
Spain	-10	-3.3%	12	3.5%	-21.6	-6.8pts
Other Countries	52	12.7%	7	1.8%	44.7	+10.9pts
Total Central Costs **	-79	-1.6%	-97	-1.9%	17.5	+0.3pts
GROUP	**337**	**6.7%**	**294**	**5.7%**	**43.2**	**+1.1pts**

(*) Constant scope and exchange rates
(**) Central Costs and GDL costs not allocated to GBU

France

In France, Operating Margin slightly decreased from 4.2% of revenue in 2009 to 3.9% in 2010. The improvement in Consulting and Systems Integration was not sufficient to cover the decline in Managed Services. The actions of the TOP program together with a strict control of hiring and an optimized workforce management led to an improvement by circa +60 basis points of the personal costs, and the optimization of non personal costs contributed to an improvement by +40 basis points. Nevertheless the lack of cross selling revenue in Managed Services, mainly during the first half of the year, had a negative effect on the Gross Margin.

The improvement of the Operating Margin continued in Consulting, benefiting from the +6.8% revenue growth and from the effect of the renewal of consultants initiated in 2009.

In Systems Integration Operating Margin improved by EUR 7 million in 2010 with both tight resource management and drastic cost base reduction. This improvement was reached despite some slippages in projects and a shortfall in revenue.

The Managed Services Service Line presented a decrease of EUR -10 million in Operating Margin which reached 3.2% of revenue for the full year. Profitability significantly increased in the second semester, representing 6% of revenue compared to 0.5% in the first half of the year, hit by a lack of cross selling revenue. The level of profitability reached in the second half of the year came from the cost base reduction through TOP program actions, lean management and increasing offshore initiatives.

Benelux

In the Benelux, despite the continuous decrease in revenue in 2010, the Operating Margin strongly increased at 9.9% in 2010 compared to 8.4% in 2009. This trend awarded the strong efforts made by the GBU as to reduce the cost base and staff in 2009 and 2010. Through the TOP initiatives, both direct and indirect costs remained under tight monitoring and their decrease have more than offset the slowdown in the revenue in a tough economic environment.

The actions on cost achieved significant results on maintenance and telecom costs, the rent and lease. Company cars related costs went down further to the renegotiation of the contract.

Personal expenses benefited in 2010 of the full year impact of the staff reduction initiated in 2009.

In Consulting, the Operating Margin declined by EUR -2 million. The performance has fallen back with the revenue and also with the price pressure. The average daily rate on the year fell by more than 3%. To restore the profitability of the division, the GBU announced during the last quarter a reorganization plan which will have a full impact in 2011.

In Systems Integration, the Operating Margin decreased from 8.7% to 8.4%. The drastic reduction of staff decided in 2009, combined with an increased level of invoicing of the offshore activity with large customers contributed to offset most of the decline in revenue.

In Managed Services, the Operating Margin overachieved the 2009 performance from 9.4% to 12.1%. The industrialization of the activity with the implementation of global factories as part of the TOP program, allowed the improvement of the performance.

United Kingdom

In the United Kingdom, Operating Margin stood at 8.5% of revenue compared to 9.1% in 2009, coming from lower revenue in Public & Health.

In Consulting, Operating Margin was almost flat. Cost base adjustment allowed to mitigate lower revenue.

In Systems Integration, the Operating Margin came at 10%. The impact of a lower revenue base was offset by the continued execution of the TOP program, in particular with regards to productivity gains thanks to lean management and increasing offshoring.

In Managed Services, Operating Margin reached 7.1%. Cost structure reduction with lower procurement prices and the delivery model contributed to compensate the effect on revenues coming from the freeze in the public sector as already mentioned.

The HTTS margin reached 12.3% of revenue, as a result of the revenue growth mainly in the transport sector and in Financial Markets.

Finally, Medical BPO Operating Margin reached 11.6% close to the 12.8% achieved in 2009. The difference represented EUR 2 million due to lower volumes in Occupational Health.

Atos Worldline

Atos Worldline Operating Margin increased from EUR 133 million in 2009 to EUR 150 million in 2010:

- in Belgium, the Operating Margin improved thanks to higher volumes and the effect from the reduction of the number of subcontractors;
- in Germany, the Operating Margin was almost flat despite less licenses revenue which provided a better margin mix in 2009;
- in France, the activity was more difficult due to the decrease in Financial Markets. The ramp up of DMP contracts is expected to a margin improvement.

GCEMA

GCEMA posted an Operating Margin at EUR 10 million compared to EUR 23 million in 2009. The GBU had to face tight trading conditions, in Germany with the Arcandor ramp down and in CEMA region with a revenue drop in three countries.

Germany

At year end, the Systems Integration Service Line incurred one time costs to cover the risks of two contracts, in the Energy & Utilities and in Telecoms & Media. This led to an Operating Margin of EUR -1 million.

However, the cost base was permanently challenged throughout the year to compensate a reduced demand from two large clients, E-Plus and Symrise. Offshore started to bear fruits by reducing the cost base in the fourth quarter.

The Managed Services Service Line reached an Operating Margin of 7%. The cost base was successfully reduced all throughout the year to take into account the revenue issue with Arcandor.

CEMA

The margin is negative at EUR -3 million, including one-time costs of EUR -3 million. The bottom line was hit by a sizeable reduction of revenue in the second semester as mentioned in the revenue analysis

In Systems Integration, Poland was up EUR +1 million as a result of higher revenues in Telecoms & Media and Austria improved its Operating Margin with a higher utilization rate. South Africa’s margin was impacted by the revenue shortfall but remained positive.

In Managed Services, the Operating Margin improved in Austria as a result of cost savings and in Switzerland, despite lower revenues, the Operating Margin improved thanks to better contract profitability.

Spain

In Spain, Operating Margin was down by EUR -22 million in 2010, amounting to EUR -10 million and representing -3.3% of revenue, compared to 3.5% last year. The first effects of the current restructuring plan and the appointment of a new management started to lead to an improvement of the performance in the second half of the year.

For Systems Integration, in addition to write-offs on the projects mentioned hereafter, high pressure on prices continued in 2010. This was reflected in the decrease of the average daily rate, which had a direct impact on the Operating Margin. This significant downturn was a consequence of several factors:

- One-time costs on fixed price projects for EUR -17 million. Main projects impacted were in Financial Services and Public & Health. The impact in Consulting was EUR -6 million and EUR -11 million in Systems Integration.
- The overall tough economic environment resulting in price pressure and volume reductions.

Managed Services presented an improvement of the Operating Margin reaching 7.2% of revenue in 2010. In 2009, the Operating Margin was affected by issues within the desktop contract with a large telecommunication operator.

Other Countries

South America's Operating Margin was at 4.4% of revenue, increasing by EUR +14 million compared to last year, mainly in Brazil.

In Asia Pacific, Operating Margin stands at 13% compared to 3% in 2009. This marks an increase of EUR +19 million, mainly led by Managed Services in which cost base was optimized and procurement was improved. The margin in the Payment Activities of HTTS stood at EUR 11 million.

As a result of strict cost management, the Operating Margin in North America was almost flat compared to last year despite a revenue decline by -5.7%.

Corporate Costs

In EUR million	FY10		FY09 CS*		Deviation	
Global Delivery Lines costs	-16.3	-0.3%	-25.9	-0.5%	+9.6	+0.2pts
Global functions costs	-52.7	-1.0%	-56.8	-1.1%	+4.1	+0.0pts
Equity based compensation cost	-10.1	-0.2%	-13.8	-0.3%	+3.7	+0.1pts
Total Central Costs	**-79.1**	**-1.6%**	**-96.6**	**-1.9%**	**+17.5**	**+0.3pts**

(*) Constant scope and exchange rates

Global Delivery Lines

Global Delivery Lines costs (Global Delivery and Global Factory) amounted to EUR -16 million in 2010 compared to EUR -26 million in 2009 as a result of the strong pressure on expenses resulting from the TOP program.

Corporate Global Functions

The cost of Global Functions was down by -7% to EUR 53 million in 2010 compared to EUR 57 million in 2009. The cost of Global Functions benefited from the effects of the TOP program and the implementation of Lean Management and Activity Value Analysis (AVA).

Equity based compensation

Equity based compensation costs (stock options, long term incentive plans, management investment plan, employee purchase plan…) decreased from EUR 13.8 million in 2009 to EUR 10 million in 2010, the majority deriving from the stock options programs.

C.1.4.2 Operating Margin by Service Line

In EUR million	FY10		FY09 CS *		Deviation	
Consulting	-5.4	-2.6%	2.2	0.9%	-7.6	-3.5pts
Systems Integration	69.9	4.0%	80.2	4.3%	-10.3	-0.4pts
Managed Services	145.7	7.9%	103.9	5.3%	+41.8	+2.5pts
HTTS	171.4	16.6%	158.3	16.0%	+13.1	+0.6pts
Medical BPO	18.5	11.6%	20.3	12.7%	-1.8	-1.2pts
Central Costs **	-62.8	-1.3%	-70.6	-1.4%	+7.8	+0.1pts
GROUP	**337.4**	**6.7%**	**294.2**	**5.7%**	**+43.2**	**+1.1pts**

(*) Constant scope and exchange rates
(**) Central Costs exclude the Services Lines costs

In 2010, as in 2009, the Consulting Service Line was affected by both a significant price pressure and a lack of demand from large customers which in several cases delayed or cancelled their decisions of investment. Strong actions started in the Netherlands with the new management appointed.

Systems Integration, in the context of a revenue decline of -4.7%, saw its Operating Margin decreasing at 4.0% of revenue compared to 4.3% in 2009. In absolute value the Operating Margin declined by EUR 10 million. Two regions contributed to the margin decrease:

- Germany/ CEMA which dropped from a positive margin of EUR 17 million to EUR -5.4 million;
- Spain where the Operating Margin was negative at EUR -9 million compared to a positive one at EUR 7 million one year ago.

Operating Margin was also declining in the Benelux and in the United Kingdom. These negative effects have been partly offset by actions on both revenue and costs allowing Operating Margin improvement in France, in Other Countries and on the costs of the Global Functions including Delivery Lines.

Managed Services reported a strong margin improvement at EUR 146 million representing 7.9% of revenue compared to EUR 104 million in 2009. The margin increase was reached thanks to the implementation of a new delivery model focusing on industrialization and the acceleration of the TOP Program. This performance was achieved despite a revenue decrease of -5%.

The **Hi-Tech Transactional Services** increased the Operating Margin to 16% of revenue reaching EUR 171 million compared to EUR 158 million in 2009. Together with the organic growth of revenue of +4.4%, the profitability progressed by +60 basis points. The margin improvement came primarily from Atos Worldline, and more particularly from its transaction-based activities (Payments), where profitability benefited from growing volumes.

BPO Medical recorded an Operating Margin at almost 12%, globally at the same level as in 2009.

C.1.4.3 **Cost base evolution**

	FY 2010	% of revenue	FY 2009 CS*	% of revenue	% Change	
Personnel Direct	-2,375	47.3%	-2,436	46.8%	+61	-2%
Subco Direct	-542	10.8%	-589	11.3%	+47	-8%
Personnel Indirect	-434	8.6%	-465	8.9%	+31	-7%
Costs of good sold	-198	3.9%	-174	3.3%	-24	+14%
Non personnel expenses	-917	18.3%	-1,025	19.7%	+108	-11%
Non cash items	-217	4.3%	-219	4.2%	+2	-1%
	-4,683	**93.3%**	**-4,907**	**94.3%**	**+224**	**-5%**
Other non personal expenses details						
Travel	-112	2.2%	-117	2.3%	+5	-4%
Cars	-81	1.6%	-93	1.8%	+12	-13%
Maintenance costs	-222	4.4%	-260	5.0%	+38	-15%
Rent & Lease expenses	-195	3.9%	-214	4.1%	+19	-9%
Telecom costs	-118	2.3%	-113	2.2%	-5	+4%
MarCom/PF	-73	1.5%	-79	1.5%	+6	-8%
Other expenses	-112	2.2%	-119	2.3%	+8	-6%
Taxes & Similar expenses	-4	0.1%	-28	0.5%	+24	-85%
	-917	**18.3%**	**-1,025**	**19.7%**	**+108**	**-11%**
Revenues	**5,021**		**5,202**		**-181**	**-3%**
Operating Margin	**337**	**6.7%**	**294**	**5.7%**	**+43**	**+15%**

(*) Constant scope and exchange rates

The benefits from the TOP Program on the Operating Margin have continued during 2010 resulting in a further decline in the cost base. Beyond the strong workforce management, especially on indirect staff and external subcontractors, which led to an improvement of Operating Margin of +35 basis points, the most important reductions achieved in 2010 were focused on Maintenance costs which dropped by -15% to EUR -222 million, and on subcontractor costs which were reduced by -8% at EUR -542 million. At the same time, rental cost was down by -9%, driven in particular by the move of the Paris offices in September 2010 to the Bezons Campus.

C.1.5 Workforce Management

C.1.5.1 **Headcount evolution**

Total staff employed stands at 48,278 at the end of December 2010. This level represents a net decrease since the beginning of the year of 758 headcounts (-2%), mainly driven by Consulting (-6%) and Systems Integration (-4%). This net decrease of headcounts includes a significant increase in India with +845 people (+23%) and in Atos Worldline with +655 people (+14%) which includes Venture Infotek acquired in August 2010 for +487 people.

Movements

Movements of legal staff over the last two years are the following:

	H1-09	H2-09	FY-09	H1-10	H2-10	FY10
Opening	**50,975**	**49,407**	**50,975**	**49,036**	**48,268**	**49,036**
Scope	-139		-139	+80	+336	+416
Hiring	+2,007	+2,527	+4,534	+2,487	+3, 397	+5,884
Leavers	-1,842	-1,542	-3,384	-2,146	-2,728	-4,874
Dismiss/Other	-622	-519	-1,141	-463	-268	-731
Restructuring	-971	-838	-1,809	-726	-727	-1,453
Closing	**49,407**	**49,036**	**49,036**	**48,268**	**48,278**	**48,278**

Changes in scope

The changes in scope in 2010 relates to the disposal in H2 of the SSC (-151 people), the acquisition of Shere for 80 staffs and the acquisition in of Venture Infotek (+487 people).

Hirings

The level of recruitment in 2010 reached 5,884 up by +30% compared to the level reached in 2009. The total hirings made in the full year 2010 represented 12% of the opening workforce compared to 9% last year, with 6% in Systems Integration, 4% in Managed Services and 1% in HTTS.

	FY10	FY09	Delta
Consulting	184	109	+75
Systems Integration	3,002	1,996	+1,006
Managed Services	1,832	1,672	+161
HTTS	436	179	+257
Medical BPO	392	435	-43
Corporate	37	143	-106
GROUP	**5,884**	**4,534**	**+1,350**

The hirings of the year have been mainly located in offshore countries as it is showed hereafter:

	Q1-10	Q2-10	Q3-10	Q4-10	H1-10	H2-10	FY-10
Onshore countries	480	645	684	592	1,125	1,277	2,402
Offshore countries	478	884	1,018	1,102	1,362	2,120	3,482
GROUP	**958**	**1,529**	**1,702**	**1,694**	**2,487**	**3,397**	**5,884**

Onshore hirings were limited to critical skills and concentrated on talented recently graduated engineers.
In Offshore countries, the level of hirings has strongly increased throughout the year from 478 people in the first quarter up to 1,102 people in the last quarter, essentially in India.

Leavers

Leavers comprise voluntary permanent staff leavers, as permanent staff who have been dismissed are classified under "dismissed".

The total number of leavers in 2010 was 4,874, above the level reached in 2009 of 3,384.

	FY10	FY09	Delta
Consulting	331	222	109
Systems Integration	2,685	1,838	847
Managed Services	1,355	940	415
HTTS	233	128	105
Medical BPO	243	242	1
Corporate	27	14	13
GROUP	**4,874**	**3,384**	**1,490**

Staff attrition (calculated on a full year basis) increased by three points during the period at 10.1% in 2010 compared to 7.0% in 2009. The ratio increased in all businesses except BPO as shown below:

	Jun-09	Dec-09	Jun-10	Dec-10
Consulting	10.8%	9.9%	16.5%	17.4%
Systems Integration	8.6%	8.0%	10.0%	12.0%
Managed Services	6.4%	5.8%	7.4%	8.5%
HTTS	2.6%	2.5%	3.7%	4.0%
Medical BPO	15.3%	14.7%	13.5%	13.6%
Corporate	4.2%	4.4%	12.5%	9.6%
Attrition rate	**7.5%**	**7.0%**	**8.8%**	**10.1%**

The average length of job tenure within Atos is 8.8 annum. In the IT business, the attrition rate is in general high compared to other sectors.

Restructuring

As a result of the staff reorganization program, 1,453 employees left the Group in 2010 under specific and localized re-organization programs as part of the business transformation. These staff were located in the major European countries and correspond to specific plans. The Group does not disclose the breakdown by country.

C.1.5.2 **Legal staff by country and Service Line**

The net decrease of 757 headcounts over the period mainly came from countries more impacted by the economic recession, as in France, in The Netherlands and in Spain. This is compensated by a high level of Hirings in India (net impact of +845 people) and by an acquisition (Venture Infotek) within Atos Worldline also in India.

The most impacted Service Lines were Systems Integration and Managed Services, compensated by an increase in HTTS, as shown in the table below:

	Closing (end of)			
	Dec-09	Jun-10	Dec-10	Change vs Opening
Consulting	2,070	1,919	1,945	-125
Systems Integration	22,647	21,949	21,801	-846
Managed Services	16,305	16,131	15,851	-454
HTTS	5,771	5,896	6,555	+784
BPO	1,879	1,931	1,934	+55
Corporate	364	362	192	-172
GROUP	**49,036**	**48,188**	**48,278**	**-758**
France	11,954	11,583	11,157	-797
Benelux	7,750	7,230	6,958	-792
United Kingdom	6,269	6,399	6,264	-5
Atos Worldline	4,804	4,817	5,459	+655
GCEMA	3,746	3,628	3,549	-197
Spain	5,668	5,527	5,349	-319
Other Countries	8,481	8,642	9,351	+870
Global Corporate	364	362	192	-172
GROUP	**49,036**	**48,188**	**48,278**	**-758**

United Kingdom almost maintained the same level of staff. In GBU Global Corporate, the decrease is due to the disposal of the Shared Services Center in Poland (-151 people).

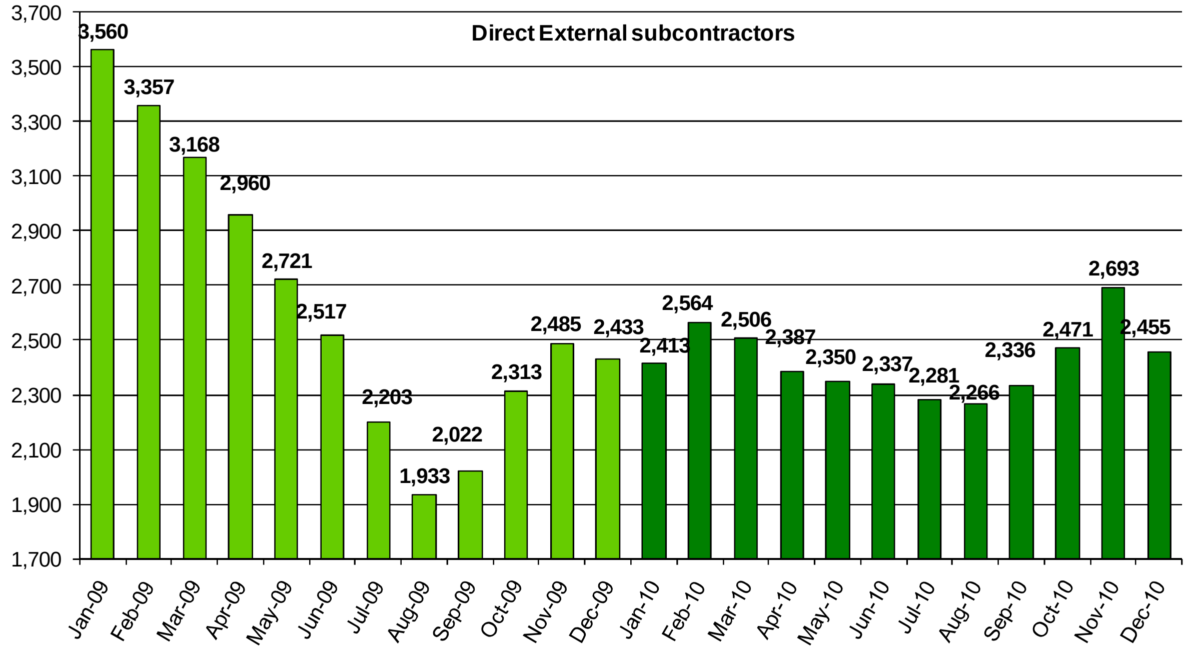
After a strong decrease in 2009, direct staff remained almost stable in 2010 at 43,756 (compared with 43,941 one year before). However, the total indirect staffs have been significantly reduced from 5,094 at end of 2009 to 4,522 at the end of 2010 which represents a decrease of -11%.

The situation of legal staff at the end of December 2010 in low costs countries is the following:

Legal staff (end of)	H1-09	H2-09	H1-10	H2-10	Change 12 months
Morocco	330	447	500	549	+102
China	481	459	440	449	-10
Malaysia	412	449	478	480	+31
India	2,980	3,695	3,856	4,540	+845
South Africa	186	173	163	136	-37
Poland	310	353	444	571	+218
Brazil	1,448	1,280	1,218	1,156	-124
Total	**6 147**	**6 856**	**7,099**	**7,881**	**+1,025**

C.1.5.3 **Subcontractors**

After a strong drop in 2009, the Group has carefully followed and monitored the policy whose objective was to maintain the number of non-critical subcontractors. As a result, the total number of subcontractors remained almost stable during the year (in the range of 2,400 to 2,500).



The level of subcontractors represented 5.4% of productive FTE at the end of December 2010, flat compared to 5.3% last year. The strong effort achieved in 2009 to reduce the subcontractors was maintained in 2010.

C.1.5.4 **Total Full Time Equivalent (FTE)**

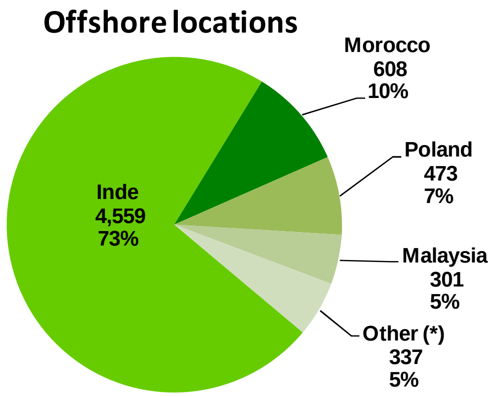
The following table summarizes total FTEs of the Group at the end of December 2010, showing a general decrease of -1.8% of FTEs, including:

- a significant decrease of direct onshore by -4.5% (-1,718 FTEs) over the period.
- a strong reduction of indirect headcounts by -9% (-445 FTEs), as expected.

Offshore staff reached 6,278 FTEs with a net increase of +1,244 FTEs over the period (+25%) which is above 2009 performance (+500 FTE, +12%).
As a result, the part of our productive staff working in Offshore countries increased from 11% in 2009 to 14% in 2010 on total Direct FTEs.

Full Time Equivalent	Dec-09		Dec-10		Delta	
Direct FTE onshore	38,481	84%	36,763	81%	-1718	-4.5%
Direct FTE offshore	5,034	11%	6,278	14%	+1244	+24.7%
Direct FTE subcontractors	2,433	5%	2,455	5%	+22	+0.9%
Total Direct FTE	**45,948**	**100%**	**45,496**	**100%**	**-452**	**-1.0%**
Indirect FTE	**4,960**	**10%**	**4,515**	**9%**	**-445**	**-9.0%**
Total FTE	**50,908**		**50,011**		**-897**	**-1.8%**

The Offshore FTEs are mainly located in India (73%) and Morocco (10%).



(*) *"Other" include South-America with offshore productive FTEs in Brazil and Argentina.*

C.1.6 Atos Origin and Siemens to create a European IT Champion

On 14 December 2010, Atos Origin and Siemens announced their intention to form a global strategic partnership. Siemens will contribute its Siemens IT Solutions and Services for a total sum of EUR 850 million to Atos Origin in order to create a European IT champion. Siemens will become for a period of at least five years the second shareholder of Atos Origin with a 15% stake. The transaction will create a leading IT services company with pro forma 2010 revenues of approximately EUR 8.7 billion and 78,500 employees worldwide. As part of the transaction, Siemens concluded a seven-year outsourcing contract worth around EUR 5.5 billion, under which Atos Origin will provide Managed Services and Systems Integration to Siemens. The new company will operate the largest European managed services platforms, will be uniquely positioned to deliver cloud computing services, market leading System Integration solutions such as Consolidation & Harmonization, Energy, PLM and to enhance significantly its electronic payments and transaction based activities.

C.1.6.1 Highlights of the Deal

A European IT Service Champion is formed: In exchange for Siemens IT Solutions and Services Siemens will receive a 15% stake in Atos Origin, a five year convertible bond of EUR 250 million and a cash payment of approximately EUR 186 million.

- Siemens will support Atos Origin in taking necessary steps in integrating Siemens IT Solutions and Services, a reshaped asset pre-acquisition, in order to generate substantial synergies in the near future. As part of this it is envisaged that the global work force of Siemens IT Solutions and Services will be reduced by 1,750, including 650 in Germany – mainly in indirect functions such as G&A. Siemens agreed to contribute up to EUR 250 million to the integration and training costs.

- The transaction was subject to a consultation procedure with the Working Council of Atos Origin, which issued its opinion in January 2011. It also obtained the US and European antitrust authorities approval respectively the 18th and 25th March 2011. The operation is expected to close by early July 2011 after approval from Atos Origin Shareholders.

One of the world's biggest outsourcing deals is going along with the transaction: Atos Origin and Siemens to sign a seven-year contract worth EUR 5.5 billion to operate Siemens IT infrastructure and applications worldwide.

Atos Origin and Siemens form a strategic partnership: The sales power of Siemens One will strengthen the new company and should lead to an increase of future revenues. Atos Origin and Siemens will jointly develop new IT products and solutions for which both parties are committed to investing EUR 50 million each. The partnership agreement will provide significant development opportunities in hi-tech transactional Services and growing sectors such as healthcare, energy, transport or manufacturing.

C.1.6.2 **Deal structure**

The deal is structured to create short term value for Atos Origin shareholders, including Siemens, and is strongly protective of Atos Origin cash.

The deal creates the framework for a sustainable global partnership between Atos Origin and Siemens. The transaction will be financed by Atos Origin delivering approximately 12.5 million shares to Siemens - representing 15% of the outstanding capital of the combined group, with a five-year lock-up commitment and a cash consideration of EUR 186 million; Atos Origin will also issue a five-year convertible bond re-served to Siemens for EUR 250 million.

The transaction is structured in order to be short-term accretive on the Earning per Share (EPS) for Atos Origin. Siemens IT Solutions and Services will be transferred by Siemens on a debt and cash free basis. Siemens has also agreed to assume responsibility after deal closure for certain obligations including projects risks unidentified at closing.

C.1.6.3 **The creation of a champion in IT Services**

The deal is a major step in Atos Origin's strategy to reach a global scale and grow strongly both in IT services and in Hi-Tech Transactional Services. The two organizations benefit from outstanding complementarities regarding customer base, geographies and services. Together they form a strong combination with a presence in 42 countries, and 78,500 staff worldwide, that will accelerate growth, increase shareholders' value and will enhance the services it provides to its customers.

According to market surveys[4], Atos Origin will rank #1 among European companies for Managed Services in Europe. After this acquisition Atos Origin will also enhance its scale, expertise and capacity to compete for the big and global deals. It will also become a major league player in cloud computing which will be a major growth driver for years to come.

According to surveys, Atos Origin will become one of the first IT Services players in Europe in terms of revenue and number seven worldwide, with a significant increase in its customer base and range of offerings to win new sales opportunities.

C.1.7 2011 Objectives

On 16 February 2011, the Group announced the following objectives for 2011:

Revenue

Considering the outcome from its large customers and an improving economic environment, the Group expects to return to a slight organic growth in 2011.

Operating margin

Operating Margin rate target is to increase by +50 to +100 basis points in 2011, third year of the three-year transformation plan, and therefore to be in the range of 7.2 to 7.7 per cent.

Free Cash Flow

The Free Cash Flow is expected to increase again by +20 per cent in 2011 compared to 2010.

[4] Source : Gartner (April 2010) and Atos

Consolidation of SIS

The figures above are for Atos Origin in its current scope before the planned consolidation of SIS expected as of 1 July 2011 (subject to anti-trust clearance and Shareholders' approval). As soon as the transaction is completed, the new guidance for the year 2011 will include SIS (6 months expected in the second half of the year), and is expected to be in line with the figures already provided on 15 December 2010, date of the announcement:

"The financial targets for Atos Origin are based on the following assumptions:

- No major change in market conditions
- Full execution of the TOP² Program and combination synergies
- No significant delay in Siemens IT Solutions and Services integration

For 2011, with 12 months for Atos Origin (January to December) and six months for Siemens IT Solutions and Services (July to December), these targets are the following:

- Revenue evolution in line with market growth
- An Operating Margin at circa 6 per cent
- A Neutral EPS effect compared to Atos Origin standalone
- A Free Cash Flow slightly higher than Atos Origin standalone in 2011."

C.2 **Financial review**

C.2.1 Income Statement

The Group reported a net income (Attributable to owners of the parent) of EUR 116.1 million for 2010, which represents 2.3% of Group revenues. The normalized net income before unusual, abnormal and infrequent items (net of tax) for the period was EUR 218.1 million, representing 4.3% of 2010 Group revenues, in increase by + 10% compared with last year.

(in EUR million)	12 months ended 31 December 2010	% Margin	12 months ended 31 December 2009	% Margin
Operating margin	**337.4**	**6.7%**	**290.6**	**5.7%**
Other operating income / (expenses)	(137.3)		(259.3)	
Operating income	**200.1**	**4.0%**	**31.3**	**0.6%**
Net financial income / (expenses)	(24.1)		(24.4)	
Tax charge	(57.8)		1.1	
Non controlling interests and associates	(2.1)		(4.1)	
Net income – Attributable to the owners of the parent	**116.1**	**2.3%**	**3.9**	**0.1%**
Normalized net income – Attributable to the owners of the parent (*)	**218.1**	**4.3%**	**197.2**	**3.8%**

(*) Defined hereafter

Figures for 2010 are restated. Figures for 2009 reflect the change in accounting policy (SoRIE) of which impact is described in section C.3.3.5 of that document.

C.2.1.1 **Operating margin**

Income and expenses are presented in the Consolidated Income Statement by nature to reflect the specificities of the Group's business more accurately. Under the line item presenting revenues, ordinary operating expenses are broken down into staff expenses and operating expenses.

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

Operating margin represents the underlying operational performance of the on-going business and is explained in the operational review.

C.2.1.2 **Other operating income and expenses**

Other operating income and expenses relate to income and expenses that are unusual, abnormal and infrequent and represent a net expense of EUR 137.3 million in 2010. The following table presents this amount by nature and destination:

(in EUR million)	Group transformation costs	Other non recurring items	Total
Staff reorganisation	(64,5)	-	**(64,5)**
Premises offices rationalisation	(38,7)	-	**(38,7)**
Goodwill impairment	-	(25,0)	**(25,0)**
Other items	-	(9,1)	**(9,1)**
Total	**(103,2)**	**(34,1)**	**(137,3)**

The Group presents two following destinations of costs:
- The Group transformation costs
- Other non recurring items

<u>Group transformation costs (EUR 103.2 million expense)</u>

The Group transformation costs are composed of EUR 103.2 million expense linked to reorganisation and rationalisation.

The EUR 64.5 million staff reorganisation expense is the consequence of both the Group workforce adaptation to the effects of the economic recession and the non recurring cost induced by the TOP Programs aimed at improving Group efficiency and productivity. The combination of these actions affected mainly The Netherlands (EUR 18.6 million), The United Kingdom (EUR 12.3 million), France (EUR 12.8 million) and Spain (EUR 11.0 million).

The EUR 38.7 million premises offices rationalisation are mainly composed of items related to the Paris offices rationalisation program corresponding to the main following buildings “Les Miroirs”, “Manhattan”, Suresnes, and Clamart.
- Settlement with the landlord of the building “Les Miroirs”
- Excess of rent costs
- Provision related to rents due until the end of leases
- Dilapidation provision and net booked value of remaining assets

<u>Other non-recurring items (EUR 34.1 million expense)</u>

This amount mostly comprises:
- The impairment expense of EUR 25.0 million recorded in June 2010 on Iberia cash generating unit following a deteriorating economic environment in Spain
- Professional fees of EUR 9.2 million related to acquisitions including EUR 7.5 million linked to Siemens IT Solutions and Services and EUR 1.7 million linked to Venture Infotek Private Ltd in India

C.2.1.3 **Net financial expense**

Net financial expense amounted to EUR 24.1 million for the period at the same level as last year (EUR 24.4 million in 2009) and is composed of:
- Net cost of financial debt increased from EUR 13.5 million last year to EUR 17.8 million over the period, coming from the evolution of net interest expenses which are made up of the following elements:
    - The average gross borrowing which was EUR 510.4 million bearing an average rate of expense of 3.64%
    - The convertible bonds OCEANE which outstanding average amount was EUR 207.5 million bearing an effective interest rate of expense of 6.68%
    - And the average net cash which was EUR 293.1 million bearing an average rate of income of 0.27%

The increase of net financial expense is explained by the full year impact of OCEANE’s interests compared to a two months impact last year.

- Non-operational financial costs amounted to EUR 6.3 million compared to EUR 10.9 million in 2009 and mainly composed of pension financial related costs (EUR 6.5 million). These costs represent the difference between the interests cost and the expected return on plan assets (EUR 7.4 million expense in 2009). Please refer to Note 20 Pensions for further explanation.

C.2.1.4 Corporate tax

The Group effective tax rate is 33.1%, which includes de French tax CVAE for a gross amount of EUR 18.2 million and includes the tax impact of the impairment of EUR 25.0 million of Iberia. Based on normalized net income and after restatement of the CVAE, the restated Group effective tax rate is 25.4%. On a midterm basis, the expected effective tax rate is 30-32% on the current scope of the Group, and calculated including the French tax CVAE as income tax (please refer to Note 7).

C.2.1.5 Non controlling interests

Non controlling interests include shareholdings held by joint venture partners and other associates of the Group. They are mainly located in Atos Worldline Processing services in Germany (42%) until the 24 June 2010, date of acquisition of these non controlling interests.

C.2.1.6 Normalized net income

The normalized net income excluding unusual, abnormal and infrequent items (net of tax) is EUR 218.1 million, increasing by 10% compared with last year.

(in EUR million)	12 months ended 31 December 2010	12 months ended 31 December 2009
Net income - Attributable to the owners of the parent	**116.1**	**3.9**
Other operating income and expenses	(137.3)	(259.3)
Tax effect on other operating income and expenses	32.7	82.2
Other unusual items on tax	2.6	(16.2)
Total unusual items – net of tax	**(102.0)**	**(193.3)**
Normalized net income - Attributable to the owners of the parent	**218.1**	**197.2**

C.2.2 Earnings per share

(in EUR million)	12 months ended 31 December 2010	% Margin	12 months ended 31 December 2009	% Margin
Net income – Attributable to the owners of the parent [a]	**116.1**	**2.3%**	**3.9**	**0.1%**
Restatement	8.7		0.8	
Net income restated of dilutive instruments - Attributable to the owners of the parent [b]	**124.8**	**2.5%**	**4.7**	**0.1%**
Normalized net income – Attributable to the owners of the parent [c]	**218.1**	**4.3%**	**197.2**	**3.8%**
Restatement	8.7		0.8	
Normalized net income restated of dilutive instruments - Attributable to the owners of the parent [d]	**226.8**	**4.5%**	**198.0**	**3.9%**
Average number of shares outstanding [e]	69,334,351		68,772,224	
Impact of dilutive instruments	6,614,780		5,648,361	
Diluted average number of shares [f]	75,949,131		74,420,585	
(In EUR)				
Basic EPS [a] / [e]	**1.67**		**0.06**	
Diluted EPS [b] / [f]	**1.64**		**0.06**	
Normalized basic EPS [c] / [e]	**3.15**		**2.87**	
Normalized diluted EPS [d] / [f]	**2.99**		**2.66**	

Potential dilutive instruments comprise stock subscription (equivalent to 1,200,009 options) and convertible bonds (equivalent to 5,414,771 shares). The convertible bonds are the only one which generates a restatement of net income used for the diluted EPS calculation. The restatement corresponds to the interest expenses relating to the liability component net of deferred tax (EUR 8.7 million).

Normalized basic and diluted EPS reach respectively EUR 3.15 (EUR 2.87 in 2009) and EUR 2.99 (EUR 2.66 in 2009) and grow over the period respectively by +10% and +12%.

C.2.3 Cash flow

The Group net debt stands at EUR 139.2 million at the end of December 2010, thus representing a positive change in net debt of EUR +0.2 million compared with EUR 139.4 million of net debt at the end of December 2009.

Net debt as of December 2010 is in line with Atos Origin's guidance which was to be cash positive excluding the impact of acquisitions of the year; the adjusted net debt excluding acquisitions being positive at EUR +3.4 million (cash position).

Free cash flow represented by the change in net cash or net debt, excluding equity changes, dividends paid to shareholders, net material acquisitions / disposals (with a price exceeding 0.15% of Group revenue), reached EUR 143 million compared with EUR 117 million achieved last year.

	(EUR million)	2010	2009
	OMDA	532.5	500.5
-	Net capital expenditures	-176.2	-197.5
+/-	Change in working capital	53.2	34.6
=	**Cash flow from operations**	**409.5**	**337.6**
-	Tax paid	-61.5	-39.5
-	Net cost of financial debt	-18.4	-13.3
-	Cash out of staff restructuring and rationalisation in other operating income	-167.6	-135.0
-	Dividends paid to non controlling interests	-4.5	-4.3
-	Net long term investments*	-	-14.1
+/-	Purchase and sale of treasury stocks	7.3	5.7
+/-	Other changes**	-22.0	-20.3
=	**Free cash flow**	**142.8**	**116.8**
+/-	Net material acquistions / disposals	-142.6	-
+/-	Capital increase (decrease)	-	-
+	Portion of bonds convertible in equity	-	47.8
-	Dividends paid to shareholders	-	-
=	**Change in net debt (cash)**	**0.2**	**164.6**
	OPENING NET DEBT	**139.4**	**304.0**
	CLOSING NET DEBT	**139.2**	**139.4**

** Long term deposits, and acquisitions / disposals with a price not exceeding 0.15% of Group revenue*

***Translation differences, profit-sharing amounts payable to French employees transferred to debt, disposal of operational assets, other financial items and other operating income with cash impact excluding restructuring and rationalisation*

Cash from Operations (CFO) stands at EUR 409 million and increased by EUR +71 million compared to last year. This surge is due to the combined improvement of the three components, the OMDA (EUR +32 million), the change in working capital requirement (EUR +19 million), and a further reduction in the net capital expenditure (EUR 21 million).

- OMDA at EUR 532 million, representing an increase of EUR +32 million compared with last year, reaching 10.6% of revenues against 9.8% in 2009, an increase of +80 basis points. This growth in OMDA derived from the operating margin improvement.
- Positive change in working capital of EUR +53 million (higher than last year by EUR +19 million). The positive movement in working capital is the result of another year of tight monitoring of the outstanding receivables, with a particular focus on overdue. The DSO ratio moved from 57 days in December 2009 to 49 days at the end of December 2010. This is the second year in a row with an improvement of the working capital position.
- Further reduction of the net capital expenditures at EUR -176 million, decreasing at 3.5% of revenues compared with EUR -197 million or 3.8% of revenues in 2009, resulting from a more selective approach in the evaluation of projects (storage, mainframe, servers), This improvement follows the continued effort to optimize investments which is part of the TOP program.

Cash out related to Tax paid reached EUR -62 million, in excess of EUR -22 million compared with last year, principally due to the reclassification of the French Business Tax (CVAE) amounting EUR -18 million.

The net cost of financial debt (including convertible bond) increased by EUR -5 million over the period, to reach EUR -18 million. The cost of financial interests (excluding convertible bond) decreased by EUR +6 million due to the reduction of the net debt and the lowering of the interest rates, but was counterbalanced by the cost linked to the OCEANE put in place in the fourth quarter of last year, with a variance of EUR -11 million.

Cash outflow linked to restructuring and rationalisation represented EUR -168 million, in line with the plan of the period. This comprises EUR -20 million in relation to the move to the new offices in Bezons.

Net material acquisitions / disposals concern acquisitions performed during the year for a total amount of EUR -143 million:

- The acquisition of Venture Infotek Private Ltd for EUR 86.6 million (including EUR 2.8 Million of net debt) in August 2010, a leading independent player in the Indian payments market. It operates in merchant acquiring, card processing, loyalty programs, government benefits programs on behalf of the Indian banks and major retailers;
- The acquisition of Shere Ltd for EUR 20.7 million (including EUR 1.2 million of net debt) in March 2010, a market leading and innovative provider of integrated self-service, web and desktop systems delivering services to the UK rail and hospitality markets;
- The acquisition of non controlling interests of Atos Worldline Processing services in Germany (42%) for EUR 35.0 million on 24 June 2010.

Other changes of EUR -22.0 million mainly correspond to:

- Other operating expenses excluding reorganisation and rationalisation mainly composed of exceptional recovery payment to the Dutch pension plan (for EUR -16.5 million) and professional fees linked to acquisitions (EUR -9.2 million);
- The selling price related to the disposal of operational assets (EUR -10.6 million);
- Profit-sharing amounts payable to French employees transferred to debt (EUR -5.3 million);
- And the positive exchange rate effect (EUR +16.3 million).

C.2.4 Financing policy

Atos Origin has implemented a strict financing policy which has been reviewed by the Group Audit Committee, with the objective to secure and optimise the Group's liquidity management. Each decision regarding external financing is approved by the Board of Directors. Under this policy, all Group treasury activities, including cash management, short-term investments, hedging and foreign exchange transactions, as well as off-balance sheet financing through operating leases, are centrally managed through the Group Treasury department. Following a cautious short term financial policy, the Group did not make any short term cash investment in risky assets.

C.2.4.1 Financing structure

Atos Origin's policy is to cover fully its expected liquidity requirements by long-term committed loans or other appropriate long-term financial instruments. Terms and conditions of these loans include maturity and covenants leaving sufficient flexibility for the Group to finance its operations and expected developments.

On 29 October 2009, Atos Origin issued a convertible bond (OCEANE) of EUR 250.0 million maturing on 1 January 2016. Annual coupon paid to the bond holders is 2.50%. Effective interest rate calculated based on IAS 39 requirements amounted to 6.68%. Please refer to Note 22 of the financial statements. There is no financial covenant in respect with the convertible bond.

Atos Origin signed with a number of major financial institutions on 12 May 2005 a cost efficient EUR 1.2 billion multi-currency revolving facility with six and seven years maturity. The maturity of the multi-currency revolving facility is until 12 May 2011 for EUR 1.2 billion and until 12 May 2012 for EUR 1.1 billion.

Atos Origin securitization program of trade receivables has been renewed for 5 years on 6 March 2009 with a maximum amount of receivables sold of EUR 500.0 million and a limit of maximum amount of financing of EUR 200.0 million. Financial covenants of the Atos Origin securitization program are aligned with the covenants of the EUR 1.2 billion multi-currency revolving creditfacility.

C.2.4.2 Bank covenants

The Group is substantially within its borrowing covenants, with a consolidated leverage ratio (net debt divided by OMDA) of 0.26 at the end of December 2010. The consolidated leverage ratio may not be greater than 2.5 times under the terms of the multi-currency revolving credit facility.

The consolidated interest cover ratio (Operating Margin divided by the net cost of financial debt) was 19 in 2010. This ratio is significantly higher than the bank covenant which should not be less than four times, throughout the term of the multi-currency revolving credit facility.

C.2.4.3 Investment policy

Atos Origin has a policy to lease its office space and data processing centres. Some fixed assets such as IT equipment and company cars may be financed through leases. The Group Treasury department evaluates and approves the type of financing for each new investment.

C.2.4.4 **Hedging policy**

Atos Origin’s objective is also to protect the Group against fluctuations in interest rates by swapping to fixed rate a portion of the existing floating-rate financial debt. Authorised derivative instruments used to hedge the debt are swap contracts, entered into with leading financial institutions and centrally managed by the Group Treasury Department.

C.3 **Consolidated financial statements**

C.3.1 Statutory auditors report on the consolidated financial statements for the year ended 31 December 2010

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in the French language and it is provided solely for the convenience of English speaking users.
The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures
This report also includes information relating to the specific verification of information given in the management report and in the document addressed to the shareholders.
This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended 31 December 2010, on:

- the audit of the accompanying consolidated financial statements of Atos Origin S.A.;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2010 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the "Basis of preparation and significant accounting policies" in section C.3.3.3 and to section C.3.3.5 to the 2010 consolidated financial statements which describe the changes in accounting policies relating to the recognition of actuarial gains and losses on pensions and to the first time application of the revised standards IFRS 3 "Business Combination" and IAS 27 "Individual and Consolidated Financial Statements".

II. Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

As specified in “Accounting estimates and judgments” in section C.3.3.3 to the consolidated financial statements, the preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses in the financial statements and disclosures of contingent assets and liabilities. This note specifies that the estimates, assumptions and judgments may result in a significant adjustment to the carrying amounts of assets and liabilities within the next financial statements. As part of our audit of the consolidated financial statements for the year ended 31 December 2010, we considered that goodwills, revenue, profit or loss on completion relating to long-term contracts and pensions are subject to significant accounting estimates.

- Goodwills were subject to an impairment test by the company as described in “Business combination and goodwill” in section C.3.3.3 and in the note 11 to the consolidated financial statements. As a result of this process, an impairment charge of euro 25 million was recorded. Based on the information provided to us, our work consisted on assessing the appropriateness of the methodology applied and the data used to determine the values-in-use, especially to review the cash-flow projections for each cash generating units (“CGU”) and the actual performance against budget, and on verifying the consistency of assumptions with forecasts from each CGU’s financial business plan approved by Management.
- “Revenue recognition” in section C.3.3.3 to consolidated financial statements outlines the methods applied with respect to revenue recognition. Based on the information provided to us, our work consisted on assessing the appropriateness of the information provided in the note mentioned above and on ensuring that the accounting methods and principles are correctly applied. In addition, our work consisted on assessing the reasonableness of the accounting estimates used by Management.
- As specified in “Pensions and similar benefits” in section C.3.3.3 to the consolidated financial statement, the company uses actuarial methods and actuarial assumptions to evaluate the pension commitments. The value of plan assets is measured on the basis of valuations performed by external actuaries and these assets are subject to additional verifications by management if necessary. Based on the information provided to us, our work consisted on assessing the appropriateness of the methodology applied and the data used to assess the pension obligations and the plan assets valuation, and on verifying the consistency of assumptions used.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verification

As required by French law, in accordance with professional standards applicable in France, we have also verified the information presented in the Group’s management report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris, 31 March 2011

The Statutory Auditors

Deloitte & Associés		Grant Thornton *French member of Grant Thornton International*	
Tristan Guerlain	Christophe Patrier	Jean-Pierre Colle	Vincent Frambourt

C.3.2 Consolidated financial statements

C.3.2.1 Consolidated Income Statement

(in EUR million)	Notes	12 months ended 31 December 2010	12 months ended 31 December 2009
Revenue	**Note 2**	**5,020.6**	**5,127.0**
Personnel expenses	Note 3	(2,809.5)	(2,862.3)
Operating expenses	Note 4	(1,873.7)	(1,974.1)
Operating margin		**337.4**	**290.6**
% of revenue		**6.7%**	**5.7%**
Other operating income and expenses	Note 5	(137.3)	(259.3)
Operating income		**200.1**	**31.3**
% of revenue		**4.0%**	**0.6%**
Net cost of financial debt		(17.8)	(13.5)
Other financial expenses		(35.1)	(31.9)
Other financial income		28.8	21.0
Net financial income	Note 6	(24.1)	(24.4)
Net income before tax		**176.0**	**6.9**
Tax charge	Notes 7-8	(57.8)	1.1
Net income		**118.2**	**8.0**
Of which:			
- Attributable to owners of the parent		**116.1**	**3.9**
- Non controlling interests	Note 9	2.1	4.1

(in EUR and number of shares)

Net income-Attributable to ordinary equity holders of the parent	**Note 10**		
Weighted average number of shares		69,334,351	68,772,224
Basic earnings per share		**1.67**	**0.06**
Diluted weighted average number of shares		75,949,131	74,420,585
Diluted earnings per share		**1.64**	**0.06**

C.3.2.2 **Consolidated Statement of comprehensive income**

(in EUR million)	12 months ended 31 December 2010	12 months ended 31 December 2009
Net income	**118.2**	**8.0**
Other comprehensive income		
Cash flow hedging	1.1	5.4
Actuarial gains and losses generated in the period on defined benefit plan	(105.5)	(45.2)
Exchange differences on translation of foreign operations	51.6	25.2
Deferred tax on items recognized directly on equity	23.6	14.5
Total other comprehensive income	**(29.2)**	**(0.1)**
Total comprehensive income for the period	**89.0**	**7.9**
Of which:		
- Attributable to owners of the parent	**86.4**	**3.4**
- Non controlling interests	2.6	4.5

C.3.2.3 **Consolidated statement of financial position**

(in EUR million) ASSETS	Notes	31 December 2010	31 December 2009	1 January 2009 (*)
Goodwill	Note 11	1,609.9	1,507.6	1,511.1
Intangible assets	Note 12	76.0	68.9	77.5
Tangible assets	Note 13	396.4	407.4	454.3
Non-current financial assets	Note 14	230.5	220.0	52.4
Non-current financial instruments	Note 23	0.3	1.1	1.0
Deferred tax assets	Note 8	321.8	249.0	223.2
Total non-current assets		**2,634.9**	**2,454.0**	**2,319.5**
Trade accounts and notes receivables	Note 15	1,232.3	1,281.3	1,418.0
Current taxes		13.0	26.3	25.4
Other current assets	Note 16	174.6	164.4	177.7
Current financial instruments	Note 23	2.1	3.8	0.7
Cash and cash equivalents	Note 18	422.2	534.7	286.1
Total current assets		**1,844.2**	**2,010.5**	**1,907.9**
Total assets		**4,479.1**	**4,464.5**	**4,227.4**

(in EUR million) LIABILITIES AND SHAREHOLDERS' EQUITY		31 December 2010	31 December 2009	1 January 2009 (*)
Common stock		69.9	69.7	69.7
Additional paid-in capital		1,333.9	1,329.7	1,329.7
Consolidated retained earnings		208.4	300.9	228.2
Translation adjustments		(102.2)	(153.4)	(178.5)
Net income attributable to the owners of the parent		116.1	3.9	46.0
Equity attributable to the owners of the parent		1,626.1	1,550.8	1,495.1
Non controlling interests	Note 9	5.4	11.0	11.5
Total shareholders' equity		**1,631.5**	**1,561.8**	**1,506.6**
Provisions for pensions and similar benefits	Note 20	501.0	437.1	255.3
Non-current provisions	Note 21	96.2	126.6	99.8
Borrowings	Note 22	508.6	483.4	313.5
Deferred tax liabilities	Note 8	98.5	63.0	71.5
Non-current financial instruments	Note 23	1.5	4.3	6.1
Other non-current liabilities		13.7	1.1	1.4
Total non-current liabilities		**1,219.5**	**1,115.5**	**747.6**
Trade accounts and notes payables	Note 24	498.7	475.3	516.8
Current taxes		32.6	28.3	41.2
Current provisions	Note 21	105.0	135.2	96.2
Current financial instruments	Note 23	1.9	1.2	3.0
Current portion of borrowings	Note 22	52.7	190.7	276.6
Other current liabilities	Note 25	937.2	956.5	1,039.4
Total current liabilities		**1,628.1**	**1,787.2**	**1,973.2**
Total liabilities and shareholders' equity		**4,479.1**	**4,464.5**	**4,227.4**

(*) figures disclosed at 1st January 2009 are restated from the "corridor" method give up

C.3.2.4 **Consolidated cash flow statement**

(in EUR million)	Notes	12 months ended 31 December 2010	12 months ended 31 December 2009
Profit before tax		**176.0**	**6.9**
Depreciation of assets	Note 4	213.7	222.0
Net charge / (release) to operating provisions		(41.5)	(34.5)
Net charge / (release) to financial provisions		7.6	7.2
Net charge / (release) to other operating provisions		(85.3)	83.5
Impairment of long – term assets		25.0	31.1
Losses / (gains) on disposals of fixed assets		3.9	5.7
Net charge for equity-based compensation		11.6	15.1
Losses / (gains) on financial instruments		0.5	(2.2)
Net cost of financial debt	Note 6	17.8	13.5
Cash from operating activities before change in working capital requirement, financial interest and taxes		**329.3**	**348.3**
Taxes paid		(61.5)	(39.5)
Change in working capital requirement		53.2	34.6
Net cash from/ (used in) operating activities		**321.0**	**343.4**
Payment for tangible and intangible assets		(186.8)	(204.8)
Proceeds from disposals of tangible and intangible assets		10.6	7.3
Net operating investments		(176.2)	(197.5)
Amounts paid for acquisitions and long-term investments		(144.2)	(17.0)
Cash and cash equivalents of companies purchased during the period		1.8	1.2
Proceeds from disposals of financial investments		5.5	3.3
Cash and cash equivalents of companies sold during the period		(0.1)	(1.6)
Net long-term investments		(137.0)	(14.1)
Net cash from/ (used in) investing activities		**(313.2)**	**(211.6)**
Common stock issues on the exercise of equity-based compensation		4.4	0.1
Portion of convertible bonds :			
in equity	Note 22	-	47.8
in financial liability	Note 22	-	200.7
Purchase and sale of treasury stock		2.9	5.7
Dividends paid to non controlling interest		(4.5)	(4.3)
New borrowings	Note 22	45.7	33.0
New finance lease	Note 22	0.5	2.3
Repayment of long and medium-term borrowings	Note 22	(48.6)	(79.2)
Net cost of financial debt paid		(5.1)	(13.3)
Other flows related to financing activities	Note 22	(139.9)	(52.8)
Net cash from/ (used in) financing activities		**(144.7)**	**140.0**
Increase/ (decrease) in net cash and cash equivalents		**(136.9)**	**271.8**
Opening net cash and cash equivalents		**532.9**	**261.9**
Increase/ (decrease) in net cash and cash equivalents	Note 22	(136.9)	271.8
Impact of exchange rate fluctuations on cash and cash equivalents		20.5	(0.8)
Closing net cash and cash equivalents	**Note 23**	**416.5**	**532.9**

C.3.2.5 **Consolidated statement of changes in shareholders’ equity**

(in EUR million)	Notes	Number of shares at period-end (thousands)	Common Stock	Additional paid-in capital	Consolidated retained earnings	Translation adjustments	Items recognized directly in equity	Net income	Total	Non controlling interests	Total shareholder's equity
At 1 January 2009		**69,717**	**69.7**	**1,329.7**	**292.0**	**(177.1)**	**(5.5)**	**22.6**	**1,531.4**	**11.0**	**1,542.4**
Changes in accounting principles at 1 January 2009					**(58.2)**	**(1.5)**		**23.4**	**(36.3)**	**0.5**	**(35.8)**
At 1 January 2009 after changes in accounting principles		**69,717**	**69.7**	**1,329.7**	**233.8**	**(178.6)**	**(5.5)**	**46.0**	**1,495.1**	**11.5**	**1,506.6**
* Common stock issued		3							-		-
* Appropriation of prior period net income					46.0			(46.0)	-		-
* Dividends paid to non-controlling interests									-	(5.0)	(5.0)
* Equity-based compensation					15.1				15.1		15.1
* Changes in treasury stock					5.7				5.7		5.7
* Equity portion of compound instrument					31.3				31.3		31.3
* Other					0.2				0.2		0.2
Transactions with owners		3			98.3			(46.0)	52.3	(5.0)	47.3
* Net income								3.9	3.9	4.1	8.0
* Other comprehensive income					(29.9)	25.2	4.2		(0.5)	0.4	(0.1)
Total comprehensive income for the period					(29.9)	25.2	4.2	3.9	3.4	4.5	7.9
At 31 December 2009		**69,720**	**69.7**	**1,329.7**	**302.2**	**(153.4)**	**(1.3)**	**3.9**	**1,550.8**	**11.0**	**1,561.8**
* Common stock issued	Note 19	194	0.2	4.2					4.4		4.4
* Appropriation of prior period net income					3.9			(3.9)	-		0.0
* Dividends paid to non-controlling interests									-	(3.9)	(3.9)
* Equity-based compensation	Note 3				11.6				11.6		11.6
* Changes in treasury stock					2.9				2.9		2.9
* Equity portion of compound instrument									-		-
* Other	Note 19				(30.0)				(30.0)	(4.3)	(34.3)
Transactions with owners		194	0.2	4.2	(11.6)	-	-	(3.9)	(11.1)	(8.2)	(19.3)
* Net income								116.1	116.1	2.1	118.2
* Other Comprehensive income					(81.5)	51.2	0.6		(29.7)	0.5	(29.2)
Total comprehensive income for the period					(81.5)	51.2	0.6	116.1	86.4	2.6	89.0
At 31 December 2010		**69,914**	**69.9**	**1,333.9**	**209.1**	**(102.2)**	**(0.7)**	**116.1**	**1,626.1**	**5.4**	**1,631.5**

C.3.3 Notes to the consolidated financial statements

C.3.3.1 General information

Atos Origin, the Group's parent company, is a *société anonyme* (commercial company) incorporated under French law, whose registered office is located at 80, Quai Voltaire, 95870 Bezons, France. It is registered with the Pontoise Register of Commerce and Companies under the reference 323 623 603 RCS Pontoise. Atos Origin shares are traded on the Paris Eurolist Market under Euroclear code 5173 ISIN FR0000051732. The shares are not listed on any other stock exchange and Atos Origin SA is the only listed company in the Group. The Company is administrated by a Board of Directors.

The consolidated financial statements of the Group for the twelve months ended 31 December 2010 comprise the Group and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and jointly controlled entities.

These consolidated financial statements were approved by the Board of Directors on 15 February 2011. These consolidated financial statements will become definitive following their adoption by the Annual General Shareholders' Meeting planned in May 2011.

C.3.3.2 2010 highlights

Atos Origin and Siemens create a European IT Champion

On 14 December 2010, Atos Origin and Siemens announced their intention to form a global strategic partnership detailed in section C.1.6 of the Operational Review in these terms:

On 14 December 2010, Atos Origin and Siemens announced their intention to form a global strategic partnership. Siemens will contribute its Siemens IT Solutions and Services for a total sum of EUR 850 million to Atos Origin in order to create a European IT champion. Siemens will become for a period of at least five years the second shareholder of Atos Origin with a 15% stake. The transaction will create a leading IT services company with pro forma 2010 revenues of approximately EUR 8.7 billion and 78,500 employees worldwide. As part of the transaction, Siemens concluded a seven-year outsourcing contract worth around EUR 5.5 billion, under which Atos Origin will provide Managed Services and Systems Integration to Siemens. The new company will operate the largest European managed services platforms, will be uniquely positioned to deliver cloud computing services, market leading System Integration solutions such as Consolidation & Harmonization, Energy, PLM and to enhance significantly its electronic payments and transaction based activities.

Highlights of the deal

A European IT Service Champion is formed: In exchange for Siemens IT Solutions and Services Siemens will receive a 15% stake in Atos Origin, a five year convertible bond of EUR 250 million and a cash payment of approximately EUR 186 million.

- Siemens will support Atos Origin in taking necessary steps in integrating Siemens IT Solutions and Services, a reshaped asset pre-acquisition, in order to generate substantial synergies in the near future. As part of this it is envisaged that the global work force of Siemens IT Solutions and Services will be reduced by 1,750, including 650 in Germany – mainly in indirect functions such as G&A. Siemens agreed to contribute up to EUR 250 million to the integration and training costs.

- The transaction was subject to a consultation procedure with the Working Council of Atos Origin, which issued its opinion in January 2011. It also obtained the US and European antitrust authorities approval respectively the 18th and 25th March 2011. The operation is expected to close by early July 2011 after approval from Atos Origin Shareholders.

One of the world's biggest outsourcing deals is going along with the transaction: Atos Origin and Siemens to sign a seven-year contract worth EUR 5.5 billion to operate Siemens IT infrastructure and applications worldwide.

Atos Origin and Siemens form a strategic partnership: The sales power of Siemens One will strengthen the new company and should lead to an increase of future revenues. Atos Origin and Siemens will jointly develop new IT products and solutions for which both parties are committed to investing EUR 50 million each. The partnership agreement will provide significant development opportunities in hi-tech transactional Services and growing sectors such as healthcare, energy, transport or manufacturing.

Deal structure

The deal is structured to create short term value for Atos Origin shareholders, including Siemens, and is strongly protective of Atos Origin cash.

The deal creates the framework for a sustainable global partnership between Atos Origin and Siemens. The transaction will be financed by Atos Origin delivering approximately 12.5 million shares to Siemens - representing 15% of the outstanding capital of the combined group, with a five-year lock-up commitment and a cash consideration of EUR 186 million; Atos Origin will also issue a five-year convertible bond reserved to Siemens for EUR 250 million.

The transaction is structured in order to be short-term accretive on the Earning per Share (EPS) for Atos Origin. Siemens IT Solutions and Services will be transferred by Siemens on a debt and cash free basis. Siemens has also agreed to assume responsibility after deal closure for certain obligations including projects risks unidentified at closing.

The creation of a champion in IT Services

The deal is a major step in Atos Origin's strategy to reach a global scale and grow strongly both in IT services and in Hi-Tech Transactional Services. The two organizations benefit from outstanding complementarities regarding customer base, geographies and services. Together they form a strong combination with a presence in 42 countries, and 78,500 staff worldwide, that will accelerate growth, increase shareholders' value and will enhance the services it provides to its customers.

According to market surveys[5] , Atos Origin will rank #1 among European companies for Managed Services in Europe. After this acquisition Atos Origin will also enhance its scale, expertise and capacity to compete for the big and global deals. It will also become a major league player in cloud computing which will be a major growth driver for years to come.

According to surveys, Atos Origin will become one of the first IT Services players in Europe in terms of revenue and number seven worldwide, with a significant increase in its customer base and range of offerings to win new sales opportunities.

C.3.3.3 **Basis of preparation and significant accounting policies**

Basis of preparation

Pursuant to European Regulation No. 1606/2002 of 19 July 2002, the consolidated financial statements for the twelve months ended 31 December 2010 have been prepared in accordance with the applicable international accounting standards, as endorsed by the European Union and of mandatory application as at 31 December 2010. The international standards comprise the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the International Accounting Standards (IAS), the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

[5] Source : Gartner (April 2010) and Atos

Accounting policies applied by the Group comply with those standards and interpretations, which can be found at: http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

As of 31 December 2010, the accounting standards and interpretations endorsed by the European Union are similar to the compulsory standards and interpretations published by the International Accounting Standards Board (IASB) with the exception of the carve-out of the IAS 39 and the standards and interpretations currently being endorsed, which has no effect on the Group consolidated financial statements. Consequently, the Group's consolidated financial statements are prepared in accordance with the IFRS standards and interpretations, as published by the IASB.

The following standards, interpretations and amendments to existing standards that have been published are mandatory for the Group's accounting period beginning on or after 1 January 2010:

- IAS 27 (revised) - Consolidated and Separate Financial Statements following the "Business Combinations phase II" project;
- IFRS 3 (revised) - Business Combinations following the "Business Combinations phase II" project;
- Amendment related to IAS 39 - Recognition and Measurement Eligible Hedged Items;
- IFRS 2 - Group Cash-settled Share-based Payment Transactions;
- IFRS 5 - Sale of a Controlling Interest in a Subsidiary, issued in May 2008 and contained in the Annual Improvements to IFRS;
- IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations (amendment following the May 2008 IFRS improvement program);
- Amendments to various IFRS statements contained in the Annual Improvements to IFRS, following the IFRS improvement program of April 2009;
- IFRIC 12 - Service Concessions Arrangements;
- IFRIC 15 - Agreements for the Construction of Real Estate;
- IFRIC 16 - Hedges of a Net Investment in a Foreign Operation;
- IFRIC 17 - Distributions of Non-cash Assets to Owners;
- IFRIC 18 - Transfers of Assets from Customers.

The changes in accounting policies induced by the application of IFRS 3 (revised) and IAS 27 (revised) are described hereafter in this section.

The Group has decided to give up the so called "corridor" method and has opted for the recognition of actuarial gains and losses through the other comprehensive income, as proposed by paragraph 93 A-D of IAS 19.

Before 1 January 2010, Atos Origin was using the "corridor option" to recognize actuarial gains and losses generated on the measurement of pension assets and liabilities (paragraph 92 of IAS 19). Under this approach, only the portion of cumulated actuarial gains and losses exceeding a "corridor" of 10% of the greater of plan commitments the defined obligation or their related plan assets was recognized in the profit and loss account (operating margin). This portion was amortized over the remaining active life of the beneficiaries of each particular benefit plan.

Since 1 January 2010, Atos Origin has elected to use the alternative option (paragraph 93 A-D of IAS 19), under which all actuarial gains and losses generated in the period and asset ceiling effects are recognized in other comprehensive income. The immediate recognition of actuarial gains and losses is usually considered as easing the understanding of provisions for pension commitments, as it eliminates a deferred recognition item between net pension provision amounts recognized on the balance sheet and the deficit / surplus situation resulting from the straight difference between pension liabilities and the fair value of pension plan assets. As a result, as from 30 June 2010 and going forward, the net pension liability presented on the Group balance consolidated statement of financial position represents the difference between the valuation present value of pension commitments and the defined benefit obligation, as reduced by the fair value of related plan assets, plus or minus any unrecognized past service costs.

The above described changes only concern post employment plans of defined benefit nature.

In accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”, this change in accounting policies has been applied retrospectively to all reporting periods presented as if this new accounting policy had always been applied.

The impact of the other changes in standards and interpretations on the Group’s consolidated financial statements is limited.

The consolidated financial statements do not take into account:

- Draft standards that are still at the exposure draft stage of the International Accounting Standards Board (IASB)
- New standards, interpretations and amendments to existing standards not yet approved endorsed by the European Union. This notably concerns:
    - IFRS 7 - (Amendment) relating to Disclosures - Transfers of Financial Assets;
    - IAS 12 - Amendment relating to Recovery of Underlying Assets
    - IFRS 9 - Financial Instruments (IAS 39 Phase I)
    - IFRS Annual Improvements issued in May 2010

- Standards, amendments or interpretations published by the IASB and endorsed by the European Union, which are applicable to fiscal years beginning after January 1, 2010. This notably concerns:
    - IAS 24 (Revised) – *Related Party Disclosures*
    - IAS 32 - Amendment relating to *Classification of Right Issues*
    - IFRIC 14 - *Amendment relating to Prepayments of a Minimum Funding Requirement;*
    - IFRIC 19 - *Extinguishing Financial Liabilities with Equity Instruments*

The potential impact of these standards, amendments and interpretations on the consolidated financial statements is currently being assessed.

The policies set out below have been consistently applied to all years presented.

Accounting estimates and judgments

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expense in the financial statements and disclosures of contingent assets and liabilities. The estimates, assumptions and judgments that may result in a significant adjustment to the carrying amounts of assets and liabilities are essentially related to:

<u>Impairment tests</u>

The Group tests at least annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated below. The recoverable amounts of cash generating units are determined based on value-in-use calculations. These calculations require the use of estimates as described in Note 11.

<u>Revenue recognition and associated costs on long-term contracts</u>

Revenue recognition and associated costs, including forecast losses on completion are measured according to policy stated below. Total projected contract costs are based on various operational assumptions such as forecast volume or variance in the delivery costs and have a direct influence on the level of revenue and eventual forecast losses on completion that are recognized.

<u>Pensions</u>

The Group uses actuarial assumptions and methods to measure pension liabilities and costs. The value of plan assets is determined based on valuations provided by the external custodians of pension funds and following complementary investigations carried-out when appropriate. The estimation of pension liabilities, as well as valuations of plan assets requires the use of estimates and assumptions.

Consolidation methods

Subsidiaries

Subsidiaries are entities controlled directly or indirectly by the Group. Control is defined by the ability to govern the financial and operating policies generally, but not systematically, combined with a shareholding of more than 50% of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible, the power to appoint the majority of the members of the governing bodies and the existence of veto rights are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

Joint ventures

The Group's interests in jointly controlled entities are accounted for by proportionate method. Operating and shareholders' agreements are considered when assessing the joint control.

Associates

Associates are entities over which the Group has significant influence but not control or joint control, generally, but not systematically, accompanying a shareholding of between 20 and 50% of the voting rights. Investments in associates are accounted for by the equity method.

Segment reporting

According to IFRS 8, reported operating segments profits are based on internal management reporting information that is regularly reviewed by the chief operating decision maker, and is reconciled to Group profit or loss. The chief operating decision maker assesses segments profit or loss using a measure of operating profit. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the company CEO and chairman of the Board of Directors who makes strategic decisions.

The internal management reporting is designed on two axes: Global Business Units and Service Lines (Consulting, Systems Integration, Managed Services, HTTS and Business Process Outsourcing). Global Business Units have been determined by the Group as key indicators by the Chief operating decision maker. As a result and for IFRS 8 requirements, the Group discloses Global Business Units as operating segments.

A GBU is defined as a geographical area or the aggregation of several geographical areas - except for the Worldline activities which contains one or several countries, without taking into consideration the activities exercised into each country. Each GBU are managed by dedicated members of the Executive Committee.

The measurement policies that the Group uses for segments reporting under IFRS 8 are the same as those used in its financial statements. Corporate entities are not presented as an operating segment. Therefore, their financial statements are used as a reconciling item (refer Note 2 of the financial statements). Corporate assets which are not directly attributable to the business activities of any operating segments are not allocated to a segment, which primarily applies to the Group's headquarters. Shared assets such as the European mainframe are allocated to the GBU where physically located whereas used by several GBUs.

Presentation rules

<u>Current and non-current assets and liabilities</u>

Assets and liabilities classified as current are expected to be realised, used or settled during the normal cycle of operations, which can extend beyond 12 months following the period-end. All other assets and liabilities are classified as non-current. Current assets and liabilities, excluding the current portion of borrowings, financial receivables and provisions represent the Group's working capital requirement.

<u>Assets and liabilities held for sale or discontinued operations</u>

Should there be assets and liabilities held for sale or discontinued operations they would be presented on separate lines in the Group's balance sheet, without restatements for previous periods. They are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and liabilities are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the assets and liabilities are available for immediate sale in their present condition.

Should these assets and liabilities represent either a complete business line or a GBU, the profit or loss from these activities are presented on a separate line of the income statement, and is restated in the cash flow statement and the income statement over all published periods.

Translation of financial statements denominated in foreign currencies

The balance sheets of companies based outside the euro zone are translated at closing exchange rates. Income statement items are translated based on average exchange rate for the period. Balance sheet and income statement translation adjustments arising from a change in exchange rates are recognized as a separate component of equity under "Translation adjustments".

Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of that foreign entity and translated into euro at the closing date.

The Group does not consolidate any entity operating in a hyperinflationary economy.

Translation of transactions denominated in foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement under the heading "Other financial income and expenses", except where hedging accounting is applied as explained in the paragraph "Financial assets – Derivative financial instruments".

Business combination and goodwill

A business combination may involve the purchase of another entity, the purchase of all the net assets of another entity or the purchase of some of the net assets of another entity that together form one or more businesses.

Major services contracts involving staff and asset transfers that enable the Group to develop or improve significantly its competitive position within a business or a geographical sector are considered for business combination accounting.

As from January 2010, the Group has adopted the revised version of IFRS 3 (Business combinations) and IAS 27 (Consolidated and Separate Financial Statements).

Revised IFRS 3 introduces a number of changes in the accounting of business combinations that can impact the amount of goodwill to be recognized, the net income of the period of the acquisition and future results.

The amendments to IAS 27 require that a change in the ownership interest of a controlled subsidiary be accounted for as an equity transaction, with no impact on goodwill or net income. In addition, they introduce changes in the accounting for losses incurred by subsidiaries in which there is a non-controlling interest and the loss of control of an entity.

The changes apply prospectively for combinations (including step acquisition transactions) on or after January 1, 2010. Additionally, the new rules regarding the accounting for additional purchases of non-controlling interests and sales of interests in a controlled subsidiary and the treatment of deferred taxes that became realizable subsequent to acquisition date are effective for transactions occurring after 1st January 2010 (even if the related original business combination was prior to that date).

The main changes introduced by these new accounting principles are described hereafter.

Valuation of assets acquired and liabilities assumed of newly acquired subsidiaries and contingent liabilities

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree.

Direct transaction costs related to a business combination are charged in the income statement when incurred.

Non-controlling interests may, on the acquisition date, be measured either at fair value or based on their stake in the fair value of the identifiable assets and liabilities of the acquired entity. The choice of measurement basis is made on a transaction-by-transaction basis.

In step acquisitions, any equity interest held previously by the Group is remeasured at fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss is recognized through the net income.

Purchase of non-controlling interests and sale of interests in a controlled subsidiary

Purchase of non-controlling interests and sale transactions of interests in a controlled subsidiary that do not change the status of control are recorded through shareholders' equity (including direct acquisition costs). If control in a subsidiary is lost, any gain or loss is recognized in net income. Furthermore, if an investment in the entity is retained by the Group, it is re-measured to its fair value and any gain or loss is also recognized in net income.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit as a bargain purchase gain.

Goodwill is allocated to Cash Generating Units (CGU) for the purpose of impairment testing. Goodwill is allocated to those CGU that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. CGUs correspond to geographical areas where the Group has operations – except for the Worldline activities.

The recoverable value of a CGU is based on the higher of its fair value less costs to sell and its value in use determined using the discounted cash-flows method. When this value is less than its carrying amount, an impairment loss is recognized in the operating income.

The impairment loss is first recorded as an adjustment of the carrying amount of the goodwill allocated to the CGU and the remainder of the loss, if any, is allocated pro rata to the other long term assets of the unit.

The Cash Generating Units used for the impairment test are not larger than operating segments determinated in accordance with IFRS 8 Operating segments.

Goodwill is not amortised and is subject to an impairment test performed at least annually by comparing its carrying amount to its recoverable amount at the closing date based on December actuals and latest 3 year plan, or more often whenever events or circumstances indicate that the carrying amount could not be recoverable.
Such events and circumstances include but are not limited to:

- significant deviance of economic performance of the asset when compared with budget;
- significant worsening of the asset's economic environment;
- loss of a major client;
- significant increase in interest rates.

Intangible assets other than goodwill

Intangible assets other than goodwill consist primarily of software and user rights acquired directly by the Group, software and customer relationships acquired in relation with a business combination as well as internally developed software, provided that the following conditions are satisfied:

- the costs can be attributed to the identified software and measured reliably,
- the technical feasibility of the software has been demonstrated,
- the Group has the intention and the capability to complete the software development and to use or sell it; and
- it is probable that future economic benefits will flow to the Group.

Once all these criteria are reached, the majority of software development costs have been already incurred and consequently, most of software developments costs are expensed when incurred. In specific Business Process Outsourcing (BPO) cases where developments and adapting software costs are engaged only once agreements with clients are signed, those costs are capitalised and amortised in operating expenses over the term of the contract.

Intangible assets are amortised on a straight-line basis over their expected useful life, generally not exceeding five to seven years for software and ten years for customer relationships acquired in a business combination; their related depreciation are recorded in operating expenses.

Tangible assets

Tangible assets are recorded at acquisition cost. They are depreciated on a straight-line basis over the following expected useful lives:

- Buildings 20 years
- Fixtures and fittings 5 to 10 years
- Computer hardware 3 to 5 years
- Vehicles 4 years
- Office furniture and equipment 5 to 10 years

Leases

Asset leases where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Assets acquired under finance lease are depreciated over the shorter of the assets' useful life and the lease term.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases.

Impairment of assets other than goodwill

Assets that are subject to amortisation are tested for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying value exceeds its recoverable value.

Financial assets

Financial assets are accounted for at trade date.

<u>Investments in non-consolidated companies</u>

The Group holds shares in companies without exercising significant influence or control. Investments in non-consolidated companies are treated as assets available for sale and recognized at their fair value. For listed shares, fair value corresponds to the share price at closing date. In the absence of an active market for the shares, the investments in non-consolidated companies are carried at historical cost. An impairment charge is recognized when there is objective evidence of a permanent or significant impairment in value. The most common financial criteria used to determine fair value are equity and earnings outlooks. Gains and losses arising from variation in the fair value of available for sale assets are recognized as "items recognized directly in equity". If there is evidence that an asset is permanently impaired, the cumulative loss is written off in the income statement under "other financial income and expense".

<u>Loans, trade accounts and notes receivable</u>

Loans are part of non-current financial assets. Loans, trade accounts and notes receivable are recorded initially at their fair value and subsequently at their amortised value. The nominal value represents usually the initial fair value for trade accounts and notes receivable. In case of deferred payment over one year, where the effect is significant on fair value, trade accounts and notes receivables are discounted. Where appropriate, a provision is raised on an individual basis to take likely recovery problems into account.

Certain service arrangements might qualify for treatment as lease contracts if they convey a right to use an asset in return for payments included in the overall contract remuneration. If service arrangements contain a lease, the Group is considered to be the lessor regarding its customers. Where the lease transfers the risks and rewards of ownership of the asset to its customers, the Group recognizes assets held under finance lease and presents them as "Trade accounts and notes receivable" for the part that will be settled within 12 months, and "Non-current financial assets" for the part beyond 12 months.

<u>Assets securitisation</u>

Assets securitisation programs, in which the Group retains substantially all the risks and rewards of ownership of the transferred assets, do not qualify for de-recognition. A financial liability for the consideration received is recognized. The transferred assets and the financial liability are valued at their amortised costs.

Derivative financial instruments

Derivative instruments are recognized as financial assets or liabilities at their fair value. Any change in the fair value of these derivatives is recorded in the income statement as a financial income or expense, except when they are eligible for hedge accounting, whereupon:

- For fair value hedging of existing assets or liabilities, the hedged portion of an instrument is measured on the balance sheet at its fair value. Any change in fair value is recorded as a corresponding entry in the income statement, where it is offset simultaneously against changes in the fair value of hedging instruments.
- For cash flow hedging, the effective portion of the change in fair value of the hedging instrument is directly offset in shareholders' equity as "items recognized directly in equity". The change in value of the ineffective portion is recognized in "Other financial income and expenses". The amounts recorded in net equity are transferred to the income statement simultaneously to the recognition of the hedged items.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and money market securities that are convertible into cash at very short notice and are not exposed to any significant risk of impairment. Money market securities are recognized at their fair value. Changes in fair value are recorded in the income statement under "Other financial income and expenses".

Cash and cash equivalents are measured at fair value through profit and loss.

Treasury stock

Atos Origin shares held by the parent company are recorded at their acquired cost as a deduction from consolidated shareholders' equity. In the event of a disposal, the gain or loss and the related tax impacts are recorded as a change in consolidated shareholders' equity.

Pensions and similar benefits

Employee benefits are granted by the Group through defined contribution and defined benefit plans. Costs relating to Defined contribution costs are recognized in the income statement based on contributions paid or due in respect of the accounting period when the related services have been accomplished by beneficiaries.

The valuation of Group commitments defined benefit obligation in respect of defined benefit plans is based on a single actuarial method known as the "projected unit credit method". This method relies in particular on projections of future benefits to be paid to Group employees, by anticipating the effects of future salary increases. Its implementation further includes the formulation of specific assumptions, detailed in note 20, which are periodically updated, in close liaison with external actuaries used by the Group.

Plan assets usually held in separate legal entities are measured at their fair value, determined at closing.

The value of plan assets is determined based on valuations provided by the external custodians of pension funds and following complementary investigations carried-out when appropriate.

From one accounting period to the other, any difference between the projected and actual amounts of commitments in respect of pension plans and their related assets is cumulated at each benefit plan's level to form actuarial differences. These actuarial differences may result either from changes in actuarial assumptions used, or from experience adjustments generated by actual developments differing, in the accounting period, from assumptions determined at the end of the previous accounting period. All actuarial gains and losses generated in the period are recognized in other comprehensive income.

Benefit plans costs are recognized in the Group's operating income, except for interest costs on obligations, net of expected returns on plans assets, which are recognized in other financial income.

The impacts of the change in accounting principle are disclosed in note C.3.5.

Provisions

Provisions are recognized when:

- The Group has a present legal, regulatory, contractual or constructive obligation as a result of past events;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and
- The amount has been reliably quantified.

Provisions are discounted when the time value effect is material. Changes in discounting effects at each accounting period are recognized in financial expenses.

Borrowings

Borrowings are recognized initially at fair value, net of debt issuance costs. Borrowings are subsequently stated at amortised costs. The calculation of the effective interest rate takes into account interest payments and the amortisation of the debt issuance costs.

Debt issuance costs are amortised in financial expenses over the life of the loan. The residual value of issuance costs for loans repaid in advance is expensed in the year of repayment.

Bank overdrafts are recorded in the current portion of borrowings.

Convertible bond OCEANE (bond convertible into and/or exchangeable for new or existing shares of Atos Origin)

OCEANE are financial instruments defined as “compound financial instrument” composed of both a liability and an equity component, which have to be valued and recorded separately.

In order to evaluate the split between the liability and an equity component, the carrying amount of the liability component is determined in the first place by measuring the fair value of a similar liability (including any embedded non-equity derivative features) that does not have an associated equity component. The carrying amount of the equity instrument represented by the option to convert the instrument into ordinary shares is then determined by deducting the fair value of the financial liability from the fair value of the compound financial instrument as a whole.

Non-controlling interests purchase commitments

Firm or conditional commitments under certain conditions to purchase non-controlling interests are similar to a purchase of shares and are recorded in borrowings with an offsetting reduction of non-controlling interests.

For puts existing before 1 January 2010, when the cost of the purchase exceeds the amount of non-controlling interests, the Group chooses to recognize the balance as goodwill. Any further change in the fair value of the non-controlling interests purchase commitment will also be recorded in goodwill.

For puts granted after 1 January 2010, when the cost of the purchase exceeds the amount of non-controlling interests, the Group chooses to recognize the balance in equity (attributable to owners of the parent). Any further change in the fair value of the non-controlling interests purchase commitment will also be recorded in equity (attributable to owners of the parent).

Revenue Recognition

The Group provides information technology (IT) and business process outsourcing (BPO) services. Depending on the structure of the contract, revenue is recognized accordingly to the following principles:

Variable or fixed price contracts considerations

Revenue based on variable IT work units is recognized as the services are rendered.

Where the outcome of fixed price contracts such as Consulting and Systems Integration contracts can be estimated reliably, revenue is recognized using the percentage-of-completion (POC) method. Under the POC method, revenue is recognized based on the costs incurred to date as a percentage of the total estimated costs to fulfil the contract. Revenue relating to these contracts is recorded in the Consolidated Balance Sheet under “Trade accounts and notes receivable” for services rendered in excess of billing, while billing exceeding services rendered is recorded as deferred income under “Other current liabilities”. Where the outcome of a fixed price contract cannot be estimated reliably, contract revenue is recognized to the extent of contracts costs incurred that are likely to be recoverable.

Revenue for long-term fixed price Managed Operations services is recognized when services are rendered.

If circumstances arise, that change the original estimates of revenues, costs, or extent of progress toward completion, then revisions to the estimates are made. The Group performs ongoing profitability analyses of its services contracts in order to determine whether the latest estimates of revenue, costs and profits, require updating. If, at any time, these estimates indicate that the contract will be unprofitable, the entire estimated loss for the remainder of the contract is recorded immediately through a provision for estimated losses on completion.

Principal and agent considerations

Revenue is reported net of supplier costs when the Group is acting as an agent between the client and the supplier. Factors generally considered to determine whether the Group is a principal or an agent, are most notably whether it is the primary obligor to the client, it assumes credit and delivery risks, or it adds meaningful value to the supplier’s product or service.

Multiple-element arrangements considerations

The Group may enter into multiple-element arrangements, which may include combinations of different services. Revenue is recognized for the separate elements when these elements are separately identifiable. A group of contracts is combined and treated as a single contract when that group of contracts is negotiated as a single package and the contracts are so closely interrelated that they are, in effect, part of a single project with an overall profit margin, and the contracts are performed concurrently or in a continuous sequence.

Upfront payments considerations

Upfront payments to clients incurred at contract inception are recorded in “Other current assets” and spread as a reduction of revenue over the term of the contract. Upfront payments received from clients at contract inception are recorded in “Other current liabilities” and spread as an increase in revenue over the term of the contract.

Transition costs

Costs related to delivering Managed Operations services are generally expensed as incurred. However, certain transition costs incurred in the initial phases of outsourcing contracts can be deferred and expensed over the contract term, provided that the services cannot be separately identifiable and that they will be recovered. Capitalised transition costs are classified in “Trade accounts and notes receivable” of the Consolidated Balance Sheet and amortisation expense is recorded in “Operating expenses” in the Consolidated Income Statement.
In case the contract turns out to be loss-making, capitalised transition costs are impaired for the related forecasted loss, before recognising an additional provision for estimated losses on completion when necessary.

Operating margin

The underlying operating performance on the ongoing business is presented within operating margin, while unusual operating income/expenses are separately itemised and presented below the operating margin, in line with the CNC (Conseil National de la Comptabilité) recommendation n°2009-R-03 (issued on 2 July 2009) regarding the financial statements presentation.

Other operating income and expenses

“Other operating income and expenses” covers income or expense items that are unusual, abnormal and infrequent. They are presented below the operating margin.

Classification of charges to (or release from) restructuring and rationalisation provisions in the income statement depends on the nature of the plan:

- Restructuring plans directly in relation with operations are classified within the Operating Margin;
- Restructuring plans related to business combinations or qualified as unusual, infrequent and abnormal are classified in the Operating Income;
- If a restructuring plan qualifies for Operating income, the related real estate rationalisation expenses regarding premises and buildings is also presented in Operating income.

When accounting for business combinations, the Group may record provisions for risks, litigations, etc. in the opening balance sheet for a period of 12 months beyond the business combination date. After the 12-month period, unused provisions arising from changes in circumstances are released through the Income Statement under “Other operating income and expenses”.

“Other operating income and expenses” also include major litigations, and non-recurrent capital gains and losses on the disposal of tangible and intangible assets, significant impairment losses on assets other than financial assets, or any other item that is infrequent, unusual and abnormal.

Equity-based compensation

Stocks options are granted to management and certain employees at regular intervals. These equity-based compensations are measured at fair value at the grant date using the binomial option-pricing model. Changes in the fair value of options after the grant date have no impact on the initial valuation. The fair value of share options is recognized in “Personnel expenses” on a straight-line basis over the period during which those rights vest, using the straight-line method, with the offsetting credit recognized directly in equity.

In some tax jurisdictions, Group’s entities receive a tax deduction when stock options are exercised, based on the Group share price at the date of exercise.

In those instances, a deferred tax asset is recorded for the difference between the tax base of the employee services received to date (being the future tax deduction allowed by local tax authorities) and the current carrying amount of this deduction, being nil by definition. Deferred tax assets are estimated based on the Group’s share price at each closing date, and are recorded in income tax provided that the amount of tax deduction does not exceed the amount of the related cumulative stock option expenses to date. The excess, if any, is recorded directly in the equity.

Employee Share Purchase Plans offer employees the opportunity to invest in Group’s shares at a discounted price. Shares are subject to a five-year lock-up period restriction. Fair values of such plans are measured taking into account:

- The exercise price based on the average opening share prices quoted over the 20 trading days preceding the date of grant,
- The 20% discount granted to employees
- The consideration of the five-year lock-up restriction to the extent it affects the price that a knowledgeable, willing market participant would pay for that share
- The grant date: date on which the plan and its term and conditions, including the exercise price, is announced to employees.

Fair values of such plans are fully recognized in “Personnel expenses” at the end of the subscription period.

The Group has also granted to management and certain employees’ free shares plans. The fair value of those plans corresponds to the value of the shares at the grant date and takes into account the employee turnover during the vesting period as well as the value of the lock-up period restriction when applicable. Free share plans result in the recognition of a personal expense spread over the rights vesting period.

Corporate income tax

The income tax charge includes current and deferred tax expenses. Deferred tax is calculated wherever temporary differences occur between the tax base and the consolidated base of assets and liabilities, using the liability method. Deferred tax is valued using the enacted tax rate at the closing date that will be in force when the temporary differences reverse.

Deferred tax assets and liabilities are netted off at the taxable entity level, when there is a legal right to offset. Deferred tax assets corresponding to temporary differences and tax losses carried forward are recognized when they are considered to be recoverable during their validity period, based on historical and forecast information.

Deferred tax liabilities for taxable temporary differences relating to goodwill are recognized, to the extent they do not arise from the initial recognition of goodwill.

Deferred tax assets are tested for impairment at least annually at the closing date based on December actuals, business plans and impairment test data.

Earnings per share

Basic earnings per share are calculated by dividing the net income (attributable to owners of the parent) by the weighted average number of ordinary shares outstanding during the period. Treasury shares deducted from consolidated equity are not taken into account in the calculation of basic or diluted earnings per share.

Diluted earnings per share are calculated by dividing the net income (attributable to owners of the parent), adjusted for the financial cost (net of tax) of dilutive debt instruments, by the weighted average number of ordinary shares outstanding during the period, plus the average number of shares which, according to the share buyback method, would have been outstanding had all the issued dilutive instruments been converted (stock options and convertible debt).

The dilutive impact of each convertible instrument is determined in order to maximise the dilution of basic earnings per share. The dilutive impact of stock options is assessed based on the average price of Atos Origin shares over the period.

Related party transactions

Related party transactions include in particular transactions with:

- Persons or a close member of that person's family if that person is a member of the key management personnel of the Group as defined as persons who have the authority and responsibility for planning, directing and controlling the activity of the Group, including members of the Board of Directors, Supervisory Board and Management Board, as well as the Executive Senior Vice Presidents.
- Entities if one of the following conditions apply:
  - The entity is a member of the Group
  - The entity is a joint venture in which the Group is participating
  - The entity is a post-employment benefit plan for the benefit of employees of the group
  - The entity is controlled or jointly controlled by a person belonging to the key management

C.3.3.4 **Financial risk management**

The Group's activities expose it to a variety of financial risks including liquidity risk, cash flow interest rate risk, credit risk and currency risk. Financial risk management is carried out by the Global Treasury Department and involves minimising potential adverse effects on the Group's financial performance.

Liquidity risk

Liquidity risk management involves maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities.

Atos Origin's policy is to cover fully its expected liquidity requirements by long-term committed loans or other appropriate long-term financial instruments. Terms and conditions of these loans include maturity and covenants leaving sufficient flexibility for the Group to finance its operations and expected developments.

Credit facilities are subject to financial covenants that are carefully followed by Group Treasury Department.

Maturity analysis of financial liabilities is disclosed in Note 22.

Cash flow interest rate risk

Cash flow interest rate risk arises mainly from borrowings. The management of exposure to interest rate risk encompasses two types:

- A price risk on fixed-rate financial assets and liabilities. For example, by contracting a fixed-rate liability, the Group is exposed to potential opportunity losses should interest rates fall. A change in interest rates would impact the market value of fixed-rate financial assets and liabilities. However, this loss of opportunity would not impact financial income and expenses as reported in the Consolidated Income Statement and, as such, future net income of the Group up to maturity of these assets.
- A cash-flow risk on floating-rate financial assets and liabilities should interest rates increase.

The main objective of managing overall interest rate on the Group's debt is to minimise the cost of debt and to protect the Group against fluctuations in interest rates by swapping to fixed rate a portion of the floating-rate financial debt. Authorised derivative instruments used to hedge the debt are swap contracts entered with leading financial institutions.

Credit risk

The Group has no significant concentrations of credit risk. The client selection process and related credit risk analysis is fully integrated within the global risk assessment project conducted throughout the life cycle of a project. Derivative counterparties and cash transactions are limited to high-credit quality financial institutions.

Currency risk

The Group's financial performance is not materially influenced by fluctuations in exchange rate since a significant portion of the business takes place within the euro zone and costs and revenues are generally denominated in the same currency. The main residual exposures are primarily in British pounds, Indian rupees and US dollars.

The Group has established a policy for managing foreign exchange positions resulting from commercial and financial transactions denominated in currencies different from the local currency of the relevant entity. According to this policy, any material exposure must be hedged as soon as it occurs. In order to hedge its foreign exchange rate exposure, the Group uses a variety of financial instruments, mainly forward contracts and foreign currency swaps.

Price risk

The Group has no material exposure to the price of equity securities, nor is it exposed to commodity price risks.

C.3.3.5 Impacts of the change in accounting principles

The tables below summarize the impact of the change in accounting principles which relates to the recognition of actuarial gains and losses through equity on the Income Statement and Statement of financial position of the Group at 31 December 2009 and 1 January 2009:

- Income statement

(in EUR million)	**12 months ended 31 December 2009**
Personnel expenses	0.6
Operating margin	**0.6**
Other operating income and expenses	(38.9)
Operating income	**(38.3)**
Tax charge	10.5
Net income	**(27.8)**
Of which:	
- Attributable to owners of the parent	**(27.8)**
- Non controlling interests	-
(in EUR)	
Basic earnings per share	**(0.40)**
Diluted earnings per share	**(0.38)**

- Other comprehensive income

(in EUR million)	**12 months ended 31 December 2009**
Net income	**-27.8**
Other comprehensive income	
Actuarial gains and losses generated in the period on defined benefit plan	-45.2
Exchange differences on translation of foreign operations	0.8
Deferred tax on items recognized directly on equity	15.7
Total other comprehensive income	**-28.7**
Total comprehensive income for the period	**-56.5**
Of which:	
- Attributable to owners of the parent	**-56.8**
- Non controlling interests	**0.3**

- Statement of financial position

(in EUR million)	31 December 2009	1 January 2009
ASSETS		
Non-current financial assets	82.4	(15.1)
Deferred tax assets	41.0	14.8
Total non-current assets	**123.4**	**(0.3)**
TOTAL ASSETS	**123.4**	**(0.3)**

(in EUR million)	31 December 2009	1 January 2009
LIABILITIES AND SHAREHOLDERS' EQUITY		
Consolidated reserves	(64.7)	(58.3)
Translation adjustments	(0.7)	(1.4)
Net income for the period	(27.8)	23.4
Shareholders' equity – Group share	(93.2)	(36.3)
Non-controlling interests	0.9	0.5
Total shareholders' equity	**(92.3)**	**(35.8)**
Provisions for pensions and similar benefits	214.0	33.8
Deferred tax liabilities	1.7	1.7
Total non-current liabilities	**215.7**	**35.5**
Total liabilities and shareholders' equity	**123.4**	**(0.3)**

On 1 January 2010 the Group adopted the option offered by the amendment to IAS 19, Employee Benefits, to recognize through equity all actuarial gains and losses under defined benefit pension plans. Previously the Group applied the corridor method under which actuarial gains and losses amounting to more than 10% of the greater of the future obligation and the fair value of the plan assets were recognized in the income statement over the expected remaining working lives of the employees.

If the corridor method would have been continued during 2010, the additional amortization would have been approximately of EUR 9.0 million expense.

C.3.3.6 **Foreign currency translation rates**

Country		2010		2009	
		Average rate	Closing rate	Average rate	Closing rate
Argentina (ARS)	ARS 100 = EUR	19.282	19.148	19.379	18.340
Brazil (BRL)	BRL 100 = EUR	42.839	44.932	36.069	40.010
Chile (CLP)	CLP 1000 = EUR	1.478	1.614	1.285	1.374
China (CNY)	CNY 100 = EUR	11.138	11.466	10.533	10.164
Columbia (COP)	COP 10000 = EUR	3.978	3.967	3.342	3.399
Hong Kong (HKD)	HKD 100 = EUR	9.706	9.775	9.290	8.952
India (INR)	INR 100 = EUR	1.649	1.681	1.486	1.491
Japan (JPY)	JPY 10000 = EUR	85.989	91.836	76.958	75.838
Malaysia (MYR)	MYR 100 = EUR	23.407	24.568	20.397	20.239
Mexico (MXN)	MXN 100 = EUR	5.970	6.153	5.328	5.406
Middle-East (SAR)	SAR 100 = EUR	20.106	20.275	19.187	18.551
Poland (PLN)	PLN 100 = EUR	25.037	25.149	23.140	24.033
Singapore (SGD)	SGD 100 = EUR	55.312	58.462	49.462	49.368
South Africa (ZAR)	ZAR 100 = EUR	10.306	11.326	8.565	9.242
Sweden (SEK)	SEK 100 = EUR	10.482	11.139	9.414	9.619
Switzerland (CHF)	CHF 100 = EUR	72.425	79.202	66.232	67.168
Taiwan (TWD)	TWD 100 = EUR	2.389	2.577	2.176	2.152
Turkey (TRY)	TRY 100 = EUR	50.100	49.126	46.268	46.410
UAE (AED)	AED 100 = EUR	20.532	20.701	19.594	18.953
United Kingdom (GBP)	GBP 1 = EUR	1.166	1.173	1.122	1.109
USA (USD)	USD 100 = EUR	75.447	76.127	72.006	69.420
Venezuela (VEB)	VEB 10 = EUR	1.784	1.769	3.353	3.241

C.3.3.7 **Notes to the consolidated financial statements**

Note 1 Changes in the scope of consolidation

Since 1 January 2010, there has been no significant change in the scope. Nevertheless the Group has acquired the two following subsidiaries: Shere Ltd in March 2010 and Venture Infotek Private Ltd in August 2010. As of 31 December 2010, they contribute for 0.2% and 0.1% respectively to the Group revenue (EUR 12.0 million and EUR 6.0 million).

Note 2 Segment information

According to IFRS 8, reported operating segments profits are based on internal management reporting information that is regularly reviewed by the chief operating decision maker, and is reconciled to Group profit or loss. The chief operating decision maker assesses segments profit or loss using a measure of operating profit. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the company CEO and chairman of the Board of Directors who makes strategic decisions.

The chief operating decision maker decided to change the operating segments in 2010 compared to 2009. The changes are the following:

Operating segments in 2009	Country	Operating segments in 2010
France – Morocco	France	France
	Morocco	Other countries
ISAM	Spain and Andorra	Spain
	Argentina, Brazil, Chile and Colombia	Other countries
RoW	United States and Mexico	Other countries
	China, Taiwan, Japan, Malaysia, Singapore, Thailand, Indonesia	
	India	

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

The Group operates in seven main Global Business Units as detailed below:

Operating segments	Activities
- France	Consulting, systems integration, managed services and high technology transactional services (including electronic payments and transactions) in France
- Benelux	Consulting, systems integration, managed services and high technology transactional services (including electronic payments and transactions) in The Netherlands and Belux
- United Kingdom	Consulting, systems integration, managed services, business process outsourcing and high technology transactional services (including electronic payments and transactions) in the United Kingdom
- Worldline	Electronic payments and transactions in France, Belgium, Germany and India
- GCEMA	Systems integration, managed services and high technology transactional services (including electronic payments and transactions) in Germany, Switzerland, Poland, Austria, Greece, Turkey and South Africa
- Spain	Consulting, systems integration, managed services and high technology transactional services (including electronic payments and transactions) in Spain, and Andorra
- Other countries	Consulting, systems integration, managed services and high technology transactional services (including electronic payments and transactions) in China, Taiwan, Japan, Malaysia, Singapore, Thailand, Indonesia, United States of America, Mexico, India, Morocco, Dubai, Argentina, Brazil, Chile and Colombia

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

The revenues from transactions with each external customer amount to less than 10 per cent of the Group’s revenue.

The operating segment information for the periods is as follows:

(in EUR million)	France	Benelux	United Kingdom	Worldline	GCEMA	Spain	Other countries	Total Operating segments	Global Delivery Lines	Other Corporate	Elimination	**Total Group**
12 months ended 31 December 2010												
External revenue by segment	**1,131.9**	**937.7**	**904.1**	**866.7**	**474.7**	**299.6**	**405.1**	**5,019.8**		**0.8**		**5,020.6**
%	22.5%	18.7%	18.0%	17.3%	9.5%	6.0%	8.1%	100.0%				100.0%
Inter-segment revenue	52.8	29.8	6.7	11.7	47.6	4.8	101.5	254.9			(254.9)	-
Total revenue	1,184.7	967.5	910.8	878.4	522.3	304.4	506.6	5,274.7	-	0.8	(254.9)	5,020.6
Segment operating margin	**44.7**	**92.4**	**77.1**	**150.5**	**10.3**	**(10.0)**	**51.5**	**416.5**	**(16.3)**	**(62.8)**		**337.4**
%	3.9%	9.9%	8.5%	17.4%	2.2%	-3.3%	12.7%	8.3%				6.7%
Total segment assets	**670.2**	**782.2**	**700.7**	**700.3**	**315.6**	**206.6**	**283.5**	**3,659.1**		**63.0**		**3,722.1**
Other Information on income statement												
Depreciation of assets	(27.3)	(48.9)	(27.7)	(41.5)	(30.7)	(2.9)	(27.9)	(206.9)		(6.8)		(213.7)
Impairment losses for fixed assets				(0.4)	(0.9)			(1.3)				(1.3)
Reversal of impairment losses for fixed assets				0.1	2.5			2.6				2.6
Other Informations												
Year end headcount	11,157	6,958	6,264	5,458	3,549	5,349	9,351	48,086		192		48,278
Capital expenditure	19.3	28.3	36.4	32.0	16.0	2.6	20.7	155.3		31.5		186.8
Net debt	46.3	97.4	184.9	(15.1)	(34.7)	49.9	(30.9)	297.8		(158.6)		139.2

(in EUR million)	France	Benelux	United Kingdom	Worldline	GCEMA	Spain	Other countries	Total Operating segments	Global Delivery Lines	Other Corporate	Elimination	**Total Group**
12 months ended 31 December 2009												
External revenue by segment	**1,125.7**	**996.9**	**901.9**	**843.9**	**566.9**	**334.3**	**355.4**	**5,125.0**	**1.0**	**1.0**		**5,127.0**
%	22%	19%	18%	16%	11%	7%	7%	100%				100%
Inter-segment revenue	65.3	30.1	6.1	11.1	42.8	5.8	76.8	238.0			(238.0)	-
Total revenue	1,191.0	1,027.0	908.0	855.0	609.7	340.1	432.2	5,363.0	1.0	1.0	(238.0)	5,127.0
Segment operating margin	**47.1**	**84.0**	**83.0**	**133.1**	**21.5**	**11.6**	**6.8**	**387.1**	**(26.4)**	**(70.1)**		**290.6**
%	4.2%	8.4%	9.2%	15.8%	3.8%	3.5%	1.9%	7.6%				5.7%
Total segment assets	**660.0**	**777.6**	**688.7**	**599.4**	**349.2**	**246.7**	**294.5**	**3,616.1**		**38.4**		**3,654.5**
Other Information on income statement												
Depreciation of fixed assets	(25.3)	(39.7)	(31.0)	(43.2)	(44.1)	(3.6)	(30.4)	(217.3)		(4.7)		(222.0)
Impairment losses for fixed assets				(0.6)	(11.4)		(0.3)	(12.3)				(12.3)
Reversal of impairment losses for fixed assets				0.1				0.1				0.1
Other Informations												
Year end headcount	11,954	7,750	6,269	4,804	3,746	5,668	8,481	48,672		364		49,036
Capital expenditure	28.1	31.5	26.8	51.3	35.6	3.9	18.6	195.8		9.0		204.8
Net debt	2.1	35.7	199.6	65.2	(55.7)	37.1	(63.3)	220.7		(81.3)		139.4

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

(in EUR million)	12 months ended 31 December 2010	12 months ended 31 December 2009
Total segment assets	**3,722.1**	**3,654.5**
Tax Assets	334.8	275.3
Cash & Cash Equivalents	422.2	534.7
Total Assets	**4,479.1**	**4,464.5**

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

(in EUR million)	Consulting	Systems Integration	Managed Services	HTTS (*)	Business Process Outsourcing	Unallocated	**Total Group**
12 months ended 31 December 2010							
External revenue by segment	**207.8**	**1,769.9**	**1,847.1**	**1,035.0**	**160.0**	**0.8**	**5,020.6**
%	4.1%	35.3%	36.8%	20.6%	3.2%	0.0%	100.0%
12 months ended 31 December 2009							
External revenue by segment	**247.9**	**1,893.1**	**1,953.1**	**878.8**	**153.1**	**1.0**	**5,127.0**
%	4.8%	36.9%	38.1%	17.1%	3.0%	0.0%	100.0%

(*) HTTS Hi-Tech Transactional Services

Note 3 Personnel expenses

(In EUR million)	12 months ended 31 December 2010	% Revenue	12 months ended 31 December 2009 (*)	% Revenue
Wages and salaries	(2,160.9)	43.0%	(2,188.4)	42.7%
Social security charges	(635.7)	12.7%	(661.0)	12.9%
Tax, training, profit-sharing	(52.8)	1.1%	(49.0)	1.0%
Equity-based compensation	(11.5)	0.2%	(14.0)	0.3%
Net charge to provisions for staff expenses	(0.1)	0.0%	1.3	0.0%
Difference between pension contributions and net pension expense (**)	51.5	-1.0%	48.8	-1.0%
Total	**(2,809.5)**	**56.0%**	**(2,862.3)**	**55.8%**

(*) based on the new chart of accounts

(**) difference between total cash contributions made to the pensions funds and the net pension expense under IAS19

Equity-based compensation

The EUR 11.5 million charge recorded within operating margin for equity based compensation (EUR 14.0 million in 2009) is made of:

- EUR 2.6 million related to the Management Incentive Plans (MIP) and Long-Term Incentive plans (LTI) implemented in 2008 and in 2007, and of,
- EUR 8.9 million related to the stock option plans granted in previous years.

An additional EUR 0.1 million expense was recorded as other operating expense following the reorganisation of certain beneficiaries.

Free share plans

- No new free share plan was set up in 2010.
- 2010 expense related to former LTI and MIP plans has been updated taking into account the number of free shares void following the departure of some beneficiaries from the Group.

Total expense in operating margin related to free share plans during the year is as follows:

(In EUR million)	Year ended 31 December 2010	Year ended 31 December 2009
LTI 2008	0.5	1.1
MIP 2008	1.5	3.7
LTI 2007	0.3	0.1
MIP 2007	0.3	1.0
Total	**2.6**	**5.9**

Stock option plans

The Group recognized a total expense of EUR 8.9 million on stock options (EUR 8.1 million in 2009). The 2010 expense comprises EUR 8.9 million related to plans granted only in previous years. The new plan granted in December 2010 has no impact on 2010 equity-based compensation.

<u>New stock option plan – 31 December 2010 grant</u>

On 31 December 2010, the Group has granted stock options for a total of 374,500 options (of which 139,000 option regarding a foreign plan) to several members of the Executive Committee and some other key managers. This grant represents a total expense of EUR 2.7 million and expected expense for 2011 is EUR 2.0 million.

The vesting period is gradual and each of these portions has a different exercise price:
- EUR 40.41 for the first portion (vested on 1 July 2011)
- EUR 48.11 for the second portion (vested on 1 July 2012)
- EUR 57.74 for the third portion (vested on 1 July 2013)

The vesting of stock options related to portions 2 and 3 is subject to the realization of Group internal performance conditions. The assumption used for the computation of related costs is a 100% realisation of the performance conditions.

Options are forfeited if the employee leaves the Group before the options vest, other than in exceptional circumstances.

Equity-based compensation has been determined based on the following assumptions :

	31 December 2010	
	French Plan	**Foreign plan**
Share price at grant date	39.84	39.84
Strike price	40.41/48.11/57.74	40.41/48.11/57.74
Expected volatility	34.52%	37.01%
Expected life	48 months	32 months
Risk free rate	1.912%	1.362%
Expected dividend yield	1.3%	1.3%
Expected employee turnover	4% per year	4% per year
Fair value of options granted	10.36/8.05/5.94	9.01/6.64/4.57

Expected volatility was determined in 2010 based on the smoothed historical volatility of the Group's share price observed over a period consistent with the expected life of the option. Because of the atypical volatility observed recently on equity markets, this smoothing technique has been used as suggested by IFRS 2, and has led to the elimination, in the calculation of the annualized historical volatility, of daily variations greater than 5%. The expected life used in the model has been adjusted based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Stock option plan granted in previous years

Main characteristics of stock options plans granted in previous years are detailed below:

	4 September 2009	**3 July 2009**	**26 March 2009**	**23 December 2008**
Share price at grant date	33.86	25.16	20.70	17.60
Strike price	34.28/40.81/48.97	25.00/30.00/35.00	20.64/24.57/29.49	18.40/22.00/26.40
Expected volatility	30.93%	31.07%	30.10%	29.70%
Expected life	60 months	60 months	60 months	60 months
Risk free rate	2.705%	2.738%	2.826%	2.780%
Expected dividend yield	1% except 0% for 2009	1% except 0% for 2009	1% except 0% for 2009	1%
Fair value of options granted	9.80/7.74/5.81	7.50/5.89/4.65	6.02/4.74/3.54	4.50/3.50/2.50
Expense recognized in 2010 (In EUR million)	**1.0**	**3.4**	**3.1**	**1.4**

Details of share options outstanding at the end of year were as follows:

	12 months ended 31 December 2010		**12 months ended 31 December 2009**	
	Number of share	**Weighted average strike price**	**Number of share**	**Weighted average strike price**
Outstanding at the beginning of the year	**10,310,776**	**43.3**	**7,153,540**	**53.4**
Granted during the year	374,500	48.8	3,537,500	28.2
Forfeited during the year	(244,386)	29.3	(142,555)	32.3
Exercised during the year	(193,615)	22.6	(3,009)	25.9
Expired during the year	(769,475)	79.1	(234,700)	132.0
Outstanding at the end of the year	**9,477,800**	**41.3**	**10,310,776**	**43.3**
Exercisable at the end of the year, below year-end stock price (*)	**1,839,051**	**23.2**	**432,499**	**25.9**

(*) Year-end stock price: EUR 39.84 at 31 December 2010 and EUR 32.09 at 31 December 2009

Options outstanding at the end of the year have a weighted average remaining contractual life of 6.0 years (2009: 6.4 years).

Note 4 Operating expenses

(In EUR million)	12 months ended 31 December 2010	% Revenue	12 months ended 31 December 2009 (*)	% Revenue
Subcontracting costs direct	(542.0)	10.8%	(574.8)	11.2%
Purchase hardware and software	(197.8)	3.9%	(169.2)	3.3%
Maintenance costs	(222.1)	4.4%	(256.9)	5.0%
Rent & Lease expenses	(194.9)	3.9%	(211.3)	4.1%
Telecom costs	(117.7)	2.3%	(111.2)	2.2%
Travelling expenses	(112.1)	2.2%	(114.3)	2.2%
Company cars	(80.9)	1.6%	(92.8)	1.8%
Professional fees	(98.2)	2.0%	(148.6)	2.9%
Taxes & Similar expenses	(4.2)	0.1%	(27.8)	0.5%
Others expenses	(86.6)	1.7%	(44.8)	0.9%
Subtotal expenses	**(1,656.5)**	**33.0%**	**(1,751.7)**	**34.2%**
Depreciation of fixed assets	(213.7)	4.3%	(222.0)	4.3%
Net charge to provisions	(3.8)	0.1%	(15.5)	0.3%
Gains / (Losses) on Disp of Assets	(1.0)	0.0%	(2.0)	0.0%
Trade Receivables write-off	(18.8)	0.4%	(6.5)	0.1%
Capitalized Production	20.1	-0.4%	23.6	-0.5%
Subtotal other expenses	**(217.2)**	**4.3%**	**(222.4)**	**4.3%**
Total	**(1,873.7)**	**37.3%**	**(1,974.1)**	**38.5%**

(*) based on the new chart of accounts

Note 5 Other operating income and expenses

Other operating income and expenses relate to income and expenses that are unusual, abnormal and infrequent and represent a net expense of EUR 137.3 million in 2010. The following table presents this amount by nature:

(In EUR million)	12 months ended 31 December 2010	12 months ended 31 December 2009
Staff reorganisation	(64.5)	(140.6)
Premises offices rationalisation	(38.7)	(86.3)
Goodwill impairment	(25.0)	(31.1)
Other Items	(9.1)	(1.3)
Total	**(137.3)**	**(259.3)**

The Group presents two following destinations of costs:

(in EUR million)	Group transformation costs	Other non recurring items	Total
Staff reorganisation	(64.5)	-	**(64.5)**
Premises offices rationalisation	(38.7)	-	**(38.7)**
Goodwill impairment	-	(25.0)	**(25.0)**
Other Items	-	(9.1)	**(9.1)**
Total	**(103.2)**	**(34.1)**	**(137.3)**

Group transformation costs (EUR 103.2 million expense)

The Group transformation costs are composed of EUR 103.2 million expense linked to reorganisation and rationalisation. The EUR 64.5 million staff reorganisation expense is the consequence of both the Group workforce adaptation to the effects of the economic recession and the non recurring cost induced by the TOP Programs aimed at improving Group efficiency and productivity. The combination of these actions affected mainly The Netherlands (EUR 18.6 million), The United Kingdom (EUR 12.3 million), France (EUR 12.8 million), and Iberia (EUR 11.0 million).

The EUR 38.7 million premises offices rationalisation are mainly composed of items related to the Paris offices rationalisation program corresponding to the main following buildings "Les Miroirs", "Manhattan", Suresnes, and Clamart:

- Settlement with the landlord of the building "Les Miroirs";
- Excess of rent costs;
- Provision related to rents due until the end of leases;
- Dilapidation provision and net booked value of remaining assets.

Other non-recurring items (EUR 34.1 million expense)

This amount mostly comprises:

- The impairment expense of EUR 25.0 million recorded in June 2010 on Iberia cash generating unit following a deteriorating economic environment in Spain;
- Professional fees of EUR 9.2 million related to acquisitions including EUR 7.5 million linked to Siemens IT Solutions and Services and EUR 1.7 million linked to Venture Infotek Private Ltd in India.

Note 6 Net financial income

Net cost of financial debt

(In EUR million)	**12 months ended 31 December 2010**	**12 months ended 31 December 2009**
Net interest expenses	**(18.4)**	**(13.9)**
Interest on obligations under finance leases	(0.2)	(0.4)
Gain/(loss) on disposal of cash equivalents	0.8	0.8
Net cost of financial debt	**(17.8)**	**(13.5)**

Net cost of financial debt increased from EUR 13.5 million last year to EUR 17.8 million over the period, coming from the evolution of net interest expenses which are made up of the following elements:

- The average gross borrowing which was EUR 510.4 million bearing an average rate of expense of 3.64%
- The convertible bonds OCEANE which outstanding average amount was EUR 207.5 million bearing an effective interest rate of expense of 6.68%
- And the average net cash which was EUR 293.1 million bearing an average rate of income of 0.27%

The increase of net financial expense is explained by the full year impact of OCEANE's interests compared to a two months impact last year.

The net cost of financial debt was covered 19 times by operating margin, which met the requirement defined under the terms of Group syndicated loan contract: operating margin amount should be higher than four times the net cost of financial debt.

Other financial income and expenses

(In EUR million)	12 months ended 31 December 2010	12 months ended 31 December 2009
Foreign exchange expense	2.0	(1.9)
Fair value gain/(loss) on forward exchange contracts held for trading	(1.6)	1.6
Discounting financial expenses	(0.5)	(0.5)
Other income / (expenses)	(6.2)	(10.1)
Other financial income and expenses	**(6.3)**	**(10.9)**
Of which:		
- other financial expenses	(35.1)	(31.9)
- other financial income	28.8	21.0

Non-operational financial costs amounted to EUR 6.3 million compared to EUR 10.9 million in 2009 and mainly composed of pension financial related costs (EUR 6.5 million). These costs represent the difference between the interests cost and the expected return on plan assets (EUR 7.4 million expense in 2009). Please refer to Note 20 Pensions for further explanation.

Note 7 Income tax expenses

Current and deferred taxes

(In EUR million)	12 months ended 31 December 2010	12 months ended 31 December 2009
Current taxes	(55.2)	(27.0)
Deferred taxes	(2.6)	28.1
Total	**(57.8)**	**1.1**

Effective tax rate

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

(In EUR million)	12 months ended 31 December 2010	12 months ended 31 December 2009
Profit before tax	176.0	6.9
French standard Tax rate	34.4%	34.4%
Theoretical tax charge at French standard rate	(60.6)	(2.4)
Impact of permanent differences	(1.0)	1.0
Differences in foreign tax rates	19.0	13.0
Unrecognised tax assets	(2.5)	(15.8)
Capital gains and goodwill impairment	(7.5)	(0.6)
Change in deferred tax rates	(3.0)	-
CVAE net of tax	(11.9)	-
French Tax credit	8.5	7.5
Other	1.2	(1.6)
Group tax expense	**(57.8)**	**1.1**
Effective tax rate	**32.8%**	**-15.9%**
Effective tax rate excluding CVAE	*25.4%*	

In the prior year, the Group decided to qualify, the French CVAE (Cotisation sur la Valeur Ajoutée des Entreprises), part of the new CET (Contribution Economique Territoriale) set up by the 2010 Finance Bill, as an Income tax in line with the accounting treatment followed for similar taxes in other countries. The Group effective tax rate is 32,8%, which includes the French CVAE for a gross amount of EUR 18.2 million. Had the CVAE not been included in tax the Group effective tax rate would have been 25.4%.

The tax impact on goodwill impairment of EUR 7.5 million relates to the impairment of EUR 25 million of Iberia. The line "Other" (EUR 1.1 million) includes in particular the permanent difference arising from tax holidays benefits and unused withholding taxes.

<u>Restated effective tax rate</u>

(in EUR million)	12 months ended 31 December 2010	12 months ended 31 December 2009
Profit before tax	**176.0**	**6.9**
Other operating income and expenses	(137.3)	(259.3)
Profit before tax excluding unusual items	**313.3**	**266.2**
Tax effect on other operating income and expenses	32.7	82.2
Other unusual items on tax	2.6	(16.2)
Group tax expense	(57.8)	1.1
Total of tax excluding unusual items	**(93.1)**	**(64.9)**
Restated effective tax rate	**29.7%**	**24.4%**

After restating the unusual items, the restated profit before tax is EUR 313.3 million, the restated tax charge is EUR 93.1 million and the restated effective tax rate is 29.7%. After restatement of the French CVAE, the restated Group effective tax rate is 25.6%.

Note 8 Deferred taxes

(In EUR million)	12 months ended 31 December 2010	12 months ended 31 December 2009
Deferred tax assets	321.8	249.0
Deferred tax liabilities	98.5	63.0
Net deferred tax	**223.3**	**186.0**

Breakdown of deferred tax assets and liabilities by nature

(In EUR million)	Tax losses carry forward	Fixed assets	Pensions	Other	Total
At 1 January 2009	**59,3**	**37,8**	**57,8**	**(3,2)**	**151,7**
Charge to profit or loss for the year	(0,9)	5,4	(18,9)	42,5	28,1
Charge to goodwill	-	-	-	-	-
Change of scope	-	-	-	-	-
Charge to equity	-	-	15,7	(17,7)	(2,0)
Reclassification	(0,2)	-	0,4	(0,2)	-
Exchange differences	-	1,9	1,3	5,0	8,2
At 31 December 2009	**58,2**	**45,1**	**56,3**	**26,4**	**186,0**
Charge to profit or loss for the year	15,2	(2,3)	(19,9)	4,4	(2,6)
Charge to goodwill	0,6	2,1	-	1,5	4,1
Change of scope	-	0,1	-	(0,1)	-
Charge to equity	-	-	25,3	(0,7)	24,6
Reclassification	-	-	(2,6)	3,0	0,4
Exchange differences	0,7	2,5	4,7	2,8	10,7
At 31 December 2010	**74,7**	**47,5**	**63,8**	**37,3**	**223,3**

Tax losses carry forward schedule (basis)

(In EUR million)	12 months ended 31 December 2010			12 months ended 31 December 2009		
	Recog-nised	**Unrecog-nised**	**Total**	**Recog-nised**	**Unrecog-nised**	**Total**
2011	-	8.8	8.8	-	8.8	8.8
2012	-	-	-	-	1.1	1.1
2013	-	3.3	3.3	3.1	5.4	8.5
Tax losses available for carry forward more than 5 years	28.6	50.7	79.4	23.5	4.3	27.8
Ordinary tax losses carry forward	**28.6**	**62.8**	**91.5**	**26.6**	**19.6**	**46.2**
Evergreen tax losses carry forward	**198.8**	**516.3**	**715.1**	**150.4**	**469.1**	**619.5**
Total tax losses carry forward	**227.4**	**579.2**	**806.6**	**177.0**	**488.7**	**665.7**

Compared to 2009, total tax losses carried forward have increased by EUR 140.9 million. The increase is largely owed by a restatement of unrecognised tax losses in United States of 53.9 million. The remainder increase of 87 million is a net amount between the creation of new tax losses notably in France (EUR 43.3 million), Iberia (EUR 40.0 million) and in Brazil (EUR 8.1 million) and decrease of tax losses in Asia Pacific (EUR 12.4 million).The losses that are in the balance sheet offset by taxable temporary differences are not disclosed in this schedule.

The countries with the largest tax losses available for carry forward are France (EUR 201.4 million), the United Kingdom (EUR 135.4 million), the United States (EUR 158.0 million), Brazil (EUR 83.2 million), Germany (EUR 62.8 million), Iberia (EUR 63.6 million) and Hong-Kong (EUR 32.0 million).

Deferred tax assets not recognised by the Group

(In EUR million)	12 months ended 31 December 2010	12 months ended 31 December 2009
Tax losses carry forward	191.6	158.7
Temporary differences	21.0	30.5
Total	**212.6**	**189.2**

Note 9 Non controlling Interests

(In EUR million)	31 December 2009	2010 Income	Dividends	Others	31 December 2010
Atos Worldline Processing GmbH	7.9	1.6	(3.7)	(5.8)	-
Others	3.1	0.5	(0.2)	2.0	5.4
Total	**11.0**	**2.1**	**(3.9)**	**(3.8)**	**5.4**

(In EUR million)	31 December 2008	2009 Income	Dividends	Others	31 December 2009
Atos Worldline Processing GmbH	7.1	3.7	(3.5)	0.6	7.9
Others	4.4	0.4	(1.5)	(0.2)	3.1
Total	**11.5**	**4.1**	**(5.0)**	**0.4**	**11.0**

The amount mentioned in 'Others' for Atos Worldline Processing services GmbH (Germany) is due to the acquisition of the non-controlling interests on 24 June 2010.

Note 10 Earnings per share

Basic and diluted earnings per share are reconciled in the table below. Potential dilutive instruments comprise stock subscription (equivalent to 1,200,009 options) and convertible bonds (equivalent to 5,414,771 shares). The convertible bonds are the only one which generates a restatement of net income used for the diluted EPS calculation. The restatement corresponds to the interest expenses relating to the liability component net of deferred tax (EUR 8.7 million).
The average number of stock options not exercised in 2010 amounted to 10,170,270 shares.

(In EUR million and shares)	31 December 2010	31 December 2009
Net income - Attributable to owners of the parent [a]	**116.1**	**3.9**
Restatement	8.7	0.8
Net income restated of dilutive instruments - Attributable to owners of the parent [b]	**124.8**	**4.7**
Average number of shares outstanding [c]	69,334,351	68,772,224
Impact of dilutive instruments [d]	6,614,780	5,648,361
Diluted average number of shares [e]=[c]+[d]	75,949,131	74,420,585
Earnings per share in EUR [a]/[c]	**1.67**	**0.06**
Diluted earnings per share in EUR [b]/[e]	1.64	0.06

No significant shares' transaction occurred subsequently to the closing that could have a dilutive impact on earnings per share calculation.

Note 11 Goodwill

(In EUR million)	31 December 2009	Acquisitions / Depreciations	Others	Exchange rate fluctuations	31 December 2010
Gross value	2,038.2	90.7	6.3	52.3	**2,187.5**
Impairment loss	(530.6)	(25.4)	(6.3)	(15.3)	**(577.6)**
Carrying amount	**1,507.6**	**65.3**	**-**	**37.0**	**1,609.9**

(In EUR million)	31 December 2008	Acquisitions / Depreciations	Others	Exchange rate fluctuations	31 December 2009
Gross value	1,995.7	3.4	(1.5)	40.6	**2,038.2**
Impairment loss	(484.6)	(31.1)	1.1	(16.0)	**(530.6)**
Carrying amount	**1,511.1**	**(27.7)**	**(0.4)**	**24.6**	**1,507.6**

Goodwill are allocated to cash generating units (CGUs) that are then part of one of the operating segments disclosed in Note 2 Segment information as per IFRS 8 requirements.

A summary of the carrying amounts of goodwill allocated by CGUs or grouping of CGUs is presented hereafter. Overall, goodwill was increased from EUR 1,507.6 million to EUR 1,609.9 million mainly due to the acquisitions of Infotek Private Ltd in India for EUR 76.3 million and of Shere Ltd in United Kingdom for EUR 14.9 million and to the impairment charge of the year for EUR 25.0 million on Iberia CGU (booked in June 2010) and by the effect of foreign exchange rates variations for EUR 37.0 million.

(In EUR million)	31 December 2010	31 December 2009
France	178.1	178.6
Benelux	301.1	301.1
The United Kingdom	458.9	419.8
Worldline	377.9	301.5
GCEMA	102.4	101.8
Spain	65.3	90.3
Other countries	126.2	114.5
Total	**1,609.9**	**1,507.6**

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial business plans approved by management, covering a three-year period. They are also based on the following assumptions:

- Terminal value is calculated after the three-year period, using an estimated perpetuity growth rate of 2.5 % (as last year). Although exceeding the long term average growth rate for the countries in which the Group operated, this rate reflects specifics perspectives of the IT sector.
- Discount rates are applied by CGU based on the Group's weighted average cost of capital and adjusted to take into account specific tax rates and country risks relating to each geographical area. As last year, the Group considers that the weighted average cost of capital should be determined based on an historical equity risk premium of 5.3%, in order to reflect the long-term assumptions factored in the impairment tests.

As a result, the discount rates used are presented hereafter:

	2010 Discount rate	2009 Discount rate
France	9.3%	9.6%
Benelux	Between 9.3% and 9.4%	Between 9.6% and 9.7%
The United Kingdom	9.4%	9.7%
Worldline	9.3%	9.6%
GCEMA	9.4%	Between 9.6% and 9.7%
Spain	9.4%	9.6%
Other countries	Between 9.3% and 10.6%	Between 9.6% and 10.8%

An analysis of the calculation's sensitivity to a combined change in the key parameters (operating margin, discount rate and perpetuity growth rate) based on reasonably probable assumptions, did not identify any probable scenarios where the CGU's recoverable amount would fall below its carrying amount.

The impairment test shows that for South America and CEMA, the recoverable amount of assets is close to the book value. The recoverable amount of these assets would equal the book value if:

- The discount rate increases by 110bps for South America (from 10.6% to 11.7%) and 90bps for CEMA (from 9.4% to 10.3%), or
- The operating margin rate decreases by 70bps for South America and 90bps for CEMA.

Note 12 Intangible assets

(In EUR million)	**Gross value**	**Amortisation**	**Net value**
31 December 2008	**280.9**	**(203.4)**	**77.5**
Additions / charges	18.6	(35.2)	(16.6)
Disposals / reversals	(12.8)	12.5	(0.3)
Impact of business combinations	0.6	-	0.6
Exchange differences	3.1	(2.6)	0.5
Impairment	-	(2.4)	(2.4)
Others	34.1	(24.5)	9.6
31 December 2009	**324.5**	**(255.6)**	**68.9**
Additions / charges	29.7	(31.5)	(1.8)
Disposals / reversals	(2.0)	1.7	(0.3)
Impact of business combinations	-	-	-
Disposal of subsidiaries	-	-	-
Exchange differences	8.8	(7.3)	1.5
Impairment	-	(0.5)	(0.5)
Others	9.8	(1.6)	8.2
31 December 2010	**370.8**	**(294.8)**	**76.0**

Note 13 Tangible assets

(In EUR million)	Land and buildings	IT equipments	Other assets	Total
Gross value				
At 1 January 2010	**292.6**	**900.0**	**80.4**	**1,273.0**
Additions	13.7	85.1	55.3	154.1
Disposals	(17.9)	(210.8)	(4.0)	(232.7)
Exchange differences	5.2	18.0	2.6	25.8
Others	24.9	25.6	(43.9)	6.6
At 31 December 2010	**318.5**	**817.9**	**90.4**	**1,226.8**
Accumulated depreciation				
At 1 January 2010	**(157.6)**	**(671.2)**	**(36.8)**	**(865.6)**
Depreciation charge for the year	(32.2)	(121.9)	(4.6)	(158.7)
Eliminated on disposal	16.1	197.4	3.5	217.0
Exchange differences	(3.2)	(13.7)	(1.9)	(18.8)
Impairment	0.1	1.7	-	1.8
Others	7.9	(0.8)	(13.2)	(6.1)
At 31 December 2010	**(168.9)**	**(608.5)**	**(53.0)**	**(830.4)**
Net value				
At 1 January 2010	**135.0**	**228.8**	**43.6**	**407.4**
At 31 December 2010	**149.6**	**209.4**	**37.4**	**396.4**

(In EUR million)	Land and buildings	IT equipments	Other assets	Total
Gross value				
At 1 January 2009	**256.6**	**907.4**	**78.6**	**1,242.6**
Additions	24.8	95.1	41.2	161.1
Disposals	(14.0)	(71.3)	(2.5)	(87.8)
Exchange differences	3.2	3.6	0.2	7.0
Others	22.0	(34.8)	(37.1)	(49.9)
At 31 December 2009	**292.6**	**900.0**	**80.4**	**1,273.0**
Accumulated depreciation				
At 1 January 2009	**(132.1)**	**(622.6)**	**(33.5)**	**(788.2)**
Depreciation charge for the year	(25.7)	(144.5)	(4.8)	(175.0)
Eliminated on disposal	10.8	64.1	1.8	76.7
Exchange differences	(1.7)	(2.4)	(0.2)	(4.3)
Impairment	(8.7)	-	(1.2)	(9.9)
Others	(0.2)	34.2	1.1	35.1
At 31 December 2009	**(157.6)**	**(671.2)**	**(36.8)**	**(865.6)**
Net value				
At 1 January 2009	**124.5**	**284.8**	**45.0**	**454.3**
At 31 December 2009	**135.0**	**228.8**	**43.6**	**407.4**

The tangible assets of the Group include mainly IT equipments used in the production centers, in particular the datacenters and the software factories. Moreover, Atos Origin's policy is to rent its premises. Therefore, the land and buildings items include mainly technical infrastructure of our datacenters.

Finance leases

Tangible assets held under finance leases had a net carrying value of EUR 1.8 million. Future minimum lease payments under non-cancellable leases amounted to EUR 2.0 million at year-end.

(In EUR million)	2010			2009		
	Minimum lease payments	Interest	Principal	Minimum lease payments	Interest	Principal
Less than one year	1.0	(0.1)	0.9	3.3	(0.4)	2.9
Between one and five years	1.0	(0.1)	0.9	0.6	(0.1)	0.5
More than five years	-	-	-	-	-	-
Total	**2.0**	**(0.2)**	**1.8**	**3.9**	**(0.5)**	**3.4**

Note 14 Non-current financial assets

(In EUR million)	Notes	31 December 2010	31 December 2009	1 January 2009
Pension prepayments	Note 20	203.6	196.9	21.4
Other (*)		26.9	23.1	31.0
Total		**230.5**	**220.0**	**52.4**

(*) "Other" include Loans, Deposits, Guarantees, investments in associates accounted for under the equity method and non consolidated investments.

Note 15 Trade accounts and notes receivable

(In EUR million)	31 December 2010	31 December 2009
Gross value	1,259.6	1,298.5
Transition costs	25.9	36.0
Provision for doubtful debts	(53.2)	(53.2)
Net asset value	**1,232.3**	**1,281.3**
Prepayments	(6.4)	(11.0)
Deferred income and upfront payments received	(262.9)	(292.8)
Net accounts receivable	**963.0**	**977.5**
Number of days' sales outstanding	**49.0**	**57.0**

The average credit period on sale of services is between 30 and 60 days depending on the countries.

For balances outstanding for more than 60 days as compared to agreed payment terms, the Group considers the need for an impairment loss on a case-by-case basis through a quarterly review of its balances.

Atos Origin securitisation program has been renewed for 5 years on 6 March 2009 with a maximum amount of receivables sold of EUR 500.0 million and a limit of maximum amount of financing of EUR 200.0 million. As of 31 December 2010, the Group has sold EUR 411 million receivables for which EUR 10 million were received in cash. The sale is with recourse, thus re-consolidated in the balance sheet.

Ageing of net receivables past due

(In EUR million)	31 December 2010	31 December 2009
0-30 days overdues	55.4	48.9
30-60 days overdues	19.5	17.2
Beyond 60 days overdues	25.6	14.1
Total	**100.5**	**80.2**

The deterioration is partly due to delays in payment from French ministries.

Movement in the provision for doubtful debts

(In EUR million)	31 December 2010	31 December 2009
Balance at beginning of the year	(53.2)	(27.3)
Impairment losses recognised	(16.8)	(32.3)
Amounts written off as uncollectible	-	6.5
Impairment losses reversed	18.3	2.4
Others (*)	(1.5)	(2.5)
Balance at end of year	**(53.2)**	**(53.2)**

(*)Scope variation, reclassification and exchange difference.

Note 16 Other current assets

(In EUR million)	31 December 2010	31 December 2009
Inventories	8.9	6.8
State - VAT Receivables	48.7	42.1
Prepaid expenses	66.2	79.4
Other receivables & current assets	44.1	29.7
Advance payment	6.7	6.4
Total	**174.6**	**164.4**

Note 17 Breakdown of assets and liabilities by financial categories

The book value of financial assets corresponds to their fair value.
As of 31 December 2010, the analysis of assets is the following:

(In EUR million)	Loans and receivables	Available-for-sale financial assets	Financial assets held for trading (carried at fair value through profit or loss)	Derivatives designated as cash flow hedging instruments (carried at fair value)
Non-current financial assets	-	230.5	-	
Non-current financial instruments				0.3
Trade accounts and notes receivables	1,232.3	-	-	-
Other current assets	174.6	-		-
Current financial instruments	-	-	0.6	1.5
Cash and cash equivalents	422.2	-	-	-
Total	**1,829.1**	**230.5**	**0.6**	**1.8**

As of 31 December 2009, the analysis of assets was the following:

(In EUR million)	Loans and receivables	Available-for-sale financial assets	Financial assets held for trading (carried at fair value through profit or loss)	Derivatives designated as cash flow hedging instruments (carried at fair value)
Non-current financial assets	-	220.0	-	-
Non-current financial instruments	-	-	-	1.1
Trade accounts and notes receivables	1,281.3	-	-	-
Other current assets	164.4	-	-	-
Current financial instruments		-	0.6	3.2
Cash and cash equivalents	534.7	-	-	-
Total	**1,980.4**	**220.0**	**0.6**	**4.3**

As of 31 December 2010, the analysis of liabilities is the following:

(In EUR million)	Financial Liabilities designated at fair value through profit or loss	Financial Liabilities – Measurement at amortised cost	Derivatives designated as cash flow hedging instruments (carried at fair value)
Borrowings	-	508.6	-
Non-current financial instruments	-	-	1.5
Trade accounts and notes payables	498.7	-	-
Other current liabilities	937.2	-	-
Current portion of borrowings	-	52.7	-
Current financial instruments	1.8	-	0.1
Total	**1,437.7**	**561.3**	**1.6**

As of 31 December 2009, the analysis of liabilities was the following:

(In EUR million)	Financial Liabilities designated at fair value through profit or loss	Financial Liabilities – Measurement at amortised cost	Derivatives designated as cash flow hedging instruments (carried at fair value)
Borrowings	-	483.4	-
Non-current financial instruments	-	-	4.3
Trade accounts and notes payables	475.3	-	-
Other current liabilities	956.5	-	-
Current portion of borrowings	-	190.7	-
Current financial instruments	0.1	-	1.1
Total	**1,431.9**	**674.1**	**5.4**

Note 18 Cash and cash equivalents

(In EUR million)	31 December 2010	31 December 2009
Cash in hand and short-term bank deposit	342.4	429.0
Money market funds	79.8	105.7
Total	**422.2**	**534.7**

Depending on market conditions and short-term cash flow expectations, Atos Origin from time-to-time invests in Money Market funds or bank deposit with a maturity period not exceeding three months.

Note 19 Equity attributable to the owners of the parent

Capital increase

In 2010, Atos Origin increased its common stock by issuing new shares and incorporating additional paid-in-capital due to the exercise of equity-based compensation for EUR 4.4 million, resulting in the creation of 193,615 new shares.
At December 31, 2010, Atos Origin common stock consisted of 69,914,077 shares with a nominal value of 1 euro per share.

Other

"Other" is mainly composed of the acquisition of non controlling interests of Atos Worldline Processing services in Germany (42%) for EUR 35.0 million on 24 June 2010.

Note 20 Pensions

The total amount recognized in the Group balance sheet in respect of pension plans and associated benefits was EUR 297.4 million at 31 December 2010. It was EUR 240.2 million at 31 December 2009.

The Group's commitments are located predominantly in the United Kingdom (53% of Group total obligations), The Netherlands (37%), Germany (4%) and France (3%). In the UK, these commitments are generated by legacy defined benefit plans, the majority of which have been closed to further accrual in 2008. Defined benefit arrangements have been maintained only for the purpose of complying with outsourcing requirements in the public sector in which case appropriate financial compensation is sought with customers. In The Netherlands, the pension plan is a hybrid defined contribution/defined benefit plan. Only the defined benefit component (capped at a certain level of salary) gives rise to a valuation of long term commitments for the Group~~,~~ after deduction of applicable limitations and ceilings. These plans are externally funded through separate and independent legal entities, which receive employer and employee contributions.

Group commitments are also generated, but to a lesser extent, by legal or collectively bargained end of service or end of career benefit plans. Group commitments in respect of post-employment healthcare benefits are not significant (less than 0.5% of Group commitments).

The amounts recognized in the balance sheet as at 31 December 2010 rely on the following components, determined at each benefit plan's level:

(In EUR million)	31 December 2010	31 December 2009	1 January 2009
Amounts recognized in financial statements consist of:			
Prepaid pension asset – post employment plans	203.6	196.9	14.0
Accrued liability – post employment plans	(488.5)	(422.1)	(244.4)
Accrued liability – other long-term benefits	(12.5)	(15.0)	(13.4)
Net amount recognized – Total	**(297.4)**	**(240.2)**	**(243,8)**
Components of net periodic cost			
Service cost (net of employees' contributions)	27.0	25.5	36.0
Interest Cost	121.3	111.1	115.0
Expected return on plan assets	(114.9)	(103.5)	(135.1)
Amortisation of prior service cost	0.9	2.0	(51.7)
Amortisation of actuarial (gain)/loss	0.1	-	-
Effect of asset ceiling	-	-	-
Curtailment (gain)/loss	(2.6)	(2.7)	(7.1)
Settlement (gain)/loss	-	(0.1)	(1.3)
Net periodic pension cost – Total expense/(profit)	31.8	**32.3**	**(44.2)**
Of which, net periodic pension cost – post employment plans	30.2	28.7	(45.5)
Of which, net periodic pension cost – other long term benefits	1.6	3.6	1.3
Change in defined benefit obligation			
Defined benefit obligation –post employment plans at 1 January	2,106.9	1,777.2	2,239.5
Defined benefit obligation – other long term benefits at 1 January	15.3	13.4	19.1
Total Defined Benefit Obligation at 1 January	**2,122.2**	**1,790.6**	**2,258.6**
Reclassification other non-current financial liabilities	0.7	10.1	-
Exchange rate impact	69.6	42.8	(270.0)
Service cost (net of employees' contributions)	27.0	25.5	36.0
Interest cost	121.3	111.1	115.0
Employees' contributions	21.1	24.6	22.3
Plan amendments	0.6	1.4	(53.6)
Curtailment	(2.6)	(3.0)	(7.1)
Settlement	(0.6)	(7.5)	(4.0)
Business combinations/disposals	-	0.3	(28.2)
Benefits paid	(66.3)	(59.8)	(62.6)
Actuarial (gains)/losses	210.5	186.1	(215.8)
Defined benefit obligation at 31 December	**2,503.5**	**2,122.2**	**1,790.6**
Experience adjustments generated in current year on DBO	**(37.8)**	**(5.2)**	**5.0**
Change in plan assets			
Fair value of plan assets at 1 January	**1,872.4**	**1,545.6**	**2,019.9**
Exchange rate impact	54.8	42.5	(241.4)
Reclassification of plan assets	-	7.0	-
Actual return on plan assets	222.7	244.6	(323.1)
Employer contributions (incl. admin charges)	81.7	60.4	117.3
Employees' contributions	21.1	24.6	22.3
Benefits paid by the fund	(52.1)	(45.1)	(48.9)
Settlements	-	(7.2)	0.5
Fair value of plan assets at 31 December	**2,200.6**	**1,872.4**	**1,545.6**

(In EUR million)	31 December 2010	31 December 2009	1 January 2009
Reconciliation of prepaid/(accrued) Benefit cost (all plans)			
Funded status-post employment plans	(290.5)	(243.8)	(231.7)
Funded status-other long term benefit plans	(12.5)	(15.0)	(13.4)
Unrecognized actuarial (gain)/loss	-	-	-
Unrecognized past service cost	9.6	9.9	9.3
Any other amount not recognized (asset ceiling limitation)	(4.0)	(0.3)	(8.0)
Prepaid/(accrued) pension cost	**(297.4)**	**(240.2)**	**(243.8)**
Of which provision for pension and similar benefits	*(501.0)*	*(437.1)*	*257.8*
Non-current financial assets	*203.6*	*196.9*	*14.0*
Reconciliation of net amount recognized (all plans)			
Net amount recognized at beginning of year	**(240.2)**	**(243.8)**	**(227.3)**
Reclassification other current liabilities	(0.7)	(2.4)	2.1
Net periodic pension cost – post employment plans	(30.3)	(28.7)	45.5
Benefits paid by employer – post employment plans	10.7	11.2	8.8
Employer contributions – post employment plans	80.7	60.4	117.3
Business combinations/disposals		(0.3)	29.2
Amounts recognised in Other Comprehensive Income	(105.7)	(34.3)	(249.3)
Other (other long-term benefit, exchange rate)	(12.0)	(2.3)	29.9
Net amount recognized at end of year	**(297.4)**	**(240.2)**	**(243.8)**

The obligations in respect of benefit plans which are partially or totally funded through external funds (pension funds) were EUR 2,392.5 million at 31 December 2010 and EUR 2,004.5 million at 31 December 2009, representing more than 96% of Group total obligations.

Sensitivity analysis shows that the defined benefit obligation as at the end of the year would increase by 5.9% as a result of a 30 basis point decrease in discount rate.

Plan assets

Plan assets, which do not include Atos Origin securities or any assets used by the Group, were invested as follows:

(In EUR million)	31 December 2010	31 December 2009
Equity	26%	30%
Bonds / Interest Rate Swaps	69%	59%
Real Estate	2%	1%
Cash and Cash equivalent	3%	10%

Prepaid pension situations on balance sheet

The net asset of EUR 202.3 million in respect of the Dutch pension scheme is supported by appropriate refund expectations, as requested by IFRIC 14.

Situation of the UK pension funds and impact on contributions for 2011

The company expects to contribute EUR 34.8 million to its UK schemes next year versus EUR 32.9 million in 2010 of which EUR 25.8 million being deficit recovery payments.

Situation of the Dutch pension fund and impact on contributions for 2011

Atos Origin is executing a five year recovery plan with its Dutch Pension Fund, an independent legal entity managing the assets segregated from the company's assets to secure the provision of future pensions as requested by legislation.

Previous contractual agreement committed Atos Origin to ensure a permanent 110% funding of local pension obligations, as appreciated under local solvency rules.

Under the agreement signed on 15 July 2009, the 110% clause is suspended for five years, and Atos Origin has committed to the following recovery payments:

- Contributions (currently shared 55%-45% between Atos Origin and its employees) will be increased from 23% to 26% between 2010 and 2013 (additional cost for Atos Origin was EUR 6.5 million in 2010);
- Three cash injections of EUR 10.0 million will be made by Atos Origin in 2011, 2012 and 2013;
- Atos Origin will grant a loan to the Pension Fund in three instalments of EUR 7.5 million each, payable in 2011, 2012 and 2013, its reimbursement being subordinated to a recovery of the funding ratio of the Pension Fund.

If the funding ratio was to fall below a trajectory leading to a 105% funding ratio at 31 December 2013, then payments would be increased by up to a maximum of EUR 9.0 million per year between 2010 and 2013. Similarly, these payments (except EUR 15.0 million of cash injections) can be reduced if the funding ratio follows a trajectory leading to a funding ratio above 117.5% at 31 December 2013.

Recovery was developing ahead of schedule until October when the pension fund adjusted its mortality assumptions in line with the regulator's (DNB) requirements. At 31 December 2010, the indicative funding ratio of the Dutch Pension Fund was 91.6%. This ratio remains above the 91.1% milestone as at 31/12/2010 of the 105% trajectory agreed between Sponsor (Atos Origin Netherlands) and Dutch pension fund. If the final funding ratio – to be determined for the pension fund's annual report - remains at this level this shall not trigger any additional contributions as explained above.

Per the end of 2010 Atos Origin paid in advance the cash injection of EUR 10 million due in 2011.

As a result, the company expects to contribute EUR 36.5 million to its Dutch pension plan next year versus EUR 40.6 million in 2010.

Actuarial assumptions

Group obligations are valued by independent actuaries, based on assumptions that are periodically updated.

These assumptions are set out in the table below:

	United Kingdom		Eurozone	
(In EUR million)	**2010**	**2009**	**2010**	**2009**
Discount rate as at 31 December	5.30%	5.80%	4.80%	5.20%
Long-term expected return on plan assets as at 1 January	6.00% -6.50%	6.00% - 7.00%	6.00%	6.20%
Salary increase assumption as at 31 December	3.50%	3.50%	1.65% - 3.50%	2.25% - 3.50%

The expected long-term investment return assumption on plan assets has been determined based on the particular asset allocation of each benefit plan, through the formulation of a specific expected return assumption for each asset class. The expected return shown for the Eurozone applies for The Netherlands as the majority of the assets reside there.

For the determination of the 2011 financial component of the pension expense, the expected return on assets is based on the following assumptions for the United Kingdom:

Asset Class	Expected Return on Assets UK
Equity	7.40%
Corporate Bonds	5.30%
Real Estate	6.90%
Gilts	4.40%
Cash	0.50%
Total Expected Average Return	**6.00% - 6.50%**

In The Netherlands pension investments have been structured according to two main investment portfolios (High Volatility and Risk Control Portfolio). The combined expected return on assets assumption is 5.25%.

Summary net impacts on 2010 financials

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

Profit and loss

	31 December 2010			31 December 2009		
(In EUR million)	Post-employment	Other LT benefit	Total	Post-employment	Other LT benefit	Total
Operating margin	(25.1)	(0.7)	(25.8)	(22.6)	(1.3)	(23.9)
Other operating items	0.5	(0.1)	0.4	0.7	(1.6)	(0.9)
Financial result	(5.6)	(0.8)	(6.4)	(6.7)	(0.7)	(7.4)
Total (expense)/profit Profit/(loss)statement	**(30.2)**	**(1.6)**	**(31.8)**	**(28.6)**	**(3.6)**	**(32.2)**

Cash impacts of pensions in 2010

The cash impact of pensions is mainly composed of cash contributions to the pension funds for EUR 81.7 million, the remaining part being benefit payments directly made by the Group to the beneficiaries.

The cash contributions to the pension funds are made of ongoing contributions in respect of services rendered in the year (usually expressed as a percentage of salary), as well as past deficits repayment contributions spread over a 10 to 15 years period as agreed with the respective trustees (fixed yearly amount).

(In EUR million)	31 December 2010	31 December 2009
Ongoing contributions	38.3	39.5
Deficits repayment other than New Deal one off lump sum	24.7	20.5
Total contributions included in OMDA	**63.0**	**60.0**
Direct Benefit payments	14.7	13.2
Net OMDA impact	**77.7**	**73.2**
Recovery Plan Contributions	16.5	-
Contribution related to restructuring	2.2	-
Direct benefit payments	**-**	2.3
Total cash impact in other operating items	**18.7**	**2.3**
Total Cash impact	**96.4**	**75.5**

Below table shows the historic development of the defined benefit obligation, the fair value of plan assets, the funded status and the experience adjustments:

(In EUR million)	31 December 2010	31 December 2009	31 December 2008	31 December 2007	31 December 2006
DBO	2,504	2,122	1,791	2,259	2,490
Fair Value of Plan Assets	2,201	1,872	1,546	2,020	1,993
Funded Status	(303)	(250)	(245)	(239)	(497)
Experience Adjustments	(38)	(5)	5	(11)	72

Note 21 Provisions

(In EUR million)	31 December 2009	Charge	Release used	Release unused	Other (*)	31 December 2010	Current	Non-current
Reorganisation	70.9	17.6	(44.2)	(7.5)	(1.2)	35.6	35.6	-
Rationalisation	94.7	26.0	(40.9)	(17.7)	2.9	65.0	27.4	37.6
Project commitments	23.2	17.2	(7.9)	(6.7)	(1.2)	24.6	24.6	-
Litigations and contingencies	73.0	19.2	(6.4)	(12.2)	2.4	76.0	17.4	58.6
Total provisions	**261.8**	**80.0**	**(99.4)**	**(44.1)**	**2.9**	**201.2**	**105.0**	**96.2**

(*) Other movements mainly consist of the currency translation adjustments and impacts of changes in scope of consolidation.

(In EUR million)	31 December 2008	Charge	Release used	Release unused	Other (*)	31 December 2009	Current	Non-current
Reorganisation	53.0	67.7	(37.8)	(5.9)	(6.1)	70.9	70.9	-
Rationalisation	21.4	77.8	(6.3)	(3.1)	4.9	94.7	41.1	53.6
Project commitments	38.0	24.8	(25.4)	(10.4)	(3.8)	23.2	23.2	-
Litigations and contingencies	83.6	17.1	(12.8)	(27.5)	12.6	73.0	-	73.0
Total provisions	**196.0**	**187.4**	**(82.3)**	**(46.9)**	**7.6**	**261.8**	**135.2**	**126.6**

(*) Other movements mainly consist of the currency translation adjustments and impacts of changes in scope of consolidation.

Reorganisation and rationalisation

The EUR 44.2 million consumptions come mainly from reorganisation programs in Germany (EUR 23.5 million included EUR 12.1 million linked with Arcandor bankruptcy impact) and The Netherlands (EUR 17.1 million). The efforts to streamline the workforce continue and the accrual of new provisions amounts to EUR 17.6 million over the year mainly due to The Netherlands (EUR 11.3 million), France (EUR 3.5 million) and the United Kingdom (EUR 1.0 million).

Rationalisation provisions include mainly provisions due to Worldline and France (a global amount by EUR 34.2 million), the United Kingdom (EUR 9.9 million) and The Netherlands (EUR 9.6 million).

Some of these provisions are in connection with properties leased some of which contain dilapidation clauses requiring the Group to return premises to their original condition at termination.

Rationalisation provisions of EUR 34.2 million mainly include provisions for onerous contract and dilapidation costs related to the remaining lease obligation of the existing Paris' sites, which are being closed as part of the project to regroup 4,500 staff to the Group's new headquarters in the city of Bezons.

The release of reorganisation and rationalisation provisions has been booked mainly through the other operating income (EUR 110.3 million).

Litigations and contingencies

Contingency provisions of EUR 76.0 million include a number of long-term litigation issues, such as tax contingencies and social disputes, guarantees given on disposals and other disputes with clients and suppliers. The legal department continues to manage these situations with a view to minimising the ultimate liability.
Most of the provisions released as unused concerned provision booked as fair value adjustment following mergers and acquisitions for which the risk is now extinct.

Note 22 Borrowings

(In EUR million)	31 December 2010			31 December 2009		
	Current	Non-current	Total	Current	Non-current	Total
Finance leases	0.9	0.9	1.8	2.9	0.5	3.4
Bank loans	0.2	286.6	286.8	0.3	268.3	268.6
Securitisation	9.6	-	9.6	145.0	-	145.0
Convertible bonds	6.3	206.7	213.0	1.1	199.6	200.7
Other borrowings	35.7	14.4	50.1	41.4	15.0	56.4
Total borrowings	**52.7**	**508.6**	**561.3**	**190.7**	**483.4**	**674.1**

Borrowings in currencies

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

(In EUR million)	EUR	Other currencies (*)	Total
31 December 2010	**466.8**	**94.5**	**561.3**
31 December 2009	668.2	5.9	674.1

(*)'Others currencies' disclosed in 2010 is mainly composed of borrowings in SGD for EUR 87.3 million.

Fair value and effective interest rate of financial debt

The fair value of bank loans, which are primarily composed of variable interest rate loans, are considered as being the same as their carrying value. For other elements of borrowings, carrying value is considered the best estimate of fair value, the difference between the fair value and the carrying value being not material.

On 29 October 2009 the Group issued EUR 250.0 million of bonds convertible into and/or exchangeable for new or existing shares (OCEANE) of Atos Origin maturing on 1 January 2016. The OCEANE is considered as a compound instrument and contains both a liability and an equity component, which should be classified separately in the balance sheet.

On initial recognition, the financial instrument (net of fees for EUR 3.8 million) is split between financial liability for EUR 198.4 million and equity for EUR 47.8 million (including the issuer call option valued at EUR 1.6 million). Consequently, the effective interest rate of the convertible bonds (6.68%) differs from the annual coupon paid in cash to the bond holders (2.50%).

At the end of December 2010, the fair value of the liability component is EUR 213.0 million.

Non-current borrowings maturity

(In EUR million)	2011	2012	2013	2014	2015	>2015	Total
Bonds	-	-	-	-	-	206.7	206.7
Finance leases	-	0.4	0.2	0.2	0.1	-	0.9
Bank loans	-	0.8	280.5	0.6	0.5	4.2	286.6
Other borrowings	-	4.7	3.4	2.6	3.7	-	14.4
As at 31 December 2010 long-term debt	**-**	**5.9**	**284.1**	**3.4**	**4.3**	**210.9**	**508.6**
Bonds - Financial fees and discounting effect	-	-	-	-	-		
As at 31 December 2010 long-term debt excluding bonds - financial fees and discounting effect	**-**	**5.9**	**284.1**	**3.4**	**4.3**	**210.9**	**508.6**

(In EUR million)	2010	2011	2012	2013	2014	>2014	Total
Bonds	-	-	-	-	-	250.0	250.0
Finance leases	-	0.5	-	-	-	-	0.5
Bank loans	-	0.2	260.8	0.8	0.8	5.7	268.3
Other borrowings	-	4.3	4.7	3.5	2.5	-	15.0
As at 31 December 2009 long-term debt	**-**	**5.0**	**265.5**	**4.3**	**3.3**	**255.7**	**533.8**
Bonds - Financial fees and discounting effect	-	-	-	-	-	(50.4)	(50.4)
As at 31 December 2009 long-term debt excluding bonds - financial fees and discounting effect	**-**	**5.0**	**265.5**	**4.3**	**3.3**	**205.3**	**483.4**

Hypothesis retained regarding the presentation of the maturity of non-current borrowings

The evaluation of financial liabilities has been conducted base on :

- Exchange rates prevailing as at 31 December 2010;
- Interest rates presented hereafter.

The effective interest rates in 2010 were as follows:

(In EUR million)	Carrying value	Fair Value	Effective interest rate
Finance leases	1.8	1.8	4.90%
Bank loans	286.8	286.8	1.20%
Securitisation	9.6	9.6	8.48%
Convertible bonds	213.0	213.0	6.68%
Other borrowings	50.1	50.1	-
Total borrowings	**561.3**	**561.3**	

Change in net debt over the period

(In EUR million)	12 months ended 31 December 2010	12 months ended 31 December 2009
Opening net debt	**139.4**	**304.0**
New borrowings	45.7	33.0
Convertible bonds	12.2	200.7
Repayment of long and medium-term borrowings	(48.6)	(79.2)
Variance in net cash and cash equivalents	136.9	(271.8)
New finance leases	0.5	2.3
Long and medium-term debt of companies sold during the period	-	-
Long and medium-term debt of companies acquired during the period	4.0	-
Impact of exchange rate fluctuations on net long and medium-term	(16.3)	-
Profit-sharing amounts payable to French employees transferred to	5.3	3.2
Other flows	(139.9)	(52.8)
Closing net debt	**139.2**	**139.4**

Note 23 Fair value and characteristics of financial instruments

(In EUR million)		31 December 2010		31 December 2009	
		Assets	**Liabilities**	**Assets**	**Liabilities**
Forward foreign exchange contracts		2.4	(3.4)	4.9	(5.5)
Analysed as :					
	Non-current	0.3	(1.5)	1.1	(4.3)
	Current	2.1	(1.9)	3.8	(1.2)

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

Interest rate risk

Bank loans of EUR 286.8 million (EUR 268.6 million in 2009) are arranged at floating rates, thus exposing the Group to cash flow interest rate risk. The Group may mitigate its interest rate exposure using interest rates swap contracts with financial institutions in order to fix the rate of a portion of the floating-rate financial debt. The fair value of the financial instruments used to hedge the floating-rate financial qualifies for cash flow hedge accounting.

At 31 December 2010, the Group helds no interest in rate swaps contracts.

Exposure to interest rate risk

The table below presents the interest rate risk exposure of the Group based on future debt commitments. The exposure at floating rate after hedging risk management is approximately EUR 75.7 million at 31 December 2010. A 1% rise in 3-month Euribor would impact positively the financial expense by EUR 0.8 million assuming the structure (cash/floating debt/hedges) remains stable for the full period of the year.

(In EUR million)	Notes	Exposure		Total
		Less than 1 year	**More than 1 year**	
Bank loans	Note 22	(0.2)	(286.6)	(286.8)
Securitisation program	Note 22	(9.6)	-	(9.6)
Others		(30.0)	(14.4)	(44.4)
Total liabilities		**(39.8)**	**(301.0)**	**(340.8)**
Cash and cash equivalents	Note 18	422.2	-	422.2
Overdrafts		(5.7)	-	(5.7)
Total net cash and cash equivalents (*)		**416.5**	**-**	**416.5**
Net position before risk management		376.7	(301.0)	75.7
Hedging instruments		-	-	-
Net position after risk management		**376.7**	**(301.0)**	**75.7**
Convertible bonds (**)	Note 22	(6.3)	(206.7)	(213.0)
Finance Leases	Note 22	(0.9)	(0.9)	(1.8)
Total net debt				**(139.2)**

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

(**) At fixed rate.

Liquidity risk

In order to benefit from favourable market conditions, Atos Origin signed with a number of major financial institutions on 12 May 2005 a EUR 1.2 billion multi-currency revolving facility with five years maturity and a two-year extension option exercisable in 2006 and 2007. These options were exercised in 2006 and 2007 extending the maturity of the multi-currency revolving facility until 12 May 2011 for EUR 1.2 billion and 12 May 2012 for EUR 1.1 billion.

Atos Origin securitization program of trade receivables has been renewed for 5 years on 6 March 2009 with a maximum amount of receivables sold of EUR 500.0 million and a limit of maximum amount of financing of EUR 200.0 million. Financial covenants of the Atos Origin securitization program are aligned with the covenants of the EUR 1.2 billion multi-currency revolving credit facility.

Nature of ratios subject to covenants	***Covenants***	**Group ratios at 31 December 2010**	**Group ratios at 31 December 2009**
Leverage ratio (net debt/OMDA)	*not greater than 2.5*	0.26	0.28
Interest cover ratio (operating margin/net cost of financial debt)	*not lower than 4.0*	18.95	21.53

OMDA = Operating margin before non cash items

On 29 October 2009, Atos Origin has issued a convertible bond (OCEANE) of EUR 250.0 million maturing on 1 January 2016. Annual coupon paid to the bondholders is 2.5%

Currency exchange risk

Atos Origin operates in 40 countries. However, in most cases, Atos Origin invoices in the country where the Group renders the service, thus limiting the foreign exchange risk. Where this is not the case, the Group generally uses hedging instruments such as forward contracts or foreign currency swaps to minimise the risk.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

(In EUR million)	2010	2009	2010	2009	2010	2009
	EUR		GBP		USD	
Assets	25.8	23.7	0.6	2.0	22.2	13.8
Liabilities	11.2	21.6	0.3	0.1	7.4	2.5
Foreign exchange impact before hedging	14.6	2.1	0.3	1.9	14.8	11.3
Hedged amounts	(2.4)		(0.1)		(4.1)	(9.3)
Foreign exchange impact after hedging	**12.2**	**2.1**	**0.2**	**1.9**	**10.7**	**2.0**

Foreign currency sensitivity analysis

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

The following table details the Group's sensitivity to a 5% increase and decrease of the sensitive currency against the relevant functional currency of each subsidiary. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% increase in foreign currency rates.

(In EUR million)	2010	2009	2010	2009	2010	2009
	EUR		GBP		USD	
Income Statement	0.6	0.1	0.0	0.1	0.5	0.1

Hedge accounting

There is no material deviation between the maturity of the financial instruments and the period in which the cash flows are expected to occur.

At December 2010, derivatives are all allocated to the hedge of some transactional risks (foreign exchange currency risks). From an accounting point of view, most of the derivatives were considered as cash flow hedge instruments.

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

Instruments		31 December 2010		31 December 2009	
		Fair value	Notional	Fair value	Notional
Cash flow hedge					
	Foreign exchange				
	Forward contracts USD	1.0	38.7	0.9	25.4
	Option contracts USD	-	-	0.2	0.9
	Forward contracts CAD	-	-	0.7	5.7
	Forward contracts GBP	(1.7)	27.6	(3.1)	21.8
	Option contracts GBP	0.1	11.0	0.3	14.4
	Forward contracts INR	(0.8)	34.9	(1.1)	45.4
	Forward contracts HKD	(0.3)	2.6	-	-
	Forward contracts PLN	0.2	9.3	0.6	9.3
	Forward contracts CNY	(0.1)	2.1	0.4	5.6
Trading					
	Foreign exchange				
	Forward contracts USD	0.3	14.7	0.2	8.7
	Forward contracts INR	0.3	15.0	0.3	12.7
	Forward contracts GBP	-	4.1	-	-
	Forward contracts MAD	-	1.0	-	-

The net amount of cash flow hedge reserve at 31 December 2010 was EUR (0.7) million (net of tax), with a positive variation of EUR 0.6 million (net of tax) over the year.

Note 24 Trade accounts and notes payable

(In EUR million)	31 December 2010	31 December 2009
Trade payables	496.1	472.0
Amounts payable on tangible assets	2.6	3.3
Total	**498.7**	**475.3**

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

Note 25 Other current liabilities

(In EUR million)	31 December 2010	31 December 2009
Advances and down payments received on client orders	6.4	11.0
Employee-related liabilities	278.3	246.8
Social security and other employee welfare liabilities	139.3	177.5
VAT payable	166.7	159.0
Deferred income	217.3	244.1
Other operating liabilities	129.2	118.1
Total	**937.2**	**956.5**

Other current liabilities are expected to be settled within one year, excepted for deferred income that is released over the particular arrangement of the corresponding contract.

Note 26 Off-balance sheet commitments

Contractual commitments

The table below illustrates the minimum future payments for firm obligations and commitments over the coming years. Amounts indicated under the long-term borrowings and finance leases are posted on the Group balance sheet.

(In EUR million)	31 December 2010	Maturing Up to 1 year	Maturing 1 to 5 years	Maturing Over 5 years	31 December 2009
Convertible Bonds	213.0	6.3	-	206.7	200.7
Bank loans	286.8	0.2	282.4	4.2	268.6
Finance leases	1.8	0.9	0.9	-	3.4
Recorded on the balance sheet	**501.6**	**7.4**	**283.3**	**210.9**	**472.7**
Operating leases: land, buildings, fittings	392.4	86.6	247.8	58.0	423.3
Operating leases: IT equipment	9.3	3.5	5.8	-	10.2
Operating leases: other fixed assets	66.8	34.1	32.7	-	89.8
Non-cancellable purchase obligations (>5 years)	15.9	15.8	0.1	-	16.1
Commitments	**484.4**	**140.0**	**286.4**	**58.0**	**539.4**
Total	**986.0**	**147.4**	**569.7**	**268.9**	**1,012.1**

Financial commitments received (Syndicated Loan)	**920.0**	**150.0**	**770.0**	**-**	**940.0**
Total received	**920.0**	**150.0**	**770.0**	**-**	**940.0**

The received financial commitment refers exclusively to the non-utilized part of the 1.2 billion revolving facility.

Commercial commitments

(In EUR million)	31 December 2010	31 December 2009
Bank guarantees	**67.2**	**64.1**
- Operational - Performance	39.5	32.6
- Operational - Bid	12.0	3.3
- Operational - Advance Payment	14.6	27.6
- Financial or Other	1.1	0.6
Performance guarantees	**1,325.9**	**1,182.3**
- Operational - Performance	1,267.4	1,103.1
- Operational - Other Business Orientated	58.5	79.2
- Financial or Other	-	-
Pledges	**0.5**	**0.2**
Total	**1,393.6**	**1,246.6**

For various large long term contracts, the Group provides performance guarantees to its clients. These guarantees amount to EUR 1,325.9 million as of 31 December 2010, compared with EUR 1,182.3 million in end of December 2009.

In the framework of the contract for the provision of IT services signed by Atos Origin IT Services UK Limited with the International Olympic Committee (IOC), Atos Origin SAE (Spain) has granted a full performance guarantee to the IOC by which it commits to perform the contract in case the signing entity (or any other affiliate to whom the signing entity could have assigned all or part of the rights and obligations under the contract) is unable to provide services required under the contract.

In relation to the multi-currency revolving facility, Atos Origin SA issued a parental guarantee to the benefit of the consortium of banks represented by BNP Paribas, in order to cover up to EUR 440 million the obligations of its subsidiary, Atos Origin Telco Services B.V.

Atos Origin SA has given a EUR 120.0 million guarantee to the Stichting Pension fonds Atos Origin. This guarantee is provided to secure the payment obligations of Atos Origin Nederland under the cover ratio mechanism in case of its failure to pay associated sums.

Subsequent to the Cellnet disposal in July 2004, Atos Origin SA still has one outstanding guarantee with Schlumberger related to Citicorp for a total amount of USD 63.2 million, which is fully counterguaranteed by the acquirer of Cellnet, “Cellnet Holdings Corp”.

In relation to its subsidiary Atos Worldline Belgium operating in the commercial acquiring of card transactions, Atos Origin Group has guaranteed directly or indirectly, its partner MasterCard in case of default of payment resulting from its role of intermediary between the payment issuer and the beneficiary, or any major breaches to their rules. Some of these guarantees have expired and the maximum amount is now USD 28.5 million. The effective risk is considered as very low.

In addition Atos Origin SA has granted a EUR 26.5 million guarantee to AIG Europe SA for the performance of the duties of its reinsurer St-Louis-Re. The Guarantee could only be exercised in the very unlikely event that St Louis Re was unable to meet all of its reinsurance obligations to AIG Europe. This guarantee should be renewed soon on a yearly basis.

Finally, Atos Origin SA or Atos Origin BV have given for various subsidiaries guarantees of general financial support at the request of auditors or to comply with local regulations.

Group contributions expectations regarding pension funds

- EUR 34.8 million to its UK pension schemes next year versus EUR 32.9 million in 2010, of which EUR 25.8 million correspond to deficit recovery payments
- EUR 36.5 million to its Dutch pension plan next year versus EUR 40.6 million in 2010

Note 27 Related party transactions

Transactions between Atos Origin and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note.

Related party transactions include in particular transactions with:

- Entities which are members of the Group, joint ventures in which the Group is participating, entities which include post-employment benefit plan for the benefit of employees of the Group or entities controlled or jointly controlled by a person belonging to the key management,
- Key management of the Group that are defined as persons who have the authority and responsibility for planning, directing and controlling the activity of the Group, namely members of the Board of Directors as well as Senior Executive Vice Presidents.

In the course of 2010, no transaction between the Group and such entities or key management occurred.

Compensation of members of the Board of Directors as well as Senior Executive Vice Presidents

The remuneration of the main members of the management during the year was as follows:

(In EUR million)	**12 months ended 31 December 2010**	**12 months ended 31 December 2009**
Short-term benefits	6.3	6.4
Post-employment benefits	1.8	1.4
Termination benefits	-	-
Equity-based compensation : stock options	1.3	2.4
Total	**9.4**	**10.2**

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

Short-term benefits include salaries, bonuses and fringe benefits. Bonuses correspond to the total charge in income statement including the bonuses effectively paid during the year, the charge in accruals relating to current year and the release in accruals relating to previous year.

During the year, the Group has neither granted nor received guarantees from any of its Board members.

Claim from one former Management Board Member

On 24 June 2009, the Group was notified of a claim filed by counsel to Mr. Philippe Germond with the Commercial Court of Nanterre.
Mr. Germond alleges that his mandate was wrongfully terminated, which would, in his opinion, trigger a right to payment of an indemnity amounting to EUR 3.9 million.
As already disclosed in the 2009 Reference Document, the Supervisory Board decided on 11 December 2008 to reject Mr. Germond's request to an indemnity after an in depth assessment of the situation and based on legal opinions obtained from external counsels. Accordingly, no provision has been accrued in the Group's 2010 accounts.

Hearings took place on 7 January 2011 and the judgement is expected on 8 March 2011.

Note 28 Subsequent events

On 1st February 2011, the Group signed with Siemens a final binding agreement to acquire Siemens IT Solutions and Services and to proceed with the global partnership announced by both companies on 15 December 2010. The conclusion of this agreement follows the issuance of the opinion by the European Works Council of Atos Origin on this transaction and the approval of the transaction by the Atos Origin Board of Directors. Subject to customary conditions precedent, including approval from the relevant anti-trust authorities and from Atos Origin shareholders at an Extraordinary Shareholders Meeting, the transaction is expected to close by July 2011.

Note 29 Main operating entities part of scope of consolidation as of 31 December 2010

	% of Interest	Consolidation method	% of Control	Address
HOLDING				
Atos Origin SA	Consolidation Parent Company			80 quai Voltaire - 95877 Bezons
Atos Origin BV	100	FC	100	Groenewoudseweg 1 - 5621 BA Eindhoven - The Netherlands
Atos Origin International NV	100	FC	100	Rue Abbé Cuypers 3 Priester Cuypersstraat - 1040 Brussel
Atos International Competencies and Alliances (ICA)	100	FC	100	Rue Abbé Cuypers 3 Priester Cuypersstraat - 1040 Brussel
Saint Louis RE	100	FC	100	74, rue de Merl - L2146 Luxembourg
Atos Origin International SAS	100	FC	100	80 quai Voltaire - 95877 Bezons
FRANCE				
Arema SAS	95	FC	95	80 quai Voltaire - 95877 Bezons
Atos Worldline SAS	100	FC	100	80 quai Voltaire - 95877 Bezons
Atos Origin Integration SAS	100	FC	100	80 quai Voltaire - 95877 Bezons
Diamis SA	60	FC	60	80 quai Voltaire - 95877 Bezons
Mantis SA	100	FC	100	24, rue des Jeûneurs - 75002 Paris
Atos Origin Infogérance SAS	100	FC	100	80 quai Voltaire - 95877 Bezons
Atos Télépilotage Informatique SA	51	FC	51	80 quai Voltaire - 95877 Bezons
Atos Consulting SAS	100	FC	100	80 quai Voltaire - 95877 Bezons
Atos Origin A2B SAS	100	FC	100	80 quai Voltaire - 95877 Bezons
Atos Origin Formation SAS	100	FC	100	7/13, rue de Bucarest - 75008 Paris
THE UNITED KINGDOM				
Atos Consulting Limited	100	FC	100	4,Triton square, regent's place - London NW 1 3HG- UK
Atos Origin IT Services UK Ltd	100	FC	100	4,Triton square, regent's place - London NW 1 3HG- UK
THE NETHERLANDS				
Atos Origin IT Services Nederland B.V.	100	FC	100	Papendorpseweg 93 - 3528 BJ Utrecht - The Netherlands
Atos Origin IT Systems Management Nederland B.V.	100	FC	100	Papendorpseweg 93 - 3528 BJ Utrecht - The Netherlands
Atos Origin Nederland B.V.	100	FC	100	Papendorpseweg 93 - 3528 BJ Utrecht - The Netherlands
Atos Origin Telco Services B.V.	100	FC	100	Papendorpseweg 93 - 3528 BJ Utrecht - The Netherlands
Atos Origin Banking Services B.V.	100	FC	100	Papendorpseweg 93 - 3528 BJ Utrecht - The Netherlands
Atos Consulting NV	100	FC	100	Papendorpseweg 93 - 3528 BJ Utrecht - The Netherlands

	% of Interest	Consolidation method	% of Control	Address
E.M.E.A. (EUROPE - MIDDLE EAST - AFRICA)				
Austria				
Atos Origin Information Technology GmbH	100	FC	100	Technologiestraße 8/Genbaude D - 1120 Vienna - Austria
Belgium				
Atos Origin Belgium SA	100	FC	100	Da Vincilaan 5 - 1930 Zaventem
Atos Worldline NV	100	FC	100	Chaussée de Haecht 1442 - B-1130 Brussel
Germany				
Atos Worldline GmbH	100	FC	100	Hahnstraße 25 - 60528 Frankfurt - Germany
Atos Origin GmbH	100	FC	100	Theodor Althoffstraße 47 - 45133 Essen
Atos Worldline Processing GmbH	100	FC	100	Hahnstraße 25 - 60528 Frankfurt - Germany
Greece				
Atos Origin Hellas Information Technology Services SA	100	FC	100	Kifissias 18 - 15125 Maroussi - Athens
Luxembourg				
Atos Origin Luxembourg PSF S.A.	100	FC	100	2, rue Nicolas Bové - L1253 Luxembourg
Morocco				
Atos Origin	100	FC	100	Avenue Annakhil, Espace High-Tech, hall B, 5th floor, Hayryad Rabat
Poland				
Atos Origin IT Services SP ZOO	100	FC	100	Ul. Domaniewska 41 (Taurus Building) - 02-672 Warszawa - Poland
South Africa				
Atos Origin (PTY) Ltd	74	FC	74	204 Rivonia Road, Sandton private bag X 136 - Bryanston 2021
Spain				
Mundivia SA	100	FC	100	Calle Real Consulado , s/n Polígono Industrial Candina - Santander 39011- Spain
Tempos 21, Innovación en Aplicaciones Móviles, SA	97.25	FC	100	Avda. Diagonal, 210-218 - Barcelona 08018 - Spain
Atos Origin Consulting Canarias , SA	100	FC	100	Paseo Tomás Morales , 85 1º - Las Palmas de Gran Canaria 35004 - Spain
Centro de Tecnologias Informáticas , SA	80	FC	80	Paseo de la Condesa de Sagasta , 6 Oficina 1 - León 24001 - Spain
Infoservicios SA	75	FC	75	Albarracin 25 - Madrid 28037 - Spain
Atos Origin, Sociedad Anonima Espanola	100	FC	100	Albarracin 25 - Madrid 28037 - Spain
Switzerland				
Atos Origin AG	100	FC	100	Industriestraße 19 - 8304 Wallisellen (Zurich)
Turkey				
Atos Origin Bilisim Danismanlik ve Musteri Hizmetleri Sanayi ve Ticaret A/S	100	FC	100	Istanbul Sisli ITU Ari Teknokent 2 Maslak Mah. Buyukdere Cad. A Blok Kat: 4 daire: 4

	% of Interest	Consolidation method	% of Control	Address
ASIA PACIFIC				
China				
Atos Covics Business Solutions Ltd	100	FC	100	No. 1 Building, No. 99, Qinjiang Rd-Shanghai-China
Atos Origin Information Technology (China) Co. Ltd	100	FC	100	502 -505 Lido Commercial Bulding, Lido Place, Jichang Road- Chaoyang District- Beijing
Atos Origin (Hong Kong) Ltd	100	FC	100	Units 3B & 05-10, 18/F., Exchange Tower, 33 Wang Chiu Road, Kowloon Bay-Kowloon-Hong Kong
India				
Atos Origin India Private Limited	100	FC	100	Unit 126/127, SDF IV, SEEPZ - Andheri (East) - 400 096 Bombay
Atos Origin IT Services Private Ltd	100	FC	100	C-63, 6th Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi - 110 001
Japan				
Atos Origin KK	100	FC	100	20 F, Shinjuku ParkTower - Nishi Shinjuku 3 - 7 -1 - Shinjuku - ku - Tokyo - Japan
Malaysia				
Atos Origin (Malaysia) SDN BHD	100	FC	100	16-A (1st Floor), Jalan Tun Sambanthan 3, Brickfields, 50470 Kuala Lumpur, Malaysia
Singapore				
Atos Origin (Asia Pacific) Pte Ltd	100	FC	100	620A Lorong 1 Toa Payoh, TP4 Level 5-Singapore 319762
Taiwan				
Atos Origin (Taiwan) Ltd	100	FC	100	5F, No.100, Sec.3, Min Sheng E. Road, Taipei 105-Taiwan-R.O.C.
AMERICAS				
Argentina				
Atos Origin Argentina SA	100	FC	100	Nicolás de Vedia 3892, PB - Ciudad Autónoma de Buenos Aires - C 1430DAL - Argentina
Brazil				
Atos Origin Brasil Ltda	100	FC	100	Avenida Maria Coelho Aguiar, n°215 – 5°andar - Bloco E – Jardim São Luís - São Paulo SP CEP 05805-904
Atos Origin Serviços de Tecnologia da Informação do Brasil Ltda	100	FC	100	Avenida Maria Coelho Aguiar N°215 – 7°andar - Bloco E – Bairro Jardim São Luis - Sao Paulo -SP - CEP 05805-904
The United States of America				
Atos Origin Inc	100	FC	100	5599 San Felipe, Suite 300 Houston - Texas 77056 - 2724 - USA

The complete list of entities part of Atos Origin Group is available on our internet site www.atosorigin.com.

Note 30 Auditors' fees

(In EUR thousand and %)	Total			Deloitte			Grant Thornton		
	2010		2009	2010		2009	2010		2009
	Amount	%	Amount	Amount	%	Amount	Amount	%	Amount
Audit									
Statutory & consolidated accounts	5 230,2	70%	5 214,0	3 051,2	59%	3 042,2	2 179,0	96%	2 171,8
Parent company	*1 701,2*	*23%*	*1 697,0*	*1 077,6*	*21%*	*1 098,6*	*623,6*	*27%*	*598,4*
Subsidiaries	*3 529,0*	*47%*	*3 517,0*	*1 973,6*	*38%*	*1 943,6*	*1 555,4*	*68%*	*1 573,4*
Other services directly related to audit	2 096,0	28%	284,2	1 998,8	39%	184,5	97,2	4%	99,7
Parent company	*1 895,3*	*25%*	*152,0*	*1 861,1*	*36%*	*75,0*	*34,2*	*2%*	*77,0*
Subsidiaries	*200,7*	*3%*	*132,2*	*137,7*	*3%*	*109,5*	*63,0*	*3%*	*22,7*
Sub total Audit	**7 326,2**	**98%**	**5 498,2**	**5 050,0**	**97%**	**3 226,7**	**2 276,2**	**100%**	**2 271,5**
Non audit services									
Legal, tax and social	77,3	1%	22,0	77,3	2%	22,0	-	-	-
Other services	61,2	1%	-	61,2	1%	-	-	-	-
Sub total Non Audit	**138,5**	**1%**	**22,0**	**138,5**	**3%**	**22,0**	**-**	**-**	**-**
Total	**7 464,7**	**100%**	**5 520,2**	**5 188,5**	**100%**	**3 248,7**	**2 276,2**	**100%**	**2 271,5**

C.4 **Parent company summary financial statements**

C.4.1 Statutory auditors' report on the financial statements for the year ended 31 December 2010

This is a free translation into English of the statutory auditors' report on the annual financial statements issued in the French language and it is provided solely for the convenience of English speaking users.
The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includesan explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures
This report also includes information relating to the specific verification of information given in the management report and in the document addressed to the shareholders.
This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended 31 December 2010, on:

- the audit of the accompanying financial statements of Atos Origin S.A.;
- the justification of our assessments;
- the specific verification and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. - Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities, of the financial position of the Company as at 31 December 2010 and of the results of its operations for the year then ended in accordance with French accounting principles.
II. - Justification of our assessments

In accordance with Article L. 823-9 of the French Commercial Code (Code du commerce) relating to the justification of our assessments, we bring to your attention the following matters:

Participating interests, with a net book value of EUR 2 309 065 thousands in the balance sheet as at 31 December 2010, are valued at acquisition cost and depreciated based on its value-in-use according to the principles described in the note “Financial fixed assets” to the financial statements. Our work consisted on appreciating the data and assumptions on which these estimations are based, especially the cash-flow projections prepared by Atos Origin Management, reviewing the calculations performed by the entity and scrutinising the approval procedure of these estimations by Management.

These assessments were made as part of our audit of the financial statements, taken as a whole and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. - Specific verifications and information

We have also performed the specific verifications required by French law in accordance with professional standards applicable in France.

We have no matters to report regarding the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L.225-102-1 of the French Commercial Code (Code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Paris, 31 March 2011

The Statutory Auditors

Deloitte & Associés		Grant Thornton *French member of Grant Thornton International*	
Tristan Guerlain	Christophe Patrier	Jean-Pierre Colle	Vincent Frambourt

C.4.2 Statutory auditor's special report on regulated agreements for the year ended 31 December 2010

This is a free translation into English of the statutory auditors' special report on regulated agreements that is issued in the French language and is provided solely for the convenience of English speaking users. This report on regulated agreements should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements, if any. It is your responsibility, pursuant to article R. 225-31 of the French Commercial Code (Code de Commerce), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information stipulated in article R. 225-31 of the French Commercial Code relating to the implementation during the past year of agreements previously approved by the Shareholders' Meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

AGREEMENTS SUBMITTED TO THE APPROVAL OF THE SHAREHOLDERS' MEETING

Agreements authorized during the year

We hereby inform you that we have not been advised of any agreement authorized during the year to be submitted to the approval of the Shareholders' Meeting pursuant to article L. 225-38 of the French Commercial Code.

AGREEMENTS PREVIOUSLY APPROVED BY THE SHAREHOLDERS' MEETING

Agreements approved in prior years not performed during the year

We have been informed of the following agreements, previously approved by Shareholders' Meetings of prior years, which were not performed during the year.

Agreement concluded with Mr. Thierry Breton, Chairman and Chief Executive Officer, authorised by the Board of Directors meeting of March 26, 2009 - Terms and conditions related to a supplementary collective defined benefit pension plan

The supplementary collective defined benefit pension plan applicable to all members of the Executive Committee of the Atos Origin Group as authorised by the Board of Directors meeting of March 26, 2009 and approved by the Annual General Meeting of May 26, 2009 (fourth resolution), to which Mr. Thierry Breton has belonged since December 31, 2009, continued during the year ended December 31, 2010.

During the year, the Group has made no payment to an insurance company under this agreement and no right has been definitively acquired for the benefit of Mr. Thierry Breton.

Neuilly-sur-Seine and Paris, 31 March 2011

The Statutory Auditors

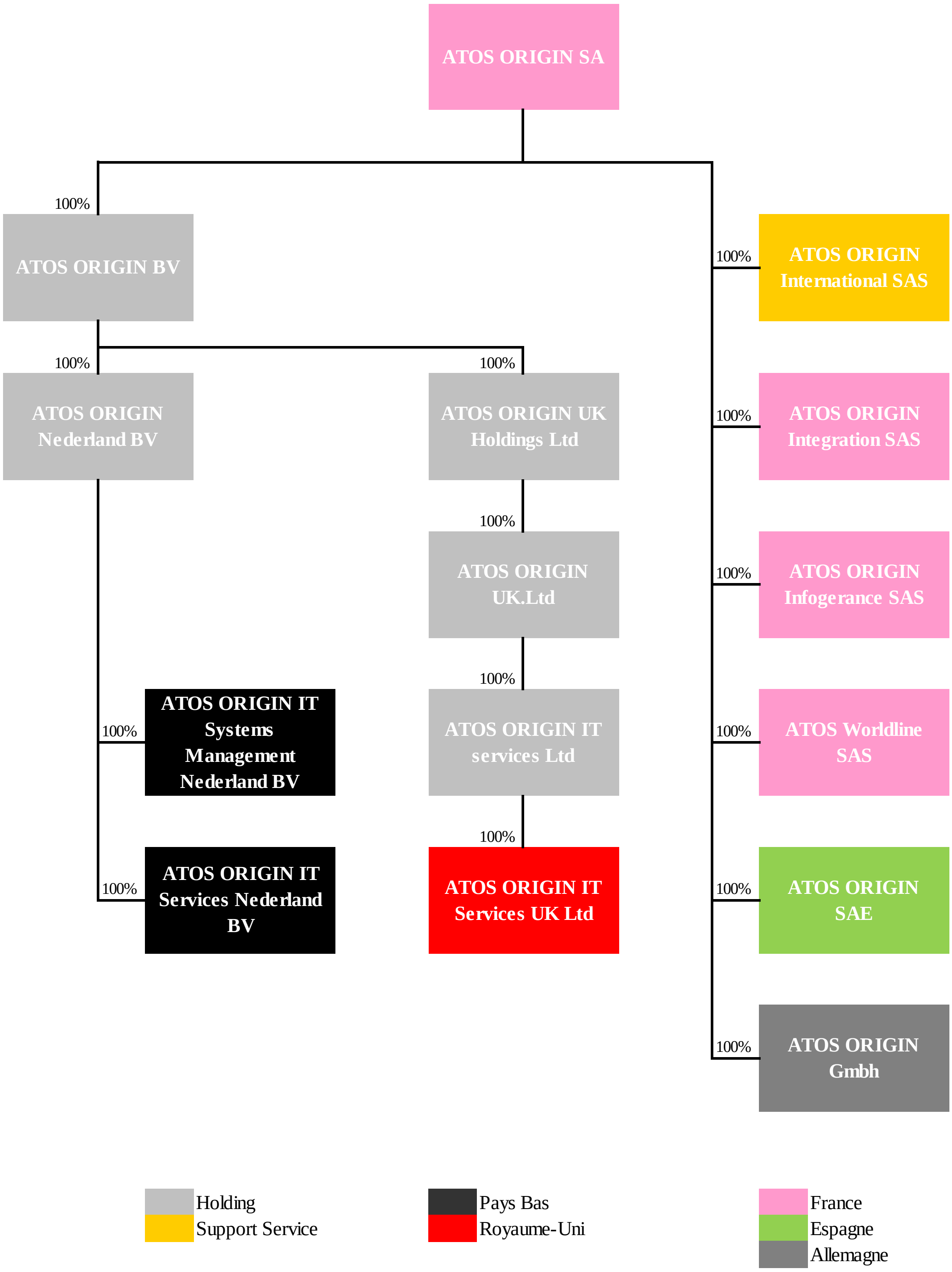
Deloitte & Associés	Grant Thornton *French member of Grant Thornton International*

Tristan Guerlain	Christophe Patrier	Jean-Pierre Colle	Vincent Frambourt

C.4.3 Parent company's simplified organization chart

As of 31 December 2010, the Group issued common stock amounted to EUR 69.9 million comprising 69,914,077 fully paid-up shares of EUR 1 per value each.

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



C.4.4 Statutory financial statements

Statement of financial position

ASSETS (in EUR thousand)	Notes	31 December 2010	31 December 2009
Intangible fixed assets	Note 1	98,887	99,389
Tangible fixed assets	Note 2	222	320
Participating interests	Note 3	2,309,114	2,322,012
Other financial investments	Note 3	530,982	380,023
Total fixed assets		**2,939,205**	**2,801,744**
Trade accounts and notes receivable	Note 4	6,393	4,119
Other receivables	Note 4	367,618	325,873
Cash and cash equivalent	Note 5	163,532	298,269
Total current assets		**537,543**	**628,261**
exchange losses	Note 6	3,754	4,783
TOTAL ASSETS		**3,480,502**	**3,434,788**

LIABILITIES AND SHAREHOLDERS' EQUITY (in EUR thousand)	Notes	31 December 2010	31 December 2009
Common stock		69,914	69,720
Additional paid-in capital		1,414,123	1,409,936
Legal reserves		6,972	6,972
Other reserves and retained earnings		285,921	157,209
Net income for the period		69,674	128,712
Shareholders' equity	Note 7	**1,846,604**	**1,772,549**
Provisions for contingencies and losses	Note 8	**32,780**	**22,327**
Borrowings	Note 9	847,165	849,731
Trade accounts payable	Note 10	16,083	8,653
Other liabilities	Note 10	737,318	781,010
Total liabilities		**1,600,566**	**1,639,394**
Unrecognised exchange gains		552	**518**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**3,480,502**	**3,434,788**

Income statement

(in EUR thousand)	Notes	31 December 2010	31 December 2009
Revenue	Note 11	**42,097**	**42,357**
Other income		301	10
Total operating income		**42,398**	**42,367**
Cost of sales		(11,908)	(11,190)
Taxes		(551)	(219)
Depreciation amortisation and provisions		(136)	(1,093)
Other expenses	Note 12	(11,753)	(19,773)
Total operating expenses		**(24,348)**	**(32,275)**
Operating margin		**18,050**	**10,092**
Net financial result	Note 13	45,997	108,578
Net income on ordinary activities		**64,047**	**118,670**
Non-recurring items	Note 14	(7,275)	(1,189)
Corporate income tax	Note 15	12,902	11,231
Net income for the period		**69,674**	**128,712**

C.4.5 Notes to the statutory financial statements

Atos Origin SA Activity

Atos Origin SA main activities are:

- The management of the Atos Origin trademark;
- The management of Group participating interests;
- The management of Group financing activities.

Revenue included trademark fees received from Group subsidiaries.

The company Atos Origin SA is the parent company of the Atos Origin Group and consequently establishes consolidated financial statements.

Highlights

Atos Origin and Siemens create a European IT Champion

On 14 December 2010, Atos Origin and Siemens announced their intention to form a global strategic partnership detailed in section C.1.6 of the Operational Review in these terms:

On 14 December 2010, Atos Origin and Siemens announced their intention to form a global strategic partnership. Siemens will contribute its Siemens IT Solutions and Services for a total sum of EUR 850 million to Atos Origin in order to create a European IT champion. Siemens will become for a period of at least five years the second shareholder of Atos Origin with a 15% stake. The transaction will create a leading IT services company with pro forma 2010 revenues of approximately EUR 8.7 billion and 78,500 employees worldwide. As part of the transaction, Siemens concluded a seven-year outsourcing contract worth around EUR 5.5 billion, under which Atos Origin will provide Managed Services and Systems Integration to Siemens. The new company will operate the largest European managed services platforms, will be uniquely positioned to deliver cloud computing services, market leading System Integration solutions such as Consolidation & Harmonization, Energy, PLM and to enhance significantly its electronic payments and transaction based activities.

Highlights of the deal

A European IT Service Champion is formed: In exchange for Siemens IT Solutions and Services Siemens will receive a 15% stake in Atos Origin, a five year convertible bond of EUR 250 million and a cash payment of approximately EUR 186 million.

- Siemens will support Atos Origin in taking necessary steps in integrating Siemens IT Solutions and Services, a reshaped asset pre-acquisition, in order to generate substantial synergies in the near future. As part of this it is envisaged that the global work force of Siemens IT Solutions and Services will be reduced by 1,750, including 650 in Germany – mainly in indirect functions such as G&A. Siemens agreed to contribute up to EUR 250 million to the integration and training costs.

- The transaction was subject to a consultation procedure with the Working Council of Atos Origin, which issued its opinion in January 2011. It also obtained the US and European antitrust authorities approval respectively the 18th and 25th March 2011. The operation is expected to close by early July 2011 after approval from Atos Origin Shareholders.

One of the world's biggest outsourcing deals is going along with the transaction: Atos Origin and Siemens to sign a seven-year contract worth EUR 5.5 billion to operate Siemens IT infrastructure and applications worldwide.

Atos Origin and Siemens form a strategic partnership: The sales power of Siemens One will strengthen the new company and should lead to an increase of future revenues. Atos Origin and Siemens will jointly develop new IT products and solutions for which both parties are committed to investing EUR 50 million each. The partnership agreement will provide significant development opportunities in hi-tech transactional Services and growing sectors such as healthcare, energy, transport or manufacturing.

Deal structure

The deal is structured to create short term value for Atos Origin shareholders, including Siemens, and is strongly protective of Atos Origin cash.

The deal creates the framework for a sustainable global partnership between Atos Origin and Siemens. The transaction will be financed by Atos Origin delivering approximately 12.5 million shares to Siemens - representing 15% of the outstanding capital of the combined group, with a five-year lock-up commitment and a cash consideration of EUR 186 million; Atos Origin will also issue a five-year convertible bond re-served to Siemens for EUR 250 million.

The transaction is structured in order to be short-term accretive on the Earning per Share (EPS) for Atos Origin. Siemens IT Solutions and Services will be transferred by Siemens on a debt and cash free basis. Siemens has also agreed to assume responsibility after deal closure for certain obligations including projects risks unidentified at closing.

The creation of a champion in IT Services

The deal is a major step in Atos Origin's strategy to reach a global scale and grow strongly both in IT services and in Hi-Tech Transactional Services. The two organizations benefit from outstanding complementarities regarding customer base, geographies and services. Together they form a strong combination with a presence in 42 countries, and 78,500 staff worldwide, that will accelerate growth, increase shareholders' value and will enhance the services it provides to its customers.

According to market surveys , Atos Origin will rank #1 among European companies for Managed Services in Europe. After this acquisition Atos Origin will also enhance its scale, expertise and capacity to compete for the big and global deals. It will also become a major league player in cloud computing which will be a major growth driver for years to come.

According to surveys, Atos Origin will become one of the first IT Services players in Europe in terms of revenue and number seven worldwide, with a significant increase in its customer base and range of offerings to win new sales opportunities.

Tax audit

During the current year 2010, the company Atos Origin SA and the main companies within the tax consolidation group were the subject of a tax audit. The consequences of this control were not significant for the company.

Rules and accounting methods

In application with CRC 99-03, the financial statements of Atos Origin S.A. have been prepared in accordance with generally accepted accounting principles in France and with the provisions of the French General Accounting Plan (*Plan Comptable Général*).
General conventions were applied, in the respect of:

- principle of prudence;
- principle of going concern;
- permanence of the accounting methods from one exercise to another;
- cut-off principle.

As a principle, items are booked in the accountancy based on the historical cost method.
The annual accounts are established and presented in thousands of euros.

Intangible assets

Intangible assets consist of software and merger deficit.

The software are booked at the acquisition cost and amortised on a straight-line basis over their expected useful life.

The merger deficit acquired before 2004 is amortised on a straight-line basis over 20 years.
The Company applied the regulation CRC 2004-01 relating to the accounting treatment of mergers and similar operations which occurred from 1st January 2004. Those merger deficits are subject to an annual impairment test. An impairment loss is recognised when the sum of the merger deficit and the related gross value of the participating interest exceed the enterprise value.
The enterprise value is computed on the basis of expected three year future cash flow through assumptions approved by the management of the Company.

Tangible assets

The tangible fixed assets (buildings / fittings) are booked at their acquisition value excluding any financial expenses.
The depreciation calculation is based on a straight-line method over the useful life of the assets, as follows:

- Buildings: 20 years
- Fixtures and fittings: 5 to 10 years.

Financial assets

Financial assets consist of participating interests and other financial investments (treasury stock, loans).
Participating interests are booked at their acquisition cost; an impairment loss is recognised when the acquisition cost exceeds the value-in-use determined as follows:

- for the operational subsidiaries, the value-in-use is determined on the basis of the enterprise value described above;
- for the holding subsidiaries, the value-in-use is calculated based on their shareholding equities.

Treasury stocks are recorded at their acquisition cost, those 1,293 shares classified as financial assets are not held in the context of a liquidity contract nor in the intention to grant them as free shares plan or stock-options plan. A depreciation charge is recognised when the carrying value exceeds the weighted average market price of Atos Origin stock for the month of December.
Loans are mainly intra-group transactions.

Trade accounts and notes receivable

Trade accounts and notes receivable are recorded at their nominal value. They are calculated individually and, if necessary, are subject to an impairment loss.

Trade accounts and notes receivable denominated in foreign currency are booked at their fair value at the closing date. The difference between their historical value and their fair value at year-end is booked as unrecognized exchange gain or loss.

Cash and cash equivalents

Treasury stocks are recorded at their acquisition cost in the context of a liquidity contract or in the intention to grant them as free shares plan or stock-options plan.

For the shares acquired in the context of the liquidity contract a depreciation charge is recognised when the carrying value exceeds the weighted average market price of Atos Origin stock for the month of December.

The shares acquired to be granted for the Management Incentive Plan (MIP) and Long Term Incentive (LTI) plans are valued at the purchase price for those bought from 2008, at the net book value as at 31 December 2007 for the others, further to the accounting method changes into 2008 in application of:

- the CNC guideline n°2008-17;
- the CRC regulation n°08-15, art 6;
- the recommendation of the CNC n°2009-R-01 of 5 February 2009.

Prepayments, deferred expenses

The deferred expenses relate exclusively to the costs for issuing borrowings. Those costs are recognized over the duration of the borrowings on a straight-line basis.

Provisions

The amount of the provisions is based on the best estimate of the outflow of resources necessary to extinguish the underlying obligation.

When the participating interest is fully impaired, an additional provision for risk may be required when the carrying value exceeds the value in-use.

A provision for contingencies is booked for free share grants and stock-options plans for the vesting period according to the application of:

- the CNC guideline n°2008-17;
- the CRC regulation n°08-15, art 6;
- the recommendation of the CNC n°2009-R-01 of 5 February 2009.

Note 1 Intangible assets

Net value of intangible fixed assets

(in EUR thousand)	31 December 2009	Acquisitions /charges	Disposals/ reversals	31 December 2010
Intangible assets	**183,539**	**-**	**(69,621)**	**113,918**
Amortisation	(7,878)	(502)	-	(8,380)
Depreciation	(76,272)	-	69,621	(6,651)
Total of amortisation & depreciation	**(84,150)**	**(502)**	**69,621**	**(15,031)**
Of which : - operating		*(10)*	-	
- financial		-	-	
- non-recurring items		*(492)*	-	
Net value of intangible assets	**99,389**	**(502)**	**-**	**98,887**

The intangible assets are mainly composed of a merger deficit resulting from the transfer of assets and liabilities from Atos Investissement 6 to Atos Origin SA in 2004.
This merger deficit was allocated to the various assets brought to allow a proper follow-up and is broken down as follows:

- France EUR 40.8 million;
- Spain EUR 63.8 million;
- Sweden EUR 69.6 million.

The merger deficit for Sweden activities has been written off as the activities in Sweden have been sold; this part was fully impaired and consequently the impairment has been released.

The other merger deficit acquired before 2004 amounts to EUR 9.7 million in gross value.

These malis are depreciated linearly.

Note 2 Tangible fixed assets

Net value of tangible fixed assets

(in EUR thousand)	31 December 2009	Acquisitions / Charges	Disposals / Release	31 December 2010
Tangible fixed assets	2,684	-	-	2,684
Depreciation of tangible fixed assets	(2,364)	(98)	-	(2,462)
Of which operating		*(98)*	-	
Net value of tangible fixed assets	**320**	**(98)**	**-**	**222**

Tangible fixed assets include land and buildings for a gross value of EUR 1.7 million and fixtures and fittings for a gross value of EUR 1.0 million.

Note 3 Financial fixed assets

Change in financial fixed assets – Gross value

(in EUR thousand)	31 December 2009	Acquisition	Decrease	31 December 2010
Investments in consolidated companies	2,467,131	1,475	(1,001)	2,467,605
Investments in non consolidated companies	139	-	-	139
Treasury stocks	92	-	-	92
Other investments	85	-	-	85
Total Investments	**2,467,447**	**1,475**	**(1,001)**	**2,467,921**
Loans and accrued interests	130,913	411	(1,437)	129,887
Others	249,110	151,985	-	401,095
Total Other financial assets	**380,023**	**152,396**	**(1,437)**	**530,982**
TOTAL	**2,847,470**	**153,871**	**(2,438)**	**2,998,903**

Acquisitions of shares related mainly to capital increase of several subsidiaries:

- Atos Consulting for EUR 0.4 million;
- Atos Worldgrid for EUR 1.0 million.

Decrease of shares related to the sale of Atos Worldgrid to Atos Integration for EUR 1.0 million.

Loans were refunded by Atos Origin Pty (South Africa) for EUR 1.4 million.

Other financial fixed assets correspond to the deposit granted under the securitisation program.

Change in financial fixed assets – Impairment

(in EUR thousand)	31 December 2009	Depreciation	Release	31 December 2010
Investments in consolidated companies	(145,186)	(15,441)	2,060	(158,567)
Investments in non consolidated companies	(112)	-	-	(112)
Treasury stocks	(52)	-	9	(43)
Other investments	(85)	-	-	(85)
TOTAL	**(145,435)**	**(15,441)**	**2,069**	**(158,807)**
Of which financial		*(15,441)*		

The charge of the period is related to:

- Atos Origin International SAS for EUR 6.1 million;
- Atos Consulting for EUR 5.9 million;
- Atos Participation 2 for EUR 3.4 million.

The release of the period is related to Atos IT Brazil for EUR 2.1 million.

Net value of the financial fixed assets

(in EUR thousand)	Gross amount	Depreciation	Net value
Investments in consolidated companies	2,467,605	(158,567)	2,309,038
Investments in non consolidated companies	139	(112)	27
Treasury stocks	92	(43)	49
Other investments	85	(85)	0
Loans and accrued interests	129,887	-	129,887
Others	401,095	-	401,095
TOTAL	**2,998,903**	**(158,807)**	**2,840,096**

Maturity of loans and other financial fixed assets

(in EUR thousand)	Gross amount 31 December 2010	Up to 1 year	1 to 5 years
Loans and accrued interests	129,887	129,887	-
Others	401,095	401,095	-
TOTAL	**530,982**	**530,982**	**-**

Accrued interests amount to EUR 0.3 million (2009: EUR 0.5 million)

Main subsidiaries and investments

(in EUR thousand)	Gross value at 31 December 2010	Net value at 31 December 2010	% interest	Net Income at 31 December 2010	Shareholders' equity
I - Detailed information					
A - Subsidiaries (50% or more of common stock)					
France					
Atos Worldline	110 015	110 015	100%	16 678	141 320
Atos Investissement 5	618 681	618 681	100%	40 709	663 609
Atos Origin Infogérance	101 776	101 776	92%	(11 459)	16 675
Atos Origin Formation	2	2	100%	829	1 319
Atos Origin Intégration	59 906	59 906	92%	(29 672)	(6 023)
Atos Consulting	16 539	9 096	68%	(185)	1 312
Atos Origin Participation 2	30 616	23 928	100%	199	16 325
Atos Origin International	30 878	0	100%	(20 273)	(14 148)
Atos Investissement 10	11 140	11 140	100%	4	10 336
Atos Origin Management France	40	0	100%	(3 320)	(4 988)
Atos Investissement 12	40	40	100%	(1)	34
Atos Meda	40	0	100%	(1 387)	(8 043)
Atos Investissement 19	37	37	100%	(1)	36
Atos Investissement 20	37	37	100%	(1)	36
Atos Investissement 21	37	37	100%	(1)	36
Italie					
Atos Multimédia	68	68	100%	-	171
Atos Origin Srl	57 183	0	100%	(175)	(484)
Benelux					
St Louis RE	2 139	2 139	100%	-	2 140
Espagne					
Atos Origin SAE	53 389	53 389	100%	(21 910)	24 239
GTI	751	751	100%	94	551
Allemagne					
Atos Origin GMBH	160 750	160 750	100%	14 364	97 208
Sema GMBH	50 637	0	100%	(110)	(2 092)
Pays-Bas					
Atos Origin BV	1 139 608	1 139 608	100%	1 463	479 695
Brésil					
Atos Origin Serviços de Tecnologia da Informação do Brasil Ltda	23 285	17 638	55%	(637)	9 107
II – Global Informations					
Others participations	150	26			
TOTAL	2 467 744	2 309 064			

Note 4 Trade accounts, notes receivable and other receivables

Trade accounts, notes receivable and other receivables

(in EUR thousand)	Gross amount 31 December 2010	Depreciation	Net value 31 December 2010	Net value 31 December 2009
Trade accounts and notes receivable	3,271	-	3,271	2,541
Doubtful debtors	289	(245)	44	44
Invoices to be issued	3,078	-	3,078	1,534
State and income tax	760	-	760	326
VAT receivable	2,528	-	2,528	3,743
Intercompany current account	361,790	-	361,790	321,013
Other debtors	2,742	(202)	2,540	791
TOTAL	**374,458**	**(447)**	**374,011**	**329,992**
Of which - operating		*(447)*		

Maturity of trade accounts receivable and other debtors

(in EUR thousand)	Gross amount 31 December 2010	Up to 1 year	1 to 5 years
Trade accounts and notes receivable	3,271	3,271	-
Doubtful debtors	289	-	289
Invoices to be issued	3,078	3,078	-
State and income tax	760	760	-
VAT receivable	2,528	2,528	-
Intercompany current account	361,790	361,790	-
Other debtors	2,742	2,742	-
TOTAL	**374,458**	**374,169**	**289**

Accrued income

(in EUR thousand)	31 December 2010	31 December 2009
Accrued income included in Receivable accounts		
Invoices to be issued	3,078	1,534
Other debtors	432	278
TOTAL	**3,510**	**1,812**

Note 5 Cash and cash equivalents

(in EUR thousand)	Gross amount 31 December 2010	Depreciation	Net value 31 December 2010	Net value 31 December 2009
Mutual funds	88,593	-	88,593	5,610
Treasury stocks - liquidity contract	-	-	-	2,412
Treasury stocks	4,995	-	4,995	3,035
Treasury stocks for share based	4,187	-	4,187	17,291
Short Term Bank deposits	50,000	-	50,000	230,027
Cash at bank	15,757	-	15,757	39,894
TOTAL	**163,532**	**-**	**163,532**	**298,269**

The 252,258 own shares acquired within the framework of the plans of profit-sharing 2007 and 2008 Long Term Incentive Plan (LTI) and Management Investment Plan (MIP) are accounted for an amount of EUR 9.2 million of which EUR 5.0 million of shares non allocated because conditions of attribution have not been met.

Note 6 Prepayments and deferred expenses

(in EUR thousand)	31 December 2010	31 December 2009
Prepaid expenses	118	110
Deferred expenses	3,636	4,673
TOTAL	**3,754**	**4,783**

C.4.5.1 Notes on Liabilities and Shareholders' equity

Note 7 Shareholders' equity

Common stock

	31 December 2010	31 December 2009
Number of shares	69,914,077	69,720,462
Nominal value (in EUR)	1	1
Common stock (in EUR thousand)	**69,914**	**69,720**

Capital ownership structure over three years

	31 December 2010		31 December 2009		31 December 2008	
	Shares	**%**	**Shares**	**%**	**Shares**	**%**
Financière Daunou 17	17,442,839	25.0%	15,765,838	22.6%	15,765,838	22.6%
Pardus	1,821,869	2.6%	7,000,004	10.0%	7,000,004	10.0%
Centaurus	-	-	1,332,140	1.9%	3,492,119	5.0%
FMR Llc	3,498,744	5.0%				
Management Board					33,785	0.1%
Supervisory Board					10,721	0.0%
Board of Directors	14,640	0.0%	14,938	0.0%	-	-
Total Dirigeants	**14,640**	**0.0%**	**14,938**	**0.0%**	**44,506**	**0.1%**
Employees	2,523,605	3.6%	2,279,112	3.3%	2,119,700	3.0%
Treasury stocks	253,551	0.4%	652,152	0.9%	1,111,293	1.6%
Public	44,358,829	63.4%	42,676,278	61.2%	40,183,993	57.6%
Total	**69,914,077**	**100.0%**	**69,720,462**	**100.0%**	**69,717,453**	**100.0%**
Registered shares	1,403,026	2.0%	1,629,770	2.3%	1,703,175	2.4%
Bearer shares	68,511,051	98.0%	68,090,692	97.7%	68,014,278	97.6%
Total	**69,914,077**	**100.0%**	**69,720,462**	**100.0%**	**69,717,453**	**100.0%**

In January 2010, the fund Fidelity Management and Research (FMR) exceeded the 5% threshold with 5.02% of Atos Origin share capital and voting right.

The shares owned by employees are held through mutual funds and corporate savings plans.

The 7th resolution of the Annual General Meeting of 27 May 2010 renewed the authorisation to trade in the Group's shares. The number of shares purchased may not exceed 10% of the Company's common stock. At 31 December 2010, the Company held 253,551 shares of treasury stocks.

The free-float of the Group shares exclude stakes exceeding 5% of the issued capital of the Group, namely the main shareholder, Financière Daunou 17 (PAI Partners) owning 25.0% of the Group share capital on 31 December 2010. Any other shareholder owns or disclosed to own more than 5% of the issued capital of the Group. Stakes owned by the employees and the management are excluded from the free float.

	31 December 2010			31 December 2009		
	Shares	**% Capital**	**% voting rights**	**Shares**	**% Capital**	**% voting rights**
Treasury stocks	253,551	0.4%	0.4%	652,152	0.9%	0.9%
Financière Daunou 17	17,442,839	25.0%	25.0%	15,765,838	22.6%	22.6%
Board of Directors	14,640	0.0%	0.0%	14,938	0.0%	0.0%
Employees	2,523,605	3.6%	3.6%	2,279,112	3.3%	3.3%
Free Float	49,679,442	71.1%	71.1%	51,008,422	73.2%	73.2%
Total	**69,914,077**	**100.0%**	**100.0%**	**69,720,462**	**100.0%**	**100.0%**

Changes in shareholders' equity

(in EUR thousand)	31 December 2009	Dividends	Appropriation of result	Capital increase	Net Income 2010	31 December 2010
Common stock	69,720			194		69,914
Additional paid-in capital	1,409,936			4,187		1,414,123
Legal reserve	6,972					6,972
Other reserves	25,511					25,511
Retained earnings	131,698		128,712			260,410
Net income for the period	128,712		(128,712)		69,674	69,674
TOTAL OF THE SHAREHOLDERS' EQUITY	**1,772,549**	**-**	**-**	**4,381**	**69,674**	**1,846,604**

Potential common stock

Based on 69,914,077 shares issued, the common stock could be increased by 14,892,571 new shares, representing an increase of 21.3% vesting:

- Stock-options granted to employees;
- Convertible bonds into new shares according to OCEANE.

	31 December 2010	31 December 2009	Variation
Number of shares outstanding	**69,914,077**	**69,720,462**	**193,615**
Conversion of Oceanes	5,414,771	5,414,771	-
Stock options	9,477,800	10,310,776	(832,976)
Total potential common stock	**84,806,648**	**85,446,009**	**(639,361)**

On the total of 9,477,800 of stock options,3,220,287 options have a price of exercise higher than EUR 50.

Note 8 Provisions

Provisions

(in EUR thousand)	31 December 2009	Charges	Release used	Release unused	31 December 2010
Subsidiary risk	9,493	19,388	-	-	28,881
Contingencies	12,340	1,078	(10,013)	-	3,405
Litigations	494	-	-	-	494
TOTAL	**22,327**	**20,466**	**(10,013)**	**-**	**32,780**
Of which - operating		*28*	*-*	*-*	*28*
- financial		*20,438*	*(10,013)*	*-*	*10,425*

The evaluation of the participating interest led to an additional charge for the following subsidiaries:

- Atos Origin international EUR 14.1 million;
- Atos Origin Management France EUR 3.9 million;
- Atos Meda EUR 1.3 million.

The grant for shares 2007 LTI/MIP for the two year plans led to the release of EUR 10 million.

Note 9 Financial borrowings

Closing net debt

(in EUR thousand)		Up to 1 year	1 to 5 years	Gross value 31 December 2010	Gross value 31 December 2009
Long and medium term borrowings		-	250,000	250,000	250,000
Bank overdraft		162,841	-	162,841	306,103
Other borrowings		434,324	-	434,324	293,628
BORROWINGS	Note 5	597,165	250,000	847,165	849,731
CASH AT BANK		15,757		15,757	39,894
CLOSING NET DEBT		**581,408**	**250,000**	**831,408**	**809,837**

Financial borrowings included:

- Profit-sharing for a total amount of EUR 18.7 million;
- Intercompany loans for EUR 415.6 million;
- On 29 October 2009,Atos Origin SA issued a convertible bond (OCEANE) of EUR 250 million maturing on 1 January 2016.

Deferred expenses related to Other Borrowings amount to EUR 8.3 million (2009: EUR 3.1 million).

Structure of the syndicated loan (2005-2012)

On 12 May 2005, Atos Origin signed with a number of major financial institutions a EUR 1.2 billion multi-currency revolving facility. With an initial term of five years, this facility was extended twice of an additional year. As of 31 December 2010, Atos Origin SA has not used this multi-currency revolving facility.

Securitization

On 6 March 2009, Atos Origin renewed its pan-European securitisation program for a maximum amount for assignment of receivable of EUR 500 million and a maximum amount for financing of EUR 200 million. On 31 December 2010, Atos Origin SA received EUR 152 million for this program (EUR 145.6 million in 2009).

Note 10 Trade accounts , notes payable and other liabilities

Maturity of trade accounts, notes payable and other liabilities

(in EUR thousand)	Gross amount 31 December 2010	Up to 1 year	1 to 5 years	Gross amount 31 December 2009
Accounts payable	14,857	14,857	-	8,166
Social security and other employee welfare liabilities	672	672	-	350
VAT payable	554	554	-	62
Intercompany current account liabilities	736,276	736,276	-	780,441
Other liabilities	1,042	1,042	-	643
TOTAL	**753,401**	**753,401**	-	**789,662**

Terms of payment

The general terms of purchases are sixty days as from the date of issuance of the invoice except lawful or agreed contrary provisions between the parties.

The breakdown of accounts payable at the end of the financial year is as follows:

(in EUR thousand)	31 December	Associated companies	Other	Invoices aged before year	Invoices due at 31st December	Invoices non due at 31st December
2010						
Accounts payable and liabilities	**14,857**	**6,568**	**8,289**	**86**	**25**	**14,746**
	100.0%			0.6%	0.2%	99.3%
Accounts payable	3,116	1,143	1,973	86	25	3,005
Invoices to be received	11,741	5,425	6,316	-	-	11,741
2009						
Accounts payable and liabilities	**8,166**	**5,018**	**3,148**	**204**	**91**	**7,871**
	100.0%			2.5%	1.1%	96.4%
Accounts payable	1,983	1,458	525	204	91	1,688
Invoices to be received	6,183	3,560	2,623	-	-	6,183

Deferred Expenses

(in EUR thousand)	31 December 2010	31 December 2009
Deferred Expenses included in the trade payable accounts		
Invoices to be received	11,741	6,182
Other liabilities	768	407
State and employee related liabilities	71	76
TOTAL	**12,580**	**6,665**

C.4.5.2 **Notes on the Income Statement**

Note 11 Revenue and Activity

Revenue split

(in EUR thousand)	31 December 2010		31 December 2009	
		%		%
Trademark fees	38,447	91.3%	38,905	91.9%
Re-invoicing	353	0.8%	987	2.3%
Parental guarantees	3,297	7.8%	2,465	5.8%
TOTAL REVENUE by nature	**42,097**	**100.0%**	**42,357**	**100.0%**
France	16,203	38.5%	16,351	38.6%
Foreign countries	25,894	61.5%	26,006	61.4%
TOTAL REVENUE by geographical area	**42,097**	**100.0%**	**42,357**	**100.0%**

The revenue mainly includes trademark fees received from Group companies for a total amount of EUR 38.4 million, decrease compared to 2009, according to the revenue evolution of the Group.

Note 12 Other expenses

Expenses

(in EUR thousand)	31 December 2010	31 December 2009
Expenses of the functions' Group	(11,073)	(19,240)
Directors' fees	(411)	(421)
Other expenses	(269)	(112)
TOTAL	**(11,753)**	**(19,773)**

Expenses detailed above mainly include marketing, communication, investor relations and human resources expenses invoiced by Atos Origin International SAS and other holdings subsidiaries to the Company including fees paid to the International Olympic Committee.
Atos Origin SA had no employee in 2010 and in 2009.

The total amount of directors fees to the members of the Board of Directors of Atos Origin for the full year 2010 was EUR 0.4 million.

Note 13 Financial result

(in EUR thousand)	31 December 2010	31 December 2009
Dividends received	82,373	112,275
Intercompany current account interests	2,617	4,093
Other financial assets income	3,529	4,919
Reversal of provisions on investments in consolidated companies	2,060	44,881
Reversal of provisions on treasury stock	10,013	-
Reversal of other financial provisions	2,452	22,700
Disposal of short-term investment	962	530
Foreign exchange gains	5,090	733
Other financial income	11,507	9,628
TOTAL OF THE FINANCIAL INCOME	**120,603**	**199,759**
Interests on borrowings	(7,722)	(2,732)
Securitisation interests	(1,437)	(2,886)
Intercompany loans interests	(7,080)	(6,706)
Intercompany current accounts interests	(68)	(3,340)
Provision for goodwill depreciation	-	(1,883)
Provision for depreciation on investments in consolidated companies	(15,441)	(28,455)
Provision for depreciation of treasury stocks	(1,050)	(1,118)
Other financial provisions	(20,517)	(8,118)
Loss on receivables held by participating investments	1	(10,623)
Short term borrowing interests	(2,599)	(4,016)
Foreign exchange losses	(5,103)	(1,709)
Other financial expenses	(13,590)	(19,595)
TOTAL OF THE FINANCIAL EXPENSES	**(74,606)**	**(91,181)**
NET FINANCIAL RESULT	**45,997**	**108,578**

The financial income is mainly related to dividends received for EUR 82.4 million from Atos Investissement 5, Atos Participation 2 and Atos Origin Formation for respectively EUR 79.5 million, EUR 1.9 million and EUR 1.0 million.
The release of the provision is related to MIP/LTI plans for EUR 10 million and the release of the provision on treasury stocks due to the increase of the weighted average market price of Atos Origin stock in December 2010 compared to December 2009.

Other financial income for EUR 11.5 million is related to the re-invoicing to the Company subsidiaries of these free shares.

The Other financial expenses for EUR 13.6 millions relate to the grant of these free shares.

The depreciation on investments has been disclosed in the Note 3 Financial Assets – Impairment.
The Other financial provision is mainly due to the evaluation of participating interest and has been disclosed in the Note 8 Provisions.
Interests on borrowings include the interest related to the coupon paid to OCEANE holders for EUR 6.2 million.

Note 14 Non recurring items

Non recurring items coming from ordinary activities are those whose realisation is not related to the current operations of the Company due to their unusual, abnormal and infrequent nature.

(in EUR thousand)	31 December 2010	31 December 2009
Selling price from disposal of financial assets	1,001	-
Reversal of provision for intangible assets	69,621	-
Reversal of provision for trade accounts receivable	967	-
Other income	307	-
TOTAL OF NON RECURRING INCOME	**71,896**	**-**
Amortisation of goodwill	(492)	(492)
Net book value of intangible assets sold	(69,621)	-
Net book value of financial assets sold	(1,001)	(67)
Other expenses	(8,057)	(630)
TOTAL OF NON RECURRING EXPENSES	**(79,171)**	**(1,189)**
NON RECURRING ITEMS	**(7,275)**	**(1,189)**

The net book value of intangible assets concerns the cancellation of the merger deficit of Sweden. This loss is compensated by a release of provision of the same amount.

The Other expenses mainly include professional fees related to the acquisition of Siemens IT Solution and Services for EUR 7.5 million.

Note 15 Tax

Decrease and increase of the future tax charge of Atos Origin taxed separately.

At December 2010, decrease and increase of the future tax charge are broken down as follows:

(in EUR thousand)	Basis Decrease	Basis Increase
Non deductible provisions for timing differences	-	9,930
TOTAL	**-**	**9,930**

No deferred tax assets or liabilities have been recognized.

Breakdown between net income on ordinary activities and non recurring items

(in EUR thousand)	Before tax	Computed tax	Net amount
Net income on ordinary activities	64,047	-	64,047
Non recurring items	(7,275)	-	(7,275)
Tax credit	-	12,902	12,902
TOTAL	**56,772**	**12,902**	**69,674**

At December 2010, there is no risk of repayment of the tax credit booked in the frame of the French Tax Consolidation as per the French Tax Consolidation Agreement.

The difference between the tax booked in the accounts and the tax that would have been booked in the absence of French Tax Consolidation is EUR 12.9 million. The total amount of the loss carried forward is EUR 184.5 million.

Tax consolidation agreement

As per the article 223-A from the French Fiscal Code, Atos Origin SA signed an agreement of Group tax consolidation with a certain number of its French subsidiaries with effect as of 1 January 2001.

Atos Origin as parent company of the Group is designated as the only liable entity for the corporate tax of the Group tax consolidation:

The main features of the Agreement are:

- Each subsidiary records in its accounts the amount of tax that it would have paid on a stand-alone basis;
- Tax savings related to the use of the tax losses of the Tax Consolidation members will be only temporary since the subsidiaries concerned will still be able to use them. Consequently the tax savings are booked as liabilities towards those subsidiaries;
- Atos Origin SA is the only liable for any additional tax to be paid in the event of an exit of the subsidiaries from the French Tax Consolidation.

Note 16 Off balance sheet commitments

Commercial and contractual commitments

(in EUR thousand)	31 December 2010	31 December 2009
Performance Guarantees	1,210,598	1,152,003
Bank guarantees	196	196
TOTAL	**1,210,794**	**1,152,199**

For various large long term contracts, the Group provides performance guarantees to its clients. These guarantees amount to EUR 1,211 million as of 31 December 2010, compared with EUR 1,152 million as of 31 December 2009.

In the framework of the contract for the provision of IT services signed by Atos Origin IT Services UK Limited with the International Olympic Committee (IOC), Atos Origin SAE (Spain) has granted a full performance guarantee to the IOC by which it commits to perform the contract in case the signing entity (or any other affiliate to whom the signing entity could have assigned all or part of the rights and obligations under the contract) is unable to provide services required under the contract.

In relation to the multi-currency revolving facility, Atos Origin SA issued a parental guarantee to the benefit of the consortium of banks represented by BNP Paribas, in order to cover up to EUR 440 million the obligations of its subsidiary, Atos Origin Telco Services B.V.

Atos Origin SA has given a EUR 120 million guarantee to the Stichting Pensionfonds Atos Origin. This guarantee is provided to secure the payment obligations of Atos Origin Nederland under the cover ratio mechanism in case of its failure to pay associated sums.
Subsequent to the Cellnet disposal in July 2004, Atos Origin SA still has one outstanding guarantee with Schlumberger related to Citicorp for a total amount of USD 63,152 million, which is fully counterguaranteed by the acquirer of Cellnet, “Cellnet Holdings Corp”.

In relation to its subsidiary Atos Worldline Belgium operating in the commercial acquiring of card transactions, Atos Origin Group has guaranteed directly or indirectly, its partners Visa International and MasterCard in case of default of payment resulting from its role of intermediary between the payment issuer and the beneficiary, or any major breaches to their rules. Some of these guaratees have expired and the maximum amount is now USD 28,5 million. The effective risk is considered as very low.

In addition Atos Origin SA has granted a EUR 26,5 million guarantee to AIG Europe SA for the performance of the duties of its reinsurer St-Louis-Re. The Guarantee could only be exercised in the very unlikely event that St Louis Re was unable to meet all of its reinsurance obligations to AIG Europe. This guarantee should be renewed soon on a yearly basis.

Finally, Atos Origin SA or Atos Origin BV have given for various subsidiaries guarantees of general financial support at the request of auditors or to comply with local regulations.

Note 17 Risk analysis

Market risks: Fair value of financial instruments

Cash at bank and short term deposits, trade accounts receivable, bank overdraft and trade accounts payable.

Due to the short term nature of these instruments, the Group considers that the accounting value constitutes a reasonable estimate of their market value as of 31 December 2010.

Long and medium term liabilities

As of 31 December 2010, Atos Origin SA presents a long and medium term liabilities related to the syndicated loan.

Liquidity risk

Syndicated loan
The major financing tool of Atos Origin is a EUR 1.2 billion multi-currency revolving facility signed on 12 May 2005 with the major financial institutions; it includes a five-year maturity and a two-year extension option exercisable in 2006 and 2007. These options were exercised in 2006 and 2007 extending the maturity of the multi-currency revolving facility until 12 May 2011 for EUR 1.2 billion and 12 May 2012 for EUR 1.1 billion.

Bank covenants are the following:

- The consolidated leverage ratio (net debt divided by Operating Margin before Depreciation and Amortisation) may not be greater than 2.5 times under the multi-currency revolving facility.
- The consolidated interest cover ratio (operating margin divided by the net cost of financial debt) may not be less than four times throughout the term of the multi-currency revolving facility.

Securitization program
In March 2009, Atos Origin has renewed his securitization program with Ester Finances, a subsidiary of CALYON rated AA- by Standard & Poors and Aa2 by Moodys for 5 years. The maximum amount of the program is EUR 200.0 million.

The trade accounts receivable of certain entities of Atos Origin based in the Netherlands, in France, in England and Germany are transferred on a recurring basis to this financing institution. This transaction is financed through the issue of commercial notes rated A1P1. This rate is granted due to an underlying deposit made by Atos Origin. The deposit amount is calculated every month and is based on various criteria such as the dilution ratio, the days sales outstanding (DSO), losses, etc.

As of 31 December 2010, the total amount of the trade accounts receivable transferred to Ester Finances amounted to EUR 411.1 million.

The Group aligned its contractual obligations under this program on the most favourable conditions of the renewable multicurrency credit facilities described above.

Convertible bond OCEANE (bond convertible into and/or exchangeable for new or existing shares of Atos Origin)

On 29 October 2009, Atos Origin issued a convertible bond (OCEANE) of EUR 250.0 million maturing on 1 January 2016.Annual coupon paid to the bond holders is 2.5%.

Liquidity risk at 31 December 2010:

Instruments	**Fix / Variable**	**Line** *(in EUR Million)*	**Maturity**
Syndicated loan	Variable	1 100	May 2012
Securitization program	Variable	200	March 2014
Oceane	Fix	250	01 January 2016

Credit risk
The Group has a fully-integrated process concerning credit risk. In its trade relations, the Group manages its credit risk with a portfolio of diversified customers and follow-up tools.

Financial wise, the Group monitors the credit risk on its investments and its market operations by rigorously selecting leading financial institutions and by using several banking partners. The Group thus considers its credit exposure as being limited.

Market risk
Monetary assets of the Group comprise receivables and loans, securities investments and cash at bank. Monetary liabilities comprise financial, operating and other liabilities.

Interest rate risk
The exposure to interest risk encompasses two types of risks:

- A price risk on fixed-rate financial assets and liabilities. For example, by contracting a fixed-rate liability, the Company is exposed to potential opportunity losses should interest rates fall. A change in interest rates would impact the market value of fixed-rate financial assets and liabilities. However, this loss of opportunity would not impact financial income and expenses as reported in the Company's Income Statement and, as such, future net income of the Company up to maturity of these assets and liabilities.
- A cash-flow risk on floating-rate financial assets and liabilities. The Group considers that a variation in rates would have little incidence on floating-rate financial assets and liabilities.

Note 18 Related parties

According to the ANC regulation (2010-02), related parties transactions concern a list of the significant transactions made by the company with related parties when these transactions have not been dealt at market conditions. This information is not required for transactions made by the company with wholly owned subsidiaries, between sister companies owned in whole and between sister companies wholly owned by the parent company.

For Atos Origin SA the transactions of market are respected and it is not necessary to disclose such an information.

Note 19 Subsequent event

The company has signed 1st February 2011 with Siemens a final binding agreement to acquire Siemens IT Solutions and Services and to proceed with the global partnership announced by both companies on 15th December 2010. The conclusion of this agreement follows the issuance of the opinion by the European Works Council of Atos Origin on this transaction and the approval of the transaction by the Atos Origin Board of Directors. Subject to customary conditions precedent, including approval from the relevant anti-trust authorities and from Atos Origin shareholders at an Extraordinary Shareholders Meeting, the transaction is expected to close by July 2011.

D RISKS, GOVERNANCE AND COMMON STOCK

D.1 Risk analysis

D.1.1 Business risks

D.1.1.1 The market

After a tough 2009 year for all Markets, 2010 has seen significant differences between Markets:

- For the Public Sector, 2010 has been a tough year, most Governments have implemented austerity policies to contain public expenditure and keep down the level of deficit and national debt,
- In Energy Utilities, despite its less cyclical nature, companies have also suffered from the economic downturn and as a result they have delayed or frozen major projects,
- In the Telecom Market, mobile phone revenues have improved through 2010 and margins have been protected with some tight cost cutting program,
- In the Manufacturing market, companies have resumed their investments in projects to develop new markets and, products and services,
- In Financial Services, most financial institutions noticed a return to profitability and more focus on growth.

In this context, Atos Origin's customers have kept a strong focus on costs and profitability. Compared to 2009, they have been more willing to invest in projects to rationalize processes and support IT systems. With a strong portfolio of innovative offerings like Cloud and Lean IT, Atos Origin is well positioned to benefit from these changes in the marketplace.

D.1.1.2 Clients

The Group's top 30 customers generate 40% of total Group revenues. No single client accounts for more than 5% of total revenues.

In 2010, Atos Origin reshaped its Customer Database with several business objectives. In particular, one of the key objectives was to increase control of financial risk. The Customer Database has been entirely cleaned-up and every account (prospect and customers) linked with an external credit information providers. A financial risk rating is now performed on a regular basis on our portfolio of accounts. To ensure consistency in the long term, maintenance of prospect and customer master data has been centralized following a common process across the group.

D.1.1.3 Suppliers

Atos Origin relies on a limited number of key suppliers, in particular for the supply of software used in the design, implementation and running of IT systems. While there are alternative sources for most software and the Group has long-term licenses and agreements with a range of qualified suppliers, the possible failure of those suppliers to continue producing innovative software, or the inability to renew agreements on acceptable terms, may have an adverse impact on Atos Origin's operations.

Major risks with key IT suppliers are managed centrally by the Group Purchasing department. This department is responsible for relationships with suppliers, including their identification and selection, contract negotiation and the management and resolution of claims and litigations.

Regarding the ranking of the main suppliers for Atos Origin, the most important one accounts for 3.5 % of Group purchases in 2010, the five biggest represent 12.9% of the total and the first ten amount to 19.5%.

At 31 December 2010, there was no binding commitment with suppliers for capital expenditures higher than EUR 5 million.

D.1.1.4 **Partnerships and subcontractors**

From time to time Atos Origin relies on partnerships and subcontractors to deliver services in particular contexts. Having recourse to third parties is a common practice in the industry but represents a business risk that must be managed carefully. Partnerships may be formed or subcontractors may be used in areas where the Group does not have the specific expertise necessary to fulfill the terms of a particular contract or requires such skills for a limited period of time only, or to comply with local legislation. All requests to enter into partnerships or use subcontractors are initiated locally by the operational team evaluating the proposal or in specific case at Group level.

Recourse to subcontractors is managed by GBU based Workforce Managers from GBU HR departments and then by Buyers from Global Purchasing department. They are subject to a very specific authorization process as all of them are requiring approval from the Group EVP HR prior to being subject to the same purchasing processes and policies as all other categories.

At the end of 2010, the Group had approximately used 2,500 full-time equivalents subcontractors either for their specific skills or for volume requirements. This flexible resource will also allow Atos Origin to manage capacity in the 2011 return to growth.

D.1.1.5 **Legal risks**

The IT services provided to customers are a critical element for the performance of their commercial activities. Oftentimes IT solutions also play a key role in the development of their businesses. Any inadequate implementation of sensitive IT systems or any deficiency in the performance of services, either related to delays or to unsatisfactory level of services, may result in significant prejudicial consequences to the clients of the service provider and may result in penalty claims or liability of the Group.

In particular, Systems Integration frequently involves products (whether software or hardware, standard or adapted or specifically developed for customized requirements) designed and developed by third parties and which, by definition, the service provider cannot control. In addition, particular requirements from certain clients who wish for specific functionalities may disrupt the operation of the product or generate significant delays or difficulties in providing the services.

Also, it is a practice of the IT sector to enter into certain contracts on a fixed-rate basis whereas other contracts are invoiced according to the service provided. On 31 December 2010, the split of revenue for Systems Integration was the following: one third in applications management, one third in fixed-rate projects and one third in management. For fixed-rate contracts, an under assessed scope of the provided services or dedicated resources to a specific project may trigger an exceeding of the budget or agreed timeframe, and lead to an operating loss, by exceeding budget or payment of penalties for late performance.

The Group seeks to minimize the risks described above through a rigorous review process right from the offer stage. A dedicated specific process is in place, called Atos Rainbow, under which contract offers are reviewed, with a risk register kept for tracking purposes. This allows the Group to take any mitigating action where appropriate and follow up on outstanding actions.

In 2009, the Atos™ Rainbow process has been extended to the performance phase of the contract, including updates to the risk register. The Rainbow process is now in use in every countries where the Group operates.

Periodical risk reviews are performed on major contracts with a view to enhancing control over any excess for projects and to following up all types of possible delivery and performance issues.

D.1.1.6 **Technology and IT risks**

IT system breakdowns could be critical both for the internal operations of the Group and for its customers' needs in respect of the services provided. The Group has implemented specific programs and procedures to ensure the proper management of IT risks, covering security and back-up systems and effective insurance coverage.

IT production sites, offshore development centers, maintenance centers and data-centers are specifically subject to extensive administrative and technical procedures for safeguarding and monitoring, covering physical and IT system access, energy supply breakdown or disruption, fire, regulation of extreme temperature change, data storage and back-up, contingency and disaster recovery plans.

D.1.1.7 **Reputation risks**

Media coverage of possible difficulties, especially related to the implementation of significant or sensitive projects, could affect the credibility and image of the Group towards its customers, consequently, its ability to maintain or develop some activities.

D.1.1.8 **Human Resources**

Dependence on qualified personnel
In today's IT services market, providers remain dependant on the skills, the experience and the performance of its staff and the key members of its management teams. The success of organizations in this field of play depends on the ability to retain key qualified staff and to use their competences for the benefit of the customers. Atos Origin is focused on providing challenging career opportunities and job content. Over the reporting period, Atos Origin has been able to continue its focus on employability furthermore developing the workforce management and offering better career perspective supported by competency development through the Atos University programs.

Employee attrition
To enhance our ability to attract and retain staff, the Human Resources department has developed competitive rewarding structures. In addition it has continued to strengthen the internal offerings for training and development programs through the Atos University using e-learning techniques. During 2010, specific attention was given to critical competencies, such as Sales, Project Management, SAP, Lean and Talent Development; resulting in lower attrition in the targeted groups of people. Meanwhile, wider distance learning opportunities have been made available for thousands of employees on English language, as well as IT and business topics.

These programs allowed faster adaptation of people to clients' needs and greater mobility, which also balanced attrition.

Offshoring
Atos Origin increasingly fulfils its client contracts using closeshore, nearshore and offshore facilities in order to optimize its cost structure. Offshoring is used by the main countries of the Group in Systems

Integration and Managed Operations. To keep up with increasing demand, the Group developed its nearshore/offshore capacity with more than 6,278 staff at the end of December 2010. The combination of insourcing and offshoring for the delivery of projects led the Group to adapt and to optimize the insourced resources to other contracts. Given our ongoing need to attract and to deploy human resources, the Group made sure it was able to optimize resource utilization rate. The Group processes in this area are mature and the offshore facilities of the Company are certified. Atos Origin is therefore well positioned and ready in any case of business risk associated to offshoring.

D.1.1.9 **Business risk assessment and management**

Atos Origin has a robust business risk management approach reinforced during the last two years, based on two critical processes.

Risk Management System
The Group operates a risk management system that facilitates the analysis and treatment of business risks throughout the life cycle of a project. This process is integrated with the control and approval process when entering into new contracts. The objective is to ensure that the Group only bids for projects that are capable of being delivered effectively and to provide an early warning system for any project that encounters problems or diverges from its original targets. Specifically, the risk management process:

- identifies potential exposures, including technical, legal and financial risks that could have an impact during the life cycle of the project;
- evaluates, both qualitatively and quantitatively, the significance and materiality of any such exposures;
- ensures that appropriate and cost-effective risk control or risk mitigation measures are taken to reduce the likelihood and impact of negative outcomes on the project; and,
- manages residual exposure through a combination of external risk transfer instruments and internal contingency reserves in order to optimise the use of exposed capital.

A major enhancement of the contract monitoring process has been designed to monitor all contracts on a monthly basis using the Rainbow Delivery Dashboard, providing status on both financial, delivery and technology, customer, legal and supplier KPI's. In case of deviating KPI's, a specific Rainbow Delivery review is organized on this contract.

Rollout has started for the major contracts in 2010 to be followed by the smaller contracts in 2011.

Risk Management and Rainbow management
The control and approval process governing the bidding and contracting activities report to the Group Vice President in charge of Risk Management and Rainbow, ensuring the capturing and ongoing tracking of risks identified at the bidding stage throughout the delivery cycle

Risk Management reports directly to the Group Chief Financial Officer, with the risk managers in the countries and the Global Service Lines reporting directly into the Group Vice President Risk and Rainbow Management, shortening lines of command.
Since 2007, new metrics have been implemented. Country management is measured on actual write-offs and losses vs. targets set upfront.

Group Risk Management Committee
A Group Risk Management Committee, established in 2004, convenes on a monthly basis to review the most significant contracts and the difficult ones. The Committee is chaired by the Group CFO and lead by the Risk Management Vice President. Permanent members of the Committee include the Executive Vice Presidents in charge of the Global Service Lines and several representatives from Global Functions, including Finance, Legal, and Internal Audit. In addition, local risk managers are invited to attend any contract reviews related to their respective geographic areas. Once a year, the Audit Committee conducts a thorough review of all the major contracts considered at risk in the context of the preparation of the closing with an update process in place every quarter. There is then a follow-up either by the service line or the Risk Management Committee.

D.1.2 Markets risks

Atos Origin has not been affected by the liquidity crisis that has impacted the financial markets over the last three years.

Atos Origin's policy is to cover fully its expected liquidity requirements by long-term committed loans or other appropriate long-term financial instruments. Terms and conditions of these loans include maturity and covenants leaving sufficient flexibility for the Group to finance its operations and expected developments.

Atos Origin signed with a number of major financial institutions on 12 May 2005 a cost efficient EUR 1.2 billion multi-currency revolving facility with six and seven years maturity. The available amount until May, 12th 2011 is EUR 1.2 billion and EUR 1.1 billion until May, 12th 2012.

Atos Origin has renewed its trade receivables securitization program on March, 6th 2009 for a period of 5 years with a maximum amount of EUR 500 million marketable debt and a maximum of EUR 200 million funding amount. Securitization program financial covenants are in line with those of the EUR 1.2 billion multi-currency credit facility.

On 29 October 2009 Atos Origin issued a convertible bonds into and/or exchangeable for new or existing shares (OCEANE) due on January 1st 2016 with an aggregate principal amount of EUR 250 million. The annual coupon paid to the holders of bonds amounted to 2.5%.

More details on liquidity risk, cash flow interest rate risk, currency risk, market value of financial instruments, price risk and credit risk are described within the "consolidated financial statements and financial risk management" sections in this document (C.3.3.4 and note 23 to the consolidated financial statements).

The risk on shares is limited to self-held shares.

D.1.3 Insurance

Global insurance policies are placed with reliable international insurance companies, providing the Group with appropriate insurance coverage for its worldwide operations. The total cost of these policies in 2010 represented circa 0.20% of total Group revenue.

The most important global insurance programs are bought and managed centrally at renewal on 1st January each year. In 2010 the Property Damage and Business Interruption policy and Professional Indemnity policy were both renewed for limits of EUR 150 million each. Several additional policies cover insurable business risks such as general liabilities, automobiles, employees, directors and officers and are maintained at cover limits commensurate with the Group's size and risk exposures. Deductible retentions are used both to promote good risk management practices and to control the quantity of claims and level of premiums.

Each country also contracts insurance policies in accordance with local regulations, customs and practice. These include employers' liability, workers compensation and employee travel. A variety of other employee-related insurance policies are maintained, with a view to both protecting and motivating employees as part of employee benefits programs.

Atos Origin's wholly-owned reinsurance company provides insurance for some layers of the property policy and for the professional indemnity policy, which are the most critical policies for the Group operations. For damages covered by the property policy, the first EUR 0.5 million are covered (per claim) and total annual losses of EUR 2 million. The maximal net retention after reinsurance is therefore EUR 2 million, on top of the applicable deductibles which vary between EUR 25 000 and EUR 75 000 per site, and as long as the EUR 150 million limit is not reached. For claims under the professional indemnity policy the Atos Origin reinsurance company would cover the first EUR 10 million as well as a quota share of the upper layers in case of a catastrophe claim. Maximum net retention after reinsurance is therefore EUR 23 million in aggregate on top of the applicable deductible of EUR 2 million per claim, and as long as the EUR 150 million limit is not reached.

Insurable losses are not a frequent occurrence. This is partly due to quality risk management processes deployed at all key locations to protect assets from fire and other unexpected events as well as ensuring business continuity in the event of damage or loss. In offers and contracts a uniform and mandatory process of risk management is used whenever the contract value is in excess of EUR 1 million. This process encompasses authorization rules, a risk register and a monthly reporting to the Group risk management Committee, which is under the responsibility of the Group CFO.

Risks are also monitored by the Underwriting Committee of the Atos Origin reinsurance company who maintains adequate net equity and technical reserves commensurate with the level of insured risks, and ensures a satisfying diversification of external reinsurer. The Underwriting Committee also carries out regular surveys and analysis to monitor the relevance of Atos Origin insurance cover.

D.1.4 Claims and litigation

The Atos Origin Group is a global business operating in some 25 countries. In most of the countries where the Group operates there are no claims, and in many others there are only a very small number of claims or actions made against the Group. In regards to the Group’s size and revenue, the level of claims is kept low.

The low level of claims and litigation is attributable in part to self-insurance incentives and the vigorous promotion of the quality of the services performed by the Group and the intervention of a fully dedicated Risk Management department, which effectively monitors contract management from offering through delivery and provides early warnings on potential issues and claims. All potential and active claims are carefully monitored, reported and managed in an appropriate manner. In 2010, some of the most significant claims made against the Group were successfully resolved in terms favourable to the Group.

Group Management considers that sufficient provisions have been made.

The total amount of the provisions for litigations, in the consolidated accounts closed as of 31 December 2010, to cover for the identified claims and litigations, added up to EUR 55.2 million (including tax and social contribution claims).

D.1.4.1 **Tax and Social Contribution claims**

The Group is involved in a number of routine tax & social contribution claims, audits and litigations. Such claims are usually solved through administrative non-contentious proceedings.

A significant number of the tax & social contribution claims are in Brazil, where Atos Origin is a defendant in some cases and a plaintiff in others. Such claims are typical for companies operating in this region. Proceedings in this country usually take a long time to be processed. In other jurisdictions, such matters are normally resolved by simple non contentious administrative procedures. The largest claim in Brazil was initiated by the Brazilian tax authorities against the Group for taxes, social contribution and penalties arising out of the alleged treatment of employees as contractors. The Brazilian authorities have agreed to an amicable settlement of the claim for the payment of a sum significantly below the amount originally claimed to the Group.

Following the decision in a reported test case in the UK, there is substantial court claim against the UK tax authorities for a tax (Stamp Duty) re-imbursement of an amount over EUR 9 million.

The total provision for tax & social contribution claims, as inscribed in the consolidated accounts closed as at 31 December 2010, was EUR 38.4 million.

D.1.4.2 **Commercial claims**

There are a very small number of commercial claims across the Group.

Some claims were made in 2006 by a company for services allegedly supplied to the Group in the past. After a thorough investigation, the Group concluded that the claims were not legitimate. These claims were thus rejected, no payment was made by the Group and, consequently, several judicial proceedings were made. These proceedings are still pending before the courts.

In 2009, in the UK, a dispute over the performance of a commercial contract by Atos Origin arose, resulting in a claim against Atos Origin. This matter was resolved by the proper court in 2010 and Atos Origin was required to pay a very much reduced sum compared to the original claim..

The total provision for commercial claims, as inscribed in the consolidated accounts closed as at 31 December 2010, was EUR 15 million.

D.1.4.3 **Labour claims**

There are over 48,000 employees in the Group and relatively few labour claims. In most jurisdictions there are no or very few claims. Latin America is the only area where there is a significant number of claims but such claims are usually of low value and typical for companies operating in this region.

The Group is a respondent in a few labor claims of higher value in France, Brazil and the UK, but in the Group’s opinion most of these claims have little or no merit and are provisioned appropriately.

There are 18 claims against the Group which exceed EUR 300,000. The provision for these claims, as inscribed in the consolidated accounts closed as at 31 December 2010, was EUR 1.8 million.

D.1.4.4 **Representation & Warranty claims**

To the knowledge of the Company, no company of the Group is a party to a representation & warranty claim arising out of an acquisition or a disposition.

D.1.4.5 **Miscellaneous**

To the knowledge of the Company, there are no other administrative, governmental, judicial, or arbitral proceedings, pending or potential, likely to have or having had significant consequences over the past twelve months on the Company’s and the Group’s financial situation or profitability.

D.1.5 Country risks

Atos Origin operates in approximately forty countries. Some countries are more exposed than others to political or economic risks that may affect the Group’s business and profitability. A substantial proportion of Atos Origin’s business is in Western Europe, with limited exposure to dramatic economic recession in the USA or Asia.

The Group makes a periodic Strategic Operational Review of its activities in order to fully revisit all options in respect of portions of the business with a lower operational margin as well as activities considered as being non core business. A project leader is assigned to this task, supported by the legal, tax, and finance departments.

D.2 **Corporate Governance**

Since 10 February 2009, Atos Origin has been incorporated in France as a "Société Anonyme" (public limited company) with a Board of Directors. Since then, Thierry Breton has been its Chairman and Chief Executive Officer. The change from a Supervisory Board and a Management Board structure to a system with a Board of Directors and Chairman and Chief Executive Officer has simplified and unified the Company's governance so as to adapt it to its specific situation.

This new governance allows for the necessary proactivity to implement the transformation of the Group (steering of the TOP Program – Total Operational Performance) and to lead all necessary actions to ensure growth and profitability.

D.2.1 Legal Information

D.2.1.1 **Corporate form and purpose**

- Company name (article 3 of the Articles of Association): Atos Origin.
- Legal form (article 1 of the articles of association): Limited Liability Company (société anonyme) with a Board of Directors governed by articles L.225-1 and seq. of the French Commercial Code.
- Corporate purpose (article 2 of the articles of association): The Company's purpose in France and elsewhere is as follows:
    - the processing of information, systems engineering, studies, advice and assistance notably in the finance and banking sectors,
    - the research into, study, realisation and sale of products or services which help in promoting or developing the automation and broadcasting of information and notably: the design, application and implementation of software, computer, on-line and office automation systems,
    - it can also operate, either by itself or using any other method, without any exception, or create any company, make all contributions to existing companies, merge or create alliances therewith, subscribe to, purchase or resell all shares and ownership rights, take all interests in a partnership and grant all loans, credits and advances,
    - and more generally any commercial, industrial, real-estate, movable property or financial transactions, either directly or indirectly related to one of the above mentioned purposes.
- Nationality: French.
- Registered office and principal place of business (article 4 of the articles of association): 80 quai Voltaire – 95870 Bezons, France.
- Registered in Pontoise under Siren number 323 623 603.
- Business identification code (NAF code): 7010Z.
- Date of incorporation: 1982.
- Term: up to 2 March 2081.
- Fiscal year (article 36 of the articles of association): 1 January to 31 December.
- Common stock as at 31 December 2010: The Group's common stock amounted to EUR 69,914,077 divided into the same number of shares with a par value of EUR 1.00 each.

D.2.1.2 **Provision of the articles of association**

Board of Directors
The Company is managed by a Board of Directors. The term of office of directors is three years. Each Board member is required to own at least 1,000 Company's shares during the term of his or her office (article 15 of the bylaws – this rule however does not apply to the director representing employee shareholders).

Chairman
The Board of Directors elects a Chairman among its members. The Chairman represents the Board of Directors. He organizes and directs the Board's activities, on which he reports at Shareholders'

Meetings. He oversees the proper functioning of the Company's bodies and makes sure, in particular, that the directors are able to carry out their assignments.

Chief Executive Officer
Pursuant to the choice made by the Board of Directors, the general management is handled either by the chairman, or by an individual appointed by the Board of Directors who has the title of Chief Executive Officer. The Chief Executive Officer has the broadest powers to act in all circumstances in the name of the Company. He exercises these powers within the limits of the company's purpose and what the law and these Articles expressly assign to the General Meetings of shareholders or the Board of Directors. The Chief Executive Officer represents the Company in its relationship with third parties.

Decisions of the Board of Directors
Notice of Board meetings is sent to Directors by the Chairman. If no Board meeting is called for over two months, at least one third of the Directors are empowered to ask the Chairman to call a meeting in order to handle the specific matters included on the agenda. The Chief Executive Officer is also empowered to ask the Chairman to call a Board meeting in order to discuss specific matters included on the agenda. Decisions are taken by majority of the members present or represented. In the event of a tie in the voting, the Chairman will have the casting vote.

Powers of the Board of Directors
The Board of Directors determines the orientations of the Company's business and monitors their implementation. With the exception of powers expressly assigned to General Meetings of shareholders and within the limits of the company's purpose, it handles all matters involving the proper functioning of the Company and settles matters through its deliberations.

The transfer of fixed assets, the total or partial transfer of shares and the constitution of sureties on company assets requires the prior authorization of the Board of Directors.

Related-party agreements
Any agreement entered into (directly, indirectly or through an intermediary) between the Company and its Chief Executive Officer, one of its Deputy Chief Executive Officers, any of the members of the Board of Directors or one of its shareholders holding a fraction of the voting rights greater than 10 % or, if it is a Company shareholder, the company that controls it in the meaning of article L.233-3 of the Commercial Code, must receive the prior authorization of the Board of Directors. Agreements between the Company and another company, if the Chief Executive Officer, one of the Deputy Chief Executive Officers or one of the directors of the Company is an owner, indefinitely responsible partner, manager, director, member of the supervisory board or, in general, a director of this company, are also subject to prior authorization. Such prior approval does not apply to agreements covering standard operations that are concluded in normal conditions.

Directors' compensation
The aggregate amount of attendance fees (*jetons de présence*) of the Board of Directors is determined at the ordinary general meeting of the shareholders. The Board of Directors then divides this aggregate amount up among its members by a simple majority vote. In addition, exceptional compensation may be granted to directors in particular for special assignments in committees.

Directors' Age Limits
The number of Directors who have reached 70 years of age may not exceed one third of the total number of Directors in office at any time.

Rights, privileges and restrictions attached to shares

Voting rights
Each shareholder is entitled to one vote per share at any shareholders' meeting. Each share carries one voting right.

Attendance at shareholders' meetings
All shareholders may participate in general meetings either in person or by proxy. Shareholders may vote in person, by proxy or by mail.

The right of shareholders to participate in general meetings is subject to the recording of their shares on the third business day, zero hour (Paris time), preceding the general meeting: (i) for holders of registered shares in the registered shareholder account held by the Company or on its behalf by an agent appointed by it; and (ii) for holders of bearer shares in the bearer shareholder account held by the accredited financial intermediary with whom such holders have deposited their shares (such financial intermediaries shall deliver to holders of bearer shares a shareholding certificate enabling them to participate in the general meeting).

All shareholders are bound by the decisions of shareholders' meetings made in accordance with applicable laws and the bylaws.

Information concerning the identity of holders of bearer shares (article 9.3 of the bylaws)
The Group is entitled, at any time, to request Euroclear to disclose the identity of holders of bearer shares.

Changes to shareholders' rights
Any amendment to the bylaws, which set out the rights attached to the shares, must be approved by a two-third majority at an extraordinary shareholders' meeting. A unanimous shareholder vote is required to increase the liabilities of shareholders.

Conditions governing the means for calling annual shareholders' meetings and extraordinary shareholders' meetings, including the conditions for admission to such meetings *(Articles 34 and 35 of the bylaws)*
Shareholders' meetings are considered to be "Extraordinary" when the decisions relate to a change in the bylaws or Company's nationality or where required by law; and, "Ordinary" in all other cases.

Shareholders' meetings are called and conducted in accordance with the terms and conditions of French law.

Meetings are held at the corporate headquarters or at any other place.
Shareholders' meetings are chaired by the Chairman of the Board of Directors, or, in his absence, by a Director specially appointed for this purpose by the Board of Directors. Failing all of the above, the Shareholders' Meeting can elect its own Chairman.

Provisions on disclosure of threshold crossing *(Notices that must be made to the company - Article 10 of the bylaws)*
In addition to the thresholds defined by applicable laws and regulations, all private individuals and legal entities, acting alone or in concert, who acquire or cease to hold, directly or indirectly, a fraction of the share capital equal to or greater than 2% or, following a shareholding of 2%, a multiple of 1% are required to inform the Company, by registered letter with return receipt requested, within 5 days from the date on which one of these thresholds is crossed, of the total number of shares held directly, indirectly or in concert.

Failure to comply with the above requirements results in rescission of the voting rights attached to those shares relating to the unreported fraction at all Shareholders' Meetings held during a two-year period following the date or filing of the aforementioned notice. Application of this penalty is subject to a request by one or more shareholders holding at least 5% of the Company's share capital.

The same information obligation applies, within the same delays and same conditions, each time fraction of the share capital or voting rights of a shareholder decreases to less than one of the above-mentioned thresholds.

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Legal Reserve
5% of the unconsolidated statutory net profit for each year has to be allocated to the legal reserve fund before dividends may be paid with respect to that year. Funds must be allocated until the amount in the legal reserve is equal to 10% of the aggregate par value of the issued and outstanding share capital.

Approval of dividends
Dividend payments are approved by General Shareholders' Meeting, in accordance with articles L.232-12 to L.232-18 of the French Commercial Code.

Other commitments
Potential commitments with shareholders are described in the "Common stock evolution and performance" of this report.

Control of the issuer
No provisions in the Articles of association, or in any charter or regulation, may delay, postpone or prevent a change in the Company's management.

D.2.1.3 **Board of Directors**

Chairman and Chief Executive Officer
Thierry BRETON
Appointed: Board of Directors meeting of 10 February 2009
Term expires: Annual General Meeting deciding on the accounts of the year 2011

- Background: Graduate of the Ecole Supérieure d'Electricité "Supelec" of Paris and of the Institut des Hautes Etudes de Défense Nationale (IHEDN)

- Main position held:

  Chairman and Chief Executive Officer of Atos Origin

- Other directorships (as of December 31, 2010):

  General Manager of the Simplified Joint Stock Company Atos Origin International (France)
  Director of Carrefour (France)

- Positions held during the last five years:

  Chairman and Chief Executive Officer of France Telecom (France)
  Minister of Economy, Finance and Industry

Member of the Board of Directors
René ABATE
Appointed: General Meeting of 10 February 2009
Term expires: Annual General Meeting deciding on the accounts of the year 2011

- Background: Graduate of the "Ecole Nationale des Ponts et Chaussées" and of the Harvard Business School

- Main positions held:

  Managing partner of Delphen SARL
  Senior advisor of The Boston Consulting Group

- Other positions (as of 31 December 2010):

  Member of the Board of Directors of Carrefour (France) and of LFB (Laboratoire Français du Fractionnement et des Biotechnologies)
  Board member "L'ENVOL pour les enfants européens", non-for-profit organization

- Positions held during the last five years:

  Senior vice-president of The Boston Consulting Group, Chairman of the Group for Europe
  Member of the World Executive Committee
  Board member of the Ecole Nationale des Ponts et Chaussées

Member of the Board of Directors
Nicolas BAZIRE
Appointed: General Meeting of 10 February 2009
Term expires: Annual General Meeting deciding on the accounts of the year 2011

- Background: Degree from Ecole Navale and from the Institut d'Etudes Politiques de Paris (IEP), former student at the Ecole Nationale d'Administration (ENA)

- Main positions held:

  Managing Director of Groupe Arnault SAS

- Other positions (as of 31 December 2010)

  Member of the Supervisory Board of Montaigne Finance SAS, Semyrhamis SAS, Rothschild & Cie Bank
  Vice President of the Supervisory Board of Les Echos SAS
  Executive Vice President of Finance Agache SA and Permanent Representative of Group Arnault SAS, Director of the Financière Agache SA
  Director of LVMH Moët Hennessy Louis Vuitton SA, Agache Developpement SA, Europatweb SA, Financiere Agache Private Equity SA, Groupe les Echos SA, LVMH Fashion Group SA, Louis Vuitton for Creation Foundation (Company Foundation), Suez Environnement, Carrefour Group

- Positions held during the last five years:

  Chairman of Invry SAS, La Tour du Pin SAS, Société Financière Saint-Nivard SAS
  Chairman of the Supervisory Board of LVMH Fashion Group SA
  Member of the Supervisory Board of Lyparis SAS, Sifanor SAS
  Executive Vice President of Montaigne Participations et Gestion SA
  Director of Amec, Ipsos SA, Marignan Investissements SA, Tajan SA (France) and Go Invest SA (Belgium)

Permanent Representative of:

- Sifanor SA, director of Agache Développement SA
- Eurofinweb, director or Europatweb France SA
- Montaigne Participations et Gestion SA, Chairman of Gasa Développement SAS
- Montaigne Participations et Gestion SA, member of the Supervisory Board of Paul Doumer Automobiles SAS

Member of the Board of Directors
Jean-Paul BECHAT
Appointed: General Meeting of 10 February 2009
Term expires: Annual General Meeting deciding on the accounts of the year 2011

- Background: Degree from Ecole Polytechnique – Master in Science from Stanford University (USA)

- Main position held:

  Director of Arsco SARL

- Other positions (as of 31 December 2010):

  Director of Alstom and of Sogepa
  Honorary President and member of the GIFAS Council (Groupement des Industries Françaises Aéronautiques et Spatiales)

- Positions held during the last five years:

  Chairman of the Management Board of Safran
  Member of the Supervisory Board of IMS

Member of the Board of Directors
(representing employee shareholders)
Ms. Jean FLEMING
Appointed: General Meeting of 26 May 2009
Term expires: Annual General Meeting deciding on the accounts of the year 2011

- Background: MSc Human resources (South Bank University, London) and BA (Hons) in Brunnel University (United Kingdom)

- Main position held (as of 31 December 2010): Human Resources Director at Atos Origin in the United Kingdom

Member of the Board of Directors
Bertrand MEUNIER
Appointed: General Meeting of 10 February 2009
Term expires: Annual General Meeting deciding on the accounts of the year 2011

- Background: Graduated from Ecole Polytechnique - Master degree in Mathematics

- Main position held: Chairman of M&M Capital SAS

- Other positions held (as of 31 December 2010):

  Chairman of Financière Le Play SAS

- Positions held during the last five years:

  Director of Chr. Hansen (Denmark), Gruppo Coin, Saeco (Italy), Kaufman & Broad, Spie and Yoplait (France), Monier, Xella (Germany), PAI Europe III General Partner, PAI Europe IV General Partner, PAI Europe V General Partner, PAI Syndication GP (Guernsey), PAI Partners (Spain), Perstorp (Sweden), PAI Europe IV UK, United Biscuits (UK)

Member of the Board of Directors
Aminata NIANE
Appointed: General Meeting of May 27, 2010
Term expires: Annual General Meeting deciding on the accounts of the year 2012

- Background: MBA from Birmingham Business School (University of Birmingham, United Kingdom)
  Engineer in Sciences and Technologies fo the Food Industry (Institut des Sciences de l'Ingénieur ; Université des Sciences et Techniques du Languedoc)
  Master degree in Chemistry

- Main position held: Managing Director of the National Agency for the Promotion of Investment and Large-scale Infrastructure (APIX) renamed APIX SA (Senegal)

- Other positions (as of 31 December 2010):

  Chairman of the Board of Société Aéroport International Blaise Diagne (ABID SA, Senegal)
  Board member of the association « Partenariat pour le Retrait et la Réinsertion des Enfants de la Rue »

- Positions held during the last five years:

  Chairman of the Board of Société Aéroport International Blaise Diagne (ABID SA, Senegal)
  Board member of the association « Partenariat pour le Retrait et la Réinsertion des Enfants de la Rue »

Member of the Board of Directors
Michel PARIS
Appointed: General Meeting of 10 February 2009
Term expires: Annual General Meeting deciding on the accounts of the year 2011

- Background: Graduate from Ecole Centrale of Lyon and from Ecole Supérieure de Commerce of Reims

- Main position held: Managing Director of PAI Partners

- Other positions (as of 31 December 2010):

  Director of Xella (Germany), Cortefiel (Spain), Spie (France), Gruppo Coin (Italy), Speedy 1 Ltd (UK), Perstorp (Sweden)

- Positions held during the last five years:

  Director of Saur, Vivarte, Elis, Kaufman & Broad (France), Monier (Germany)

Member of the Board of Directors
Pasquale PISTORIO
Appointed: General Meeting of 10 February 2009
Term expires: Annual General Meeting deciding on the accounts of the year 2011

- Background: Graduated in Electrical Engineering from the Polytechnic School of Torino

- Main position held: Honorary Chairman of STMicroelectronics Corporation (Switzerland)

- Other positions (as of 31 December 2010):

  Honorary Chairman of ST Foundation, from Fondation Pistorio (Switzerland) and of the Kyoto Club (Italy) (charity organisations)
  Independent director of Accent (Luxembourg), Sagem Wireless (France), Fiat S.p.A. and Brembo S.p.A (Italy)

- Positions held during the last five years:

  Director, then Chairman of Telecom Italia
  Vice-president of Confindustria for Innovation and Research
  Director of the Chartered Semiconductor Manufacturing Ltd (Singapore)

Member of the Board of Directors
Vernon SANKEY
Appointed: General Meeting of 10 February 2009
Term expires: Annual General Meeting deciding on the accounts of the year 2011

- Background: Master of Arts in Modern Languages, Oriel College, Oxford (UK)

- Main position held: Chairman of Firmenich SA (Switzerland)

- Other positions (as of 31 December 2010):

  Chairman, former director, of Harrow School Entreprises Ltd
  Director of Zurich Financial Services AG (Switzerland),
  Advisory Board member of GLP Llp (UK)
  Member of Pi Capital (private equity investment group) (UK)

- Positions held during the last five years:

  Chairman of Photo-Me International plc (UK)
  Deputy Chairman of Beltpacker plc (UK)
  Director of Pearson plc (UK), Firmenich (Switzerland), Zurich Financial Services AG (Switzerland), Cofra AG (Switzerland), Taylor Woodrow Plc (UK), Vividas Group Plc (UK)
  Member of Pi Capital (private equity investment group) (UK)
  Advisory Board member of GLP Llp (UK), Proudfoot UK, Korn/Ferry International (US)

Member of the Board of Directors
Lionel ZINSOU-DERLIN
Co-opted by the Board of Directors on 21 January 2010/Ratified by the General Meeting of 27 May 2010
Term expires: Annual General Meeting deciding on the accounts of the year 2011

- Background: Professor in Economy and Social Science – Ecole des Sciences Politiques de Paris graduate – Master in economy History, Bachelor's degree in Humanities and History – Ecole Normale Supérieure (Ulm) in Humanities

- Main position held: Chairman of PAI Partners

- Other positions (as of 31 December 2010):

  Chairman of the Executive Committee of PAI Partners SAS
  Director of PAI Europe III General Partner, PAI Europe IV General Partner, PAI Europe V General Partner Ltd (Guernsey), Sodima, Yoplait France, Yoplait Marques International and Yoplait SAS (France), and Kaufman & Broad (France)
  Manager of Capucine Investissements and Financière Capucine 3

- Positions held during the last five years:

  Member of the Executive Committee of PAI Partners SAS
  Chairman of Rothschild Middle East Dubaï,
  Associate manager of Rothschild & Cie

Censor
Colette Neuville
Appointed: General Meeting of 13 February 2010 - Ratified: General Meeting of 27 May 2010
Term expires: May 2011

- o Background: Graduated from law school with honors, Master degree in Political Economy and Economics. Graduated from Institut d'Etudes Politiques de Paris (public service section)

- Main position held:

  President (founder) of the ADAM

- Other positions (as of 31 December 2010):

  Director of Eurotunnel, then GET SA
  Member of the European Forum of Corporate Governance, with the European Commission
  Member of the consultative commission "savers and minority shareholders" with the AMF
  Member of the Governance Council of the Ecole de Droit & Management of Paris

- Positions held during the last five years:

  Member of the Supervisory Board of Atos Origin
  Director of the weekly newspaper "La vie financière"
  Director of Euroshareholder (European federation of shareholders' associations)

Declarations related to the members of the Board of Directors
To the knowledge of Atos Origin, there have been no official public incrimination and/or sanctions taken by statutory or regulatory authorities (including designated professional organisms) against any of the members of the Board of Directors. No court has, over the course of the past five years, prevented the members of the Board of Directors from acting as member of an administrative, managing or supervisory body of an issuer or from participating in the management or oversight of an issuer's business.

Declarations related to the potential interest and agreements
To the knowledge of Atos Origin, there are no existing service agreements between the members of the Board of Directors and Atos Origin or one of its subsidiaries which would provide for benefits.

To the knowledge of Atos Origin, there are no arrangements, or any type of agreement with the shareholders, clients, service providers or others by which one of the members of the Board of Directors was selected as member of an administrative, managing or supervisory organ or as a member of the general management of Atos Origin.

To the knowledge of Atos Origin, there are no parental relationships between any of the legal representatives of the Company.

D.3 **Report of chairman of the Board of Directors on Corporate Governance and Internal Control**

Dear Shareholders,

Pursuant to article L.225-37 of the French Commercial Code, as Chairman of the Board of Directors of Atos Origin (hereinafter the “Company”), let me present first of all the preparation and organisation conditions of the work of the Board of Directors since its setup on 1 January 2010, and secondly, the internal control procedures set up within the Group.

The Board of Directors approved this Report during its meeting of 31 March 2011.

D.3.1 Corporate Governance

Since February 10, 2009, the Company is composed as a “*société anonyme*” (public limited company) with a Board of Directors and a Chief Executive Officer.

This governance structure, tailored to the Group’s situation, allows for the necessary reactivity to implement the transformation and necessary actions to ensure growth and profitability in the current economic environment.

The Board decided not to separate the functions of Chairman of the Board and Chief Executive Officer in order to comply with its announced commitments to the shareholders when transforming the Company’s governance. The powers of the Chairman of the Board and Chief Executive Officer are described in the “Legal information” section of the Reference Document.

The Company determined the compensation and benefits of its managers and representatives according to a set of rules and principles described in the “Executive compensation and stock ownership” section of the Reference Document.

The rules relating to the participation of shareholders in the General Meetings are described in the “Legal information” section of the Reference Document.

The factors that can exert influence on the public takeover bids are described in the “Legal information” section of the Reference Document.

Frame of reference on Corporate Governance
French legislation and rules published by market regulatory authorities apply to the Company’s governance. The Company deems that the implementation of its corporate governance principles is adequate and in conformity with related applicable French best practices.

The Company refers to the recommendations set out in the Corporate Governance Code of listed companies issued by the AFEP-MEDEF and has decided to use the Code as a reference in terms of corporate governance. This Code is available on the following website: www.code-afep-medef.com.

The Code of Corporate Governance was adopted by the AFEP-MEDEF on 23 December 2008 and is now the new frame of reference. Since its adoption, the Board of Directors committed to run a yearly control of good-standing application of these rules, and to communicate on the monitoring of the recommendations of the AFEP-MEDEF.

The Board of Directors therefore had a meeting on 22 December 2010 concerning the yearly evaluation of good-standing application of the rules of governance. The Board made sure of the good application of these rules by the Company regarding both the initial recommendations of the Code and the new recommendation of AFEP-MEDEF, dated April 2010, on the reinforcement of women presence in the boards. The Board also relied on the precisions brought on a later date by the reports of the Autorité des Marchés Financiers (AMF) dated 12 July 2010, and by the AFEP-MEDEF, dated 6 December 2010, on the implementation of these recommendations.

Following the meeting dedicated to this subject, the Board considered that the mechanism put in place by the Company on corporate governance matters, especially concerning the compensation of representatives, was consistent to all the recommendations of the AFEP-MEDEF.

The detailed elements taken into consideration by the Board of Directors are available on the following website: www.atosorigin.com.

More generally, upon suggestion by the Chairman of the Board of Directors, the agenda regularly contains points on the corporate governance of the Company. Thus the Board has consistently expressed its will to take into account, and sometimes anticipate, recommendations from various bodies working on the improvement of corporate governance for listed companies whenever such recommendations are in line with the interests of the Company and of its shareholders.

Therefore, many such systems, illustrating this commitment, have already been put in place by the Board of Directors upon the Chairman's request. This includes, among others, the renunciation of "golden parachutes" practices by the Company, the reinforcement of conditions for plans that benefit the general management, or the appointment of a reference director. Following this trend, during financial year 2010, two improvements were made: the appointment of Colette Neuville as censor, and the reinforcement of diversification and feminization of the Board.

Reference director

In accordance with the paths for reflexion indentified by the AMF in the "2009 Report on corporate governance and internal control" of 8 December 2009, the Board of Directors, during its meeting of 17 December 2009, upon proposal of the Remuneration Committee, appointed Jean-Philippe Thierry as reference director. Following the resignation of Jean-Philippe Thierry, acknowledged at the Board's meeting of 12 October 2010, and effective as from 30 September 2010, and upon proposal of the Remuneration Committee, the Board of Directors appointed Pasquale Pistorio as the new reference director during its meeting of 22 December 2010.

The reference director is in charge, in particular, of the assessment of the Board's work, carried out every year under his supervision. He is also in charge of arbitrating potential conflicts of interest.

Nomination of a censor

Pursuant to article 26 of the Company's Articles of association, the Board of Directors decided to appoint Colette Neuville as censor during its meeting of 13 April 2010. The appointment was later ratified during the General Meeting of shareholders of 27 May 2010.

The censor is invited to each meeting of the Board where she acts as observer. The Board may give her specific assignments. If deemed relevant, she can present observations to the General Meetings, based on proposals submitted to her.

Reinforcement of women's presence in the Board

The General Meeting of 27 May 2010 appointed Aminata Niane as a director. This appointment was suggested by the Board, in anticipation of the adoption of the law for a balanced representation of men and women in boards of directors and supervisory boards, voted on 27 January 2011.

The appointment of Aminata Niane – a recognized figure of the business world - also reinforced the objectives of expansion of the Board's composition in terms of nationality or international experience.

As of 31 December 2010, 18% of the Company's Board of Directors are women (compared to 8% in December 2009) and 25% including the censor.

D.3.1.1 **The Board of Directors: composition and functioning**

On 31 December 2010, the Board of Directors is composed of eleven members: Thierry Breton (Chairman of the Board and Chief Executive Officer), René Abate, Nicolas Bazire, Jean-Paul Béchat, Ms. Jean Fleming (director representing employee shareholders, appointed during the Ordinary and Extraordinary General Shareholders Meeting of 26 May 2009), Bertrand Meunier, Ms. Aminata Niane, Michel Paris, Pasquale Pistorio, Vernon Sankey and Lionel Zinsou-Derlin.

NB: The following table mentions Jean-Philippe Thierry (who resigned as from 30 September 2010) and Behdad Alizadeh (who resigned as from 22 December 2010):

Name	Nationality	Age	Date of appointment	Committee member	Term of offices (*)	Number of shares held
René Abate	French	62	2009		2011	1 000
Behdad Alizadeh**	American	49	2009	N&R	2011	1 000
Nicolas Bazire	French	53	2009	N&R	2011	1 000
Jean-Paul Béchat	French	68	2009	A	2011	1 000
Thierry Breton	French	55	2009		2011	5 000
Ms. Jean Fleming****	British	41	2009		2011	640
Bertrand Meunier	French	54	2009	N&R	2011	1 000
Ms. Aminata Niane	Senegalese	54	2010		2012	1 000
Michel Paris	French	53	2009	A	2011	1 000
Pasquale Pistorio	Italian	74	2009	A	2011	1 000
Vernon Sankey	British	61	2009	A	2011	1 000
Jean-Philippe Thierry***	French	62	2009	N&R	2011	1 500
Lionel Zinsou-Derlin	French and Beninese	56	2010		2011	1 000
Censor Colette Neuville	French	73	2010		2010	500

A: Audit Committee;
N&R*:* Nomination and Remuneration Committee
(*) Annual General Meeting deciding on the accounts of the year
(**) M. Behdad Alizadeh resigned as from of 22 December 2010 meeting of the Board
(***) M. Jean-Philippe Thierry resigned as from 30 September 2010
(****)Director representing employee shareholders

Pursuant to the articles of association, each director must own at least 1,000 shares. This rule however does not apply to the director representing employee shareholders[6].

The Internal Rules govern the work of the Board of Directors. They specify the rules on composition, functioning and the role of the Board, remuneration of directors, evaluation of the works of the Board, information of directors, the role and competence of the Committees of the Board – the Audit Committee and the Nomination and Remuneration Committee, the specific missions which can be granted to a director and the confidentiality obligations imposed on directors.

[6] Pursuant to article 16 of the articles of association

As soon as appointed, a copy of the Internal Rules as well as the Charter of the Board of Directors and the Guide to the Prevention of Insider Dealing are given to the directors who subscribe to these documents. The content of these documents is described more specifically in the “Codes and Charts” section of the Reference Document.

The mission of the Board of Directors is to determine the strategy and the trends of the Company’s activity and to oversee their implementation. Moreover, the Board of Directors decides on the separation of the functions of Chairman of the Board and Chief Executive Officer, appoints managing legal representatives and rules on the independence of directors on a yearly basis, eventually imposes limitations on the powers of the Chief Executive Officer, approves the Chief Executive Officer Report, convenes the General Meetings and decides on the agenda, undertakes controls and verifications which it deems opportune, the control and audit of the sincerity of the accounts, the review and approval of the accounts, the communication to the shareholders and to the market of high quality information.

D.3.1.2 **Definition of an “independent member” of the Board of Directors**

The Corporate Governance Code of the AFEP-MEDEF of December finds a director as independent where “he or she has no relationship of any kind whatsoever with the corporation, its group or the management of either that is such as to colour his or her judgment”. The AFEP-MEDEF Code also determines that a certain number of criteria must be reviewed in order to determine the independence of a director:

- “Not to be an employee or executive director of the corporation, or an employee or director of its parent or a company that it consolidates, and not having been in such a position for the previous five years;
- Not to be an executive director of a company in which the corporation holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive director of the corporation (currently in office or having held such office going back five years) is a director;
- Not to be a customer, supplier, investment banker or commercial banker:
    - that is material for the corporation,
    - or its group or for a significant part of whose business the corporation or its group accounts;
- Not to be related by close family ties to an executive director;
- Not to have been an auditor of the corporation within the previous five years;
- Not to have been a director of the corporation for more than twelve years.”

As regards directors representing significant shareholders of the corporation or its parent, these may be considered as being independent, provided that they do not take part in control of the corporation. In excess of a 10% holding of stock or votes, the Board, upon a report from the Nomination and Remuneration Committee, should systematically review the qualification of a director as an independent director, having regard to the make-up of the corporation's capital and the existence of a potential conflict of interest.

The Board of Directors, meeting on 22 December 2010, relying on the preliminary work of the Nomination and Remuneration Committee, has led a specific review on the independent status of each of its members, relying on the above-mentioned criteria. On this basis, eight out of the twelve members of the Board, that is 67%, are considered as independent. The Audit Committee and the Nomination and Remuneration Committee are both chaired by an independent director.

Four out of twelve members of the Board are not considered as independent, namely, in addition to Thierry Breton, Michel Paris and Lionel Zinsou-Derlin – considering their relation with a significant shareholder of the Company (25% of the Company's stock being held by the Financière Daunou 17 (PAI Partners)), as well as Ms. Jean Fleming as representative of employee shareholders and employee of a subsidiary of the Company.

D.3.1.3 **Meetings of the Board of Directors**

Pursuant to the articles of association and the Internal Rules, the Board of Directors has met as often as necessary. During the 2010 financial year, the Board of Directors has met 12 times. Attendance of directors at these meetings was an average of 93%.

The Board of Directors met to discuss the following topics:

- Review and approval of the budget ;
- Review of quarterly results and forecast ;
- Review of financial presentations and press releases ;
- Review of and approval of consolidated half year and yearly accounts ;
- Review of strategic trends of the Group and external growth operations ;
- Review of off-balance commitments and risks ;
- Review of certain strategic contracts ;
- Review of the functioning of the social bodies and corporate governance (composition of the Board, evaluation of the Board's work, remuneration of the directors, review of the independence of directors, conformity review of the Company's practice with the AFEP-MEDEF recommendations, adoption of a new Code of Ethics).

Certain members of the Board also focused on particular corporate governance issues within two permanent committees:

- The Audit Committee and
- The Nomination and Remuneration Committee.

The members of these Committees are appointed by the Board of Directors from among its members. The competences of these Committees are governed by the Internal Rules of the Board of Directors. The Committees are solely advisory in preparing the works of the Board which is the only decisive and liable entity. They report to the Board of Directors. Their recommendations are discussed at length during the meetings, where applicable, on the basis of the documentation generated by the Committees.

D.3.1.4 **The Audit Committee**

The mission of the Audit Committee is to prepare and facilitate the work of the Board of Directors. It provides assistance to the Board of Directors in its analysis of the exactness and sincerity of the Company's statements and consolidated financial statements. The Audit Committee also looks to the quality of internal controls and the information given to shareholders and to the market. In order to fulfil its mission, the Audit Committee is regularly informed of major risks, including litigation and off-balance commitments.

During the 2010 financial year, the Audit Committee was composed of 4 members (3 out of the 4 members, including the Chairman of the Committee being independent members): Jean-Paul Béchat (Chairman), Vernon Sankey, Michel Paris and Pasquale Pistorio. Pursuant to the 8 December 2008 Decree, the Audit Committee has at least one member, including its Chairman, with financial or accounting qualifications, acquired by professional experience.

In 2010, the Audit Committee met 7 times. Attendance of members to the meetings exceeded 89%.

The Group Chief Financial Officer, the Head of Internal Audit, the Head of Risk Management, the Group General Counsel as well as the statutory auditors attended all meetings of the Audit

Committee. All documentation presented to the Committee was communicated to Committee by the Group Chief Financial Officer at least 48 hours prior to the meeting.

Other executives of the Company participated in certain meetings of the Committee, such as, inter alia, the Senior Executive Vice-president in charge of Global Operations and the Head of the Systems Integration service line.

The Audit Committee reviewed the quarterly Group financial reporting package addressed to the Board. It was regularly informed of the Group's financial strategy and its implementation. It was informed on the terms and conditions of significant contracts (including the risk management aspect of such contracts). It also regularly reviewed the status of the major existing contracts (on the basis of approvals delivered under the risk management programs as previously described). The Audit Committee regularly examined the accounting and financial documents to be submitted to the Board. It also received reports from the statutory auditors on the conclusions of their work. A specific session was held, as it is each year, in addition to ordinary meetings, in order to review specific contractual commitments, major contracts, risks and losses declared. The Committee was also involved in the preparation of the present "Chairman's Report".

During its 7 meetings held in 2010, the Audit Committee reviewed both recurring and specific matters:

- Quarterly financial information to the Board of Directors;
- Statutory external auditors, reports on audit and internal control plan;
- Group performance analysis;
- Internal control audit plans and recommendations;
- Risk management reports for existing and new contracts;
- Material claims and litigations.

D.3.1.5 **The Nomination and Remuneration Committee**

The mission of the Nomination and Remuneration Committee is to prepare and facilitate the decisions of the Board of Directors in the areas which fall within its scope.

With regard to nominations, the general scope of the Nomination and Remuneration Committee is to assist, review and, where applicable, submit to the Company all applications to the General Shareholders Meeting for the appointment as member of the Board of Directors or, if called upon for such purpose, to review an application for manager, and to advise or issue recommendations to the Board of Directors on such applications.

The Nomination and Remuneration Committee reviews significant operations which could create a potential conflict of interest between the Company and the members of the Board. The qualification of "independent" director is prepared every year within the Nomination and Remuneration Committee and reviewed and discussed by the Board of Directors prior to the publication of the Reference Document on a yearly basis.

With regard to remuneration, the mission of the Nomination and Remuneration Committee is to make suggestions on the overall, total and fixed remuneration as well as the applicable criteria for variable remuneration of the Chairman of the Board and Chief Executive Officer.

The Nomination and Remuneration Committee also is involved in the analysis of the principles of the Company's and its subsidiaries' profit-sharing plan for employees. Its mission is also to make suggestions on decisions to grant stock-subscription option rights of the Company's shares for the legal representatives and all or part of the employees of the Company and its subsidiaries.

The rules relating to the compensation of the executive officers are described in the "Executive Compensation and Stock Ownership" section of the Reference Document.

With regard to the members of the Board of Directors, the Committee suggests each year the amount of the envelope for directors fees which will be submitted to the approval of the General Shareholders' Meeting, as well as the conditions of distribution of the fees among directors. The Committee takes into account the attendance of the directors to the various meetings of the Board and the Committees of which they are members but also the level of responsibility endorsed by the directors, as well as the time they dedicate to their function.

The Committee also makes recommendations on the pensions, benefits and financial rights of the legal representatives of the Company and its subsidiaries.

During the 2010 financial year, the Nomination and Remuneration Committee was composed of 4 members (2 out of the 4 members being independent members): Behdad Alizadeh (Chairman until 22 December 2010, date of resignation), Jean-Philippe Thierry, Nicolas Bazire (Chairman starting 22 December 2010, following Behdad Alizadeh's resignation) and Bertrand Meunier.

In 2010, the Nomination and Remuneration Committee met 5 times. Attendance of members to the meetings was an average of 89%.

During its 5 meetings held in 2010, the Nomination and Remuneration Committee particularly focused on the review, in order to assist the Board in its decisions, of the following topics:

- Conditions of distribution of the directors fees
- Determination of the variable remuneration of the Chairman of the Board and Chief Executive Officer for 2010 and the definition of performance objectives
- Review of the performance conditions for the stock-option plans
- Grant of stock-options to the managing teams of the Group
- Proposal for the nomination of a censor
- Proposal for the nomination of a director
- Determination of independent members of the Board

D.3.1.6 **Assessment of the work of the Board of Directors**

The Board of Directors must regularly assess its capacity to meet the expectations of the shareholders by periodically analysing its composition, organization and functioning, as well as the composition, organization and functioning of its committees. In particular, it shall analyse the methods by which the Board of Directors and its Committees function, consider the desired balance of its composition, periodically reflect upon whether their tasks are appropriate to their organization and functioning, ensure that the important questions have been suitably prepared and discussed and measure the actual contribution of each director to the work of the Board of Directors and its committees, according to his or her skills and involvement in the discussions.

For this purpose, the Internal Rules of the Board of Directors provide that, once a year, the Board of Directors shall devote one item on its agenda to the discussion of its functioning and inform the shareholders each year, in the Reference Document, of the conducting of these assessments and the subsequent follow-up.

In 2006, the Company carried out a formal assessment of the work of its Supervisory Board. This assessment had been entrusted to an external counsel. For the 2007 and 2008 financial years, on the basis of a questionnaire circulated to the directors, the Board carried out a self-assessment of its work. The outcome of these assessments was mentioned in the Reference Document of the Company.

In order to ensure both the compliance of its governance practices with the AFEP-MEDEF recommendations and the adequacy of its work to its mission and the expectations of the shareholders, the Board, in 2009, decided to supplement the yearly assessment of the Company's governance practices by a formalised assessment, under the supervision of its reference director. Therefore, in 2010, the Board, during its meeting of 22 December 2010, decided to complete the assessment of the governance practices of the Company by a formalized assessment of its work under the supervision of the reference director, Pasquale Pistorio.

The formalised assessment lead on the work of the Board and its Committees on fiscal year 2010 included the following points:

- Institutional diagnosis: appreciation of the transcription of the corporate governance in the institutional documents of the Company (compliance with the recommendations and codes, functioning of the Board, specialized Committees of the Board, remuneration of directors, relations with the shareholders);
- Assessment of the work of the Board strictly speaking: evaluation of the stakes and actual means of functioning of the Board and its Committees by integrating the points of view of various governance stakeholders (procedures of the Board, work of the Board, relations with management/Executive Committee).

On the first point, the Board carried out an exhaustive review of the governance practices of the Company. It dedicated a specific meeting on these questions (meeting of the Board of 22 December 2010) in order to assess the compliance of the Company's practices with the relevant recommendations, and more particularly:

- validation of the subscription and monitoring by the Company to the AFEP/MEDEF recommendations;
- approval of the document relating to this validation;
- approval of the press release on the Board's review of the compliance of its governance principles with the AFEP/MEDEF recommendations one year after their implementation.

The outcome of this assessment has been published by way of a press release on 23 December 2010.

On the second point, the review was carried out on the basis of the following three points:

- statistical analysis of the participation of the directors to the work of the Board and its two Committees;
- individual interviews between the reference director and the directors;
- a questionnaire circulated to the directors on issues relating to the functioning of the Board as well as on its focus on corporate governance issues.

The following points emerged from the interviews by the reference director of all the directors:

- on the governance, the directors noted that the functioning was excellent. They notably highlighted the members' commitment in the work of the Board and its Committees – this functioning being supported by the Company's management which strongly focuses on governance issues.
- on the operational functioning – with regard to strategy: the directors noticed the strong information and implication of the Board in the external growth operation projects. Thus, pursuant to the acquisition of Siemens IT Solutions and Systems (SIS), an ad hoc committee was set up in order to reflect with the Company on the various aspects of this transforming project. The directors highlighted this practice which was deemed to be excellent. It was therefore suggested to dedicate to strategy one or two half-a-day Board meetings with presentations by the strategy manager and by the different heads of division/country, with an emphasis on technology issues.
- on the composition of the Board, the directors praised the increase of women representation in the Board and expressed the wish to pursue this track.

The information collected during the assessment of the work of the Board, both after the individual interviews lead by the reference director and by the questionnaires filled by the directors, allows the confirmation of the following:

- the dynamic functioning of the Board allows it to fully undertake its role which has been set by applicable legislation;
- the Company and the Board attach a significant interest on issues pertaining to corporate governance;
- the practice of meetings dedicated to strategy which was asked for during the last assessment of the Board's work was effectively taken into account. The directors wish for this practice to be continued and expanded.

D.3.2 Internal control

The internal control system whose definition is stated in section D.3.2.1 below and designed within Atos Origin relied on the internal control reference framework prescribed by the AMF (Autorité des Marchés Financiers).

The "general principles" section of the AMF framework has been used to describe in a structured manner the components of the internal control system of Atos Origin — section D.3.2.2. Specific attention has been given to the internal control system relating to accounting and financial information — section D.3.2.3, in compliance with the application guide of the AMF.

Internal control players are described in section D.3.2.4.

The Chairman of the Board of Directors had entrusted the preparation of the section of the Report from the Chairman of the Board of Directors on internal control procedures to the Group Internal Audit Department. This preparation has been reviewed by the Group Finance Director, the Group Vice President and the Executive Director in charge of Global Functions.

D.3.2.1 Internal control definition and objectives

Internal control system designed throughout the Group aims to ensure:

- compliance with applicable laws and regulations;
- application of instructions and directional guidelines settled by General Management;
- correct functioning of company's internal processes particularly those implicating the safeguarding of its assets;
- reliability of financial information.

One of the objectives of internal control procedures is to prevent and control risks of error and fraud, in particular in the accounting and financial areas. As for any internal control system, this mechanism can only provide reasonable assurance and in no event gives an absolute guarantee against these risks.

D.3.2.2 Components of the internal control system

The internal control system within Atos Origin is a combination of closely related components that are detailed hereafter.

Organization / control environment

The organisation, competencies, systems and policies (methods, procedures and practices) represent the ground layer of the internal control system and the fundamentals of the Group in the matter. The main components are presented in this section.

Matrix organisation: The Company runs a matrix organisation structure that combines Operational Management (Countries) and Functional Management (service lines, sales and markets and support functions). This constitutes a source of control with a dual view on all operations.

Responsibilities and powers: Specific attention has been paid to ensure that the right people are granted the appropriate responsibilities and powers, especially through the following initiatives:

- **Delegation of Authority**: A formal policy sets out the authorisation of officers of subsidiaries to incur legal commitments on behalf of the Group with clients, suppliers and other third parties. The intention of these rules is to ensure efficient and effective management control from the country level to General Management level. The delegation of authority policy was rolled-out under the supervision of the Group Legal department.
- **Segregation of Duties:** Updated rules for segregation of duties have been implemented in the organisation. A program is managed to follow-up the improvement of segregation of duties, including functional review of segregation of duties and review of procedures for profiles attribution. Tooling has been used to perform automatic assessments of those rules in the systems.

Policies and procedures: The Group has designed and implemented over the last years several policies and procedures in order to establish common practices and standardised methods. These policies and procedures are reviewed when necessary to be in line with the objectives of the Group.

Some of these key policies and procedures included:

- **The Code of Ethics**: This code sets the "tone at the top" in line with Atos Origin commitment to corporate social responsibility, and especially its adhesion in 2010 to the United Nations' Global Compact. The Code of Ethics has been updated and adopted by the Board of Directors on the 12th of October 2010. It has been communicated throughout the Group with trainings to remind the importance of respecting the code for
  - complying with all laws, regulations and internal standards,
  - acting honestly and fairly with clients, shareholders and partners,
  - playing by the rules of fair competition,
  - never using bribery or corruption in any form,
  - being loyal to the company and in particular, avoiding any conflicts of interest,
  - protecting the Group's assets and preventing and combating against fraud
  - protecting confidentiality and insider information.
- **Atos Rainbow™: Rainbow** is a set of procedures and tools that provides a formal and standard approach to bid management, balancing sales opportunities and risk management for all types of opportunities, as well as continuous guidance and control for the decision-making process. Rainbow is the means by which Atos Origin's management is involved in controlling and guiding the acquisition of the Group's contracts. Above specific thresholds Rainbow reviews are performed at Management Board level. In 2010, Rainbow has been progressively deployed to also monitor delivery phases of projects.
- **Operational policies and procedures** have also been implemented in all departments. The main impacting policies and procedures in terms of internal control (regarding authorizations and ethics) include "Payment & Treasury Security Rules", "Purchasing Code of Conduct", "Pension Governance", "Investment Committee", "Legal Handbook" and "Credit Risk Policy". In 2010, the Group has initiated a global review and centralization of the Group Policies and Procedures to increase the awareness and accessibility to those documents

Human Resource Management: A Group Human Resource management policy has been designed through the *Global Capability Model* (GCM) which is a standard for categorising jobs by experience and expertise across the Group. It helps employees in to be aware of their responsibility through job description; it helps managers in recruitment and rewarding; and it helps the Operations in resourcing and budgeting. A Group Policy on bonus scheme completes this organisation by setting additional incentives.

Information Systems: Group Business Process and Internal IT department is in place to provide common internal IT infrastructures and applications for Atos Origin staff worldwide. It supports functions like Finance (accounting and reporting applications), Human Resources (resourcing tool, corporate directory), Communication (Group websites and intranet) or Project Managers (capacity planning and project management).

Security and access to these infrastructures and applications as well as their reliability and performance are managed by this department and benefit from the core expertise and resources from the Group.

Communication of relevant and reliable information

Several processes are in place to ensure that relevant and reliable information is communicated on a timely manner to relevant players within Atos Origin.

A shared ERP system is deployed and used in the main countries of the Group, enabling easier exchange of operational information.
It allows producing cross border reporting and analysis (cross border project analysis, customer profitability…) as well as business reports through different analytical axis (service line, geographical and market axis).

Formal information reporting lines have been defined, following the operational and the functional structures. This formal reporting, based on standard formats, concerns both financial and non financial information. Communication of relevant information is also organized in the Group through several specialised escalation processes that define criteria to raise issues to the appropriate level of management, up to General Management for the most important ones. This covers a wide range of topics like operational risks (through Risk Management Committees), treasury (with Payment and Treasury Security Committee), or financial restructuring (Equity Committee).
This bottom-up communication is accompanied by top-down instructions, issued regularly, and especially for budgeting and financial reporting sessions.

A dedicated intranet portal is accessible to all employees which facilitates the sharing of knowledge and issues raised by the Atos Origin internal communities. This global knowledge management system promotes collaboration and allows efficient and effective information transfer.

System for risk management

Risk management refers to means deployed in Atos Origin to identify, analyse and manage risks. Although risk management is part of a manager's day to day decision making process, specific formal initiatives have been led concerning risk management:

The risk mapping has been updated in 2010, in order to identify and assess risks that may impact the objectives of the Group. The selected methodology involved the managers of the Group TOP 400 through interviews and questionnaires, to collect their perception of the main risks that may impact Atos Origin objectives, their potential impact and likelihood.
This assessment has covered potential risks related to our environment (stakeholders, natural disasters), the transformation & business development (evolution, culture, market positioning), our operations (clients, people, IT, processes) and the information used for decision making (financial and operational).
Results have been shared with General Management, to ensure that appropriate measures are deployed to manage the main risks, and presented to the Audit Committee.

The Risk Analysis (as detailed in the "Risks" section of the 2010 Annual Report*)* presents the Group's vision of the main business risks, as well as the way those risks are managed. This includes the contracting of several insurance policies to cover primary insurable risks including the protection of Group assets (production sites and datacenters) and people. Operational risks on projects have been managed by the Risk Management function (including a Group Risk Management Committee who met monthly to review the most significant and challenging contracts. Risks related to logical or physical security are managed through a Security Organization coordinated at Group level. Control activities have also been implemented (through the Book of Internal Control), on the basis of main risks identified, as described next section related to "control activities".

Control activities

Atos Origin's key control activities are described in the Book of Internal Control (BIC). This document, sent out to all entities by the General Management, complements the different procedures by addressing the key control objectives of each process to achieve a convenient level of internal control.
For each control objective, one or more control activities (including control activities' description, evidences, owners and periodicity) have been identified in order to formalize Group's expectations in terms of control.
The Book of Internal Control covers not only the financial processes, but also delivery processes (like contract management), support processes (including legal, purchasing, HR or IT) and some management processes (Mergers and Acquisitions):

- **HR and Pensions' Management**: control activities have been designed regarding identification and management of evolutions of Labour laws in countries where the Group operates, treatment of payroll, control of employment contracts, recruitment and termination processes, etc...;
- **Legal:** on top of the Delegation of Authority mentioned above, control activities have been designed on rules for customer contracts, trademarks, patents and domain names registration, insurance and corporate law;
- **Delivery cycle:** from bidding to post-delivery, on top of the Bid Management process and Risk Management mentioned above, control activities have been designed on the handover from bidding to delivery, follow-up of risk register and action plans, resource management control, project financial review, monitoring of project execution and termination process for a project;
- **Purchasing**: control activities have been designed on purchasing request authorisation process, key steps of procurement flow and ethics for buyers;
- **Internal IT**: control activities have been designed around protection and confidentiality of data and information including disaster recovery plans, security and access to the systems and networks;
- **Communication**: designed control activities are related to internal communication of key messages as well as procedures and policies, preparation and disclosure of announcement, public relations, communication crisis plan, financial communication, and investor relations.
- **Mergers & Acquisitions**: control activities aim at ensuring that the proper authorizations have been obtained at each step of the process, and proper tools and resources employed to secure operations.
- **Finance and Treasury**: the control activities are described in section D.3.2.3.

A new version of the Book of Internal Control has been communicated throughout the Group in August 2009 in order to take into account some improvements in terms of content and layout. This framework will continue to evolve, according to evolving maturity of processes and emerging risks.

A specific action has also been led with regards to **"SAS70"** reports[7].
A control framework has been defined, detailing control activities related to client service. This framework has been built on the basis of the ITGI model *(IT Governance Institute's publication titled IT Control Objectives for Sarbanes-Oxley, 2nd Edition)*.

Monitoring

Monitoring of internal control system includes the analysis of results of controls (identification and treatment of incidents) and the assessment of controls to ensure controls are relevant and appropriate with control objectives. This monitoring is the responsibility of the Group and Local Management, and is also supported by Internal Audit missions.

Internal Audit has been responsible to assess the functioning of internal control system.
Internal Audit has carried out reviews to ensure that the internal control procedures are properly applied and supported the development of internal control procedures. Internal Audit also defined, in partnership with Group and Local management, action plans for continuously improving internal control processes.

In 2010, Internal Audit carried out a total of 87 audit assignments assessing the functioning of internal control system: 53 in the domain of support functions (Finance, Human Resources, Purchasing and Internal IT) and 34 related to Operations/core business (mainly focus on Worldline activities). All assignments have been finalised by the issuance of an audit report including action plans to be implemented by the related division or country. Among the audit assignments achieved in 2010:

- An exhaustive follow-up of all open - high and medium risk - recommendations has been carried out, to ensure that action plans were correctly implemented
- 3 countries have been fully reviewed regarding the effectiveness of their internal controls on support functions.
- 11 Datacenters have been audited to obtain a view on physical security controls, environmental controls, availability and performance of the datacenter.
- Three particular investigation audits and 2 audits for specific clients took place
- Internal Audit has also performed an organizational review on the new GAMA[8] model implementation in 5 main countries to ensure that the progress of the project/model implementation is on track in accordance with Group strategy
- Fraud prevention audits have been performed to identify whether entity level of controls take sufficiently into account the risk of fraud and for a predefined list of internal fraud scenarios to assess the fraud awareness through the implementation of preventive controls and the effectiveness of controls in place.
- 3 third party service providers have been audited to assess how the outsourcing arrangements support the business objectives and how the relationship with the third party service provider is managed at a strategic and operational level, including the aspect of dependencies (contractual, business, system wise...)

Internal audit has also actively contributed to help the business meeting the compliance requirements to obtain the "payment institution" status for Worldline Belgium.

[7] SAS70 (*Statement on Auditing Standards no.70*) defines the American professional standards usually implemented in other countries within the framework of an auditor's report on internal control of a service to a third party. Activities of Atos Origin typically have an impact on the control environment of its clients (through information systems), which may require the issuance of "SAS70 reports" for the controls ensured by Atos Origin.
[8] GAMA : Global Atos Market Alignement

D.3.2.3 **Systems related to accounting and financial information**

Processes contributing to the accounting and financial information, referred as “financial processes”, are in line with the internal control system of Atos Origin, and are subject to specific attention due to their sensitivity.

Local and Group financial organisation

The financial processes have relied on finance teams in each country. Country CFOs had a dual reporting to local management and to Group CFO until February 2009. Since this date, country CFOs have a direct reporting line exclusively to Group CFO.

Direct reporting to Group Function, as for the other support functions, reinforces the integration of the financial function and contributes to the full alignment of key processes and provides an appropriate support to operational entities of the Group.

Piloting was ensured by Group CFO assisted by the Group Finance Executive Committee that included main country chief financial officers and Group Finance functions. This committee met on a regular basis and was in charge of the overall monitoring of the process of preparation of the financial information. Significant accounting issues, as well as potential internal control deficiencies, were reported to this committee, which decided corrective actions to be carried out.

Group Finance Department was in charge of piloting the financial processes, especially through the financial consolidation, the monitoring of compliance matters, the supply of expertise and the control of the reported financial information.

In 2010, the Financial System Alignment initiative has been pursued to reinforce alignment between countries in terms of indicators and processes, as well as to streamline IT tools and reporting demand.

Group finance policies & procedures

Group Finance has drawn up a number of Group policies and procedures to control how financial information is processed in the subsidiaries. These policies and procedures were discussed with the statutory auditors before issuance and included the following main elements:

Financial accounting policies include a Group reporting and accounting principles handbook applicable to the preparation of financial information, including off-balance sheet items. The handbook sets out how financial information must be prepared, with common presentation and valuation standards. It also specifies the accounting principles to be implemented by Atos Origin entities in order to prepare budget, forecast and actual financial reporting required for Group consolidation purposes. Group reporting definitions and internal guidelines for IFRS, and particularly accounting rules applicable in the Operations, are regularly updated. An IFRS knowledge center is in place at Group level to assist and support local operations.

Training and information sessions are organised regularly in order to circulate these policies and procedures within the Group. A dedicated intranet site is accessible to all accounting staff, which facilitates the sharing of knowledge and issues raised by members of the Atos Origin financial community.

Instructions and timetable: Financial reporting including budget, forecast and financial information by subsidiary is carried out in a standard format and within a timetable defined by specific instructions and procedures. Group Finance liaised with statutory auditors to coordinate the annual and half-year closing process.

Information systems

Information systems have played a key role in the control system related to the accounting and financial information, as they have both strongly structured the processes and provided automated preventive controls, but have also provided monitoring and analysis capabilities.

An integrated ERP system has supported the production of accounting and financial information in the main countries.

A unified reporting and consolidation tool has been used since the beginning of 2007 for financial information (operational reporting and statutory figures). Each subsidiary reported its financial statements on a standalone basis in order to be consolidated at Group level. There was no intermediary consolidation level and all accounting entries linked to the consolidation remain under the direct control of Group Finance. Off balance sheet commitments were reported as part of the mainstream financial information and are examined by Group Finance.

Monitoring and control

In addition to the financial processes defined, monitoring and control processes have aimed to ensure that accounting and financial information complies with rules and instructions.

The Closing File (included in the Book of Internal Control) is deployed at local level since 2008. It was required for each subsidiary to elaborate on a quarterly basis, a standard closing file formalising key internal controls performed over financial cycles and supporting closing positions.

Functional reviews were performed by Group financial support functions on significant matters relating to financial reporting, such as tax issues, pensions, litigations, off balance sheet items or business performance and forecast.

Operational and financial reviews: Group controlling is supporting Operations and General Management in the decision making process through monthly reviews and by establishing a strong link with country management in financial analysis & monitoring, enhancing control & predictability of operations and improving the accuracy & reliability of information reported to the Group;

Representation letters: During the annual and half-year accounts preparation, the management and financial head of each subsidiary was required to certify in writing:

- they have complied with the Group's accounting rules and policies;
- they are not aware of cases of proven or potential fraud that may have an impact on the financial statements;
- the estimated amounts resulting from the assumptions made by management enable the Company to execute the corresponding actions and
- that, to the best of their knowledge, there was, no major deficiency in the control systems in place within their respective subsidiary.

Internal Audit Department: The review of the internal control procedures linked to the processing of financial information was a component of the reviews conducted by the Internal Audit Department. The Internal Audit Department worked together with Group Finance to identify the main risks and to focus its audit plan consequently as effectively as possible.

D.3.2.4 **Internal control system players**

The main bodies involved in the implementation of internal control procedures at Atos Origin are as follows:

Board of Directors supported by Audit Committee

The Board of Directors prepares governance rules detailing the Board's role supported by its committees. Those committees play a key role to enlighten the Board as to the internal control system through their review and monitoring duties in a number of areas. The Audit Committee, in particular, is informed of the content and the implementation of internal control procedures used to ensure the reliability and accuracy of financial information and stays informed about the proper implementation of the Internal Control System.

General management and Executive Committee

General Management is responsible for the management of the Group's business and focuses on strategic aspects to develop the Group. As part of its role, General Management defines the framework of the system of internal control.

The Executive Committee leads the operational performance of the Group. Its main tasks are to define and review business priorities, review Atos Origin operational performance and define corrective action plans. Management at different levels is responsible for implementing and monitoring the internal control system within their respective areas of responsibility.

Risk Management Committee

Risk Management monitors, reviews and inspects the bidding, engaging in and the execution of contracts to achieve an optimum balance between risk and reward and identifies improvements in our operational processes, including controls where applicable.

Internal control

Internal control function is to ensure the coordination of the internal control system, like the implementation of the Book of Internal Control and its continuous improvement within the Group. Internal control coordinates also all other initiatives of internal control.

Internal Audit

The Internal Audit organisation is centralized which enables a global working practice following one Group audit plan and a consistent audit methodology. Internal Audit operating principles are defined in the Group Internal Audit Charter, which was validated by General Management. The Audit Committee also received regular reports on the Internal Audit work plan, objectives of assignments, and associated results and findings. The internal audit department liaises with the statutory auditors to ensure an appropriate co-ordination between internal and external control.

D.3.2.5 **Outlook and related new procedures to be implemented**

In 2011, the Top Program, as largely detailed, will pursue its effects to improve and streamline processes, with benefits for the Internal Control System.

Initiatives identified through the updated risk mapping will be monitored to ensure that proper attention is given to those topics.

The Internal Audit Department will pursue the internal review programme initiated in 2010. In line with the planned development of the internal control system of the Group, Internal Audit plans to pursue its focus on the implementation of the Book of Internal Control and Top program. In parallel with the continuation of the self-assessment process on financial internal controls, the Internal Audit team will continue to reinforce control and verification of financial information.

Conclusion

Based on the above, we have no other observation with regard to internal control and procedures implemented by the Group. However, it should be noted that internal control cannot provide an absolute guarantee that the Group's goals in this respect will be achieved and that all risks will have been completely eliminated.

Thierry BRETON,
Chairman of the Board of Directors

D.3.3 Statutory Auditors' report, prepared in accordance with Article L.225-235 of French company law (Code de Commerce) on the report prepared by the Chairman of the Board of Directors of Atos Origin

This is a free translation into English of the statutory auditors' report issued in French prepared in accordance with Article L.225-235 of French company law on the report prepared by the Chairman of the Board of Directors on the internal control procedures relating to the preparation and processing of accounting and financial information issued in French and is provided solely for the convenience of English speaking users.
This report should be read in conjunction and construed in accordance with French law and the relevant professional standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Atos Origin S.A. and in accordance with Article L.225-235 of French company law (Code de Commerce), we hereby report on the report prepared by the Chairman of your company in accordance with Article L.225-37 of French company law (Code de Commerce) for the year ended 31 December 2010.
It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the company and containing the other disclosures required by Article L.225-37 of French company law (Code de Commerce), particularly in terms of corporate governance.
It is our responsibility:

- to report to you on the information contained in the Chairman's report in respect of the internal control procedures relating to the preparation and processing of the accounting and financial information, and
- to attest that this report contains the other disclosures required by Article L. 225-37 of French company law (Code de commerce), being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- obtaining an understanding of the internal control procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and the existing documentation;
- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with Article L.225-37 of French company law (Code de Commerce).

Other disclosures

We attest that the Chairman's report includes the other disclosures required by Article L. 225-37 of French company law (Code de commerce).

Neuilly-sur-Seine and Paris, 31 March 2011

The Statutory Auditors

Deloitte & Associés		Grant Thornton *French member of Grant Thornton International*	
Tristan Guerlain	Christophe Patrier	Jean-Pierre Colle	Vincent Frambourt

D.4 **Executive compensation and stock ownership**

D.4.1 Directors' fees

On May 27th, 2010, the shareholders have set an annual envelop of director fees of EUR 500,000 for the members of the Board of Directors of the Company for 2010.

The rules of payment of the director fees are settled by Board of Directors, on the proposal of its Nomination and Remuneration Committee. For 2010, the fees were payable on the basis of the following principles:

- For the Board of Directors: a fix remuneration of EUR 25,000 per director, plus EUR 1,000 of variable fee per meeting (remuneration based on the attendance to the meetings of the Board of Directors);
- For the Committees: remuneration based on the attendance to the meetings – EUR 1,500 per meeting for the president of the said committee and EUR 750 per meeting for each member of the committee.
- The Board of Directors decided to compensate the censor(s) on the same basis as the members of the Board of Directors.

Thierry Breton and Behdad Alizadeh have declined to accept director fees.

Director's fees paid to the members of the Supervisory Board/Board of Directors[9]

	2009		2010	
	Paid[10]	**Due**[11]	**Paid**[12]	**Due**[13]
René Abate	18 750	38 000	38 000	37 000
Behdad Alizadeh	-	-	-	-
Nicolas Bazire	-	41 750	41 750	39 000
Jean-Paul Béchat	-	50 500	50 500	47 500
Thierry Breton	-	-	-	-
Jean Fleming	-	24 500	24 500	34 000
Bertrand Meunier	18 750	41 000	41 000	40 750
Aminata Niane	-	-	-	19 583(1)
Michel Paris	18 750	43 250	43 250	40 500
Pasquale Pistorio	-	39 000	39 000	39 500
Vernon Sankey	37 500	43 750	43 750	40 500
Lionel Zinsou-Derlin	-	-	-	31 917
Benoît d'Angelin	19 750	-	-	-
Diethart Breipohl	18 750	-	-	-
Dominique Bazy	18 750	-	-	-
Didier Cherpitel	18 750	-	-	-
Jean-François Cirelli	18 750	-	-	-
Michel Combes	18 750	-	-	-
Dominique Mégret	-	38 000	38 000	-
Jan P. Oosterveld	18 750	-	-	-
Michel Soublin	37 500	-	-	-
Jean-Philippe Thierry (compensation as Chairman of the Supervisory Board)	133 115(2)	-	-	-
Jean-Philippe Thierry	-	40 000(3)	40 000(3)	27 750(4)
Colette Neuville	19 750(5)	-	-	-
Censor Colette Neuville	-	-	-	20 583(6)

(1) Ms. Aminata Niane was appointed as member of the Board of Directors on 27 May 2010. Fees are calculated as from this date on a pro rate basis.
(2) The EUR 133 115 paid in 2009 to Jean-Philippe Thierry corresponds to the compensation for his mandate of Chairman of the Supervisory Board which expired on 10 February 2009, paid on a prorata temporis basis.
(3) Director fees paid to Jean-Philippe Thierry for his mandate as member of the Board of Directors since 10 February 2009.
(4) Jean-Philippe Thierry resigned form the Board of Directors as from 30 September 2010. Fees are due until this date.
(5) Director fees paid to Ms. Colette Neuville for her mandate as member of the Supervisory Board in 2008, which ended on 10 February 2009.
(6) Ms. Colette Neuville was appointed as a Censor on 13 April 2010. Fees are due from this date on a pro rata temporis basis.

D.4.2 Executive and associate corporate officers compensation

Thierry Breton was appointed Chairman of the Management Board on November 16th 2008 and is Chief Executive Officer since February 10th 2009.

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[10] Director fees paid in 2009 related to 2008
[11] Director fees due for 2009
[12] Director fees paid in 2010 related to 2009
[13] Director fees due for 2010

Charles Dehelly, Senior Executive Vice President in charge of Operations and Gilles Grapinet, Senior Executive Vice President in charge of Global Functions, are listed here as Employees.

We remind you that the objective settings and the performance review are done each semester. Therefore, the resulting variable compensation is paid each semester (usually in February for the second semester of the previous year and in August for the payment related to the first semester of the year):

- Compensation due reflects due amounts for the first and the second semester of the relevant year
- Compensation paid represents paid amounts for the second semester of the previous year, and of the following first semester.

Thierry Breton, Chairman of the Management Board from November 16th 2008 to 10 February 2009, Chief Executive Officer since February 10th 2009

The maximum gross annual total remuneration is EUR 2.4 million, of which half, (EUR 1.2 million) is fixed and the other half is conditional on meeting the objectives fixed by the Board of Directors.

Thierry Breton, Chairman of the Board and Chief Executive Officer				
Thierry Breton	**2009**		**2010**	
(in EUR)	**Due**	**Paid**	**Due**	**Paid**
Fixed Compensation	1,200,000	1,200,000	1,200,000	1,200,000
Variable Compensation (*)	1,048,600	723,000	1,200,000	1,048,600
Exceptional Compensation	NA	NA	NA	NA
Atos Origin SA director's fees	NA	NA	NA	NA
Fringe Benefits	5,337	5,337	7,284	7,284
TOTAL	**2,253,937**	**1,928,337**	**2,407,284**	**2,255,884**

(*) Thierry Breton's variable compensation is conditional, based only on quantitative and financial objectives. Variable compensation is fully paid only if the financial objectives set by the Board of Directors are met. The financial objectives were overachieved in the first semester of 2009, thus the variable compensation obtained for that semester wasn't subjected to any relief. The objectives were achieved at 74,8% in the second semester. In 2009, the conditional annual variable compensation due to Thierry Breton was therefore 87.4% of his target variable compensation, thus a relief of 12.6%. In 2010, the financial objectives were overachieved for the first semester (120,8% achievement) and for the second semester (102,2%). However, according to the upper limit mechanism of his variable compensation which cannot exceed 100% of his fixed compensation, the variable compensations obtained by Thierry Breton for the first and for the second semester of 2010 is in accordance with this upper limit of 100%.

Charles Dehelly, Senior Executive Vice President in charge of Operations

The gross fixed annual compensation is EUR 450,000.The variable target compensation for 100% achieved objectives is equal to his base salary and can go to 169%[14] in the event of over performance (i.e. EUR 760.500).

Charles Dehelly, Senior Executive Vice President in charge of Operations				
Charles Dehelly	**2009**		**2010**	
(in EUR)	**Due**	**Paid**	**Due**	**Paid**
Fixed Compensation	450,000	450,000	450,000	450,000
Variable Compensation (*)	456,583	327,885	608,520	498,256
Exceptional Compensation	NA	NA	NA	NA
Atos Origin SA director's fees	NA	NA	NA	NA
Fringe Benefits	3 854	3 854	2,947	2,947
TOTAL	**910,437**	**781,739**	**1,061,467**	**951,203**

Gilles Grapinet, Senior Executive Vice President in charge of Global Functions

The gross fixed annual compensation is EUR 450,000.The variable target compensation for 100% achieved objectives is equal to his base salary and can go to 169%[15] in the event of over performance (i.e. EUR 760,500).

Gilles Grapinet, Senior Executive Vice President in charge of Global Functions				
Gilles Grapinet	**2009**		**2010**	
(in EUR)	**Due**	**Paid**	**Due**	**Paid**
Fixed Compensation	435,380	435,380	450,000	450,000
Variable Compensation (*)	465,646	303,207	608,520	498,256
Exceptional Compensation	NA	NA	NA	NA
Atos Origin SA director's fees	NA	NA	NA	NA
Fringe Benefits	9,238	9,238	11,311	11,311
TOTAL	**910,264**	**747,825**	**1,069,831**	**959,567**

(*) Gilles Grapinet worked one day per week until January 14th 2009 inclusive and his compensation was pro-rated.

[14] The maximum payout percentage is 169% except for the second semester of 2010 for which it was increased to 189%.

[15] The maximum payout percentage is 169% except for the second semester of 2010 for which it was increased to 189%.

D.4.3 Option plans for stock subscription and free shares plans

In 2010, Thierry Breton, Charles Dehelly and Gilles Grapinet did not receive any Company free shares or stock options.

Reminder

In view of the modifications made to the December 23rd 2008 stock option plan rules by rulings of the Board of Director on October 5th and December 17th 2009, in order to strengthen the performance condition, we remind the following items:

The three-year value of stock options was calculated based on a binomial model used for the Group's consolidated financial statements. This value reflects the performance conditions differentiated for the three separate tranches (first, second and third tranche).

Stock option plan issued in 2008 to the Chairman of the Board and Chief Executive Officer

Chairman of the Board and Chief Executive Officer	Date of plan	Type of options	Valuation of the options using consolidated statement model (in EUR)	Number of options	Strike price in % above reference price (*)	Exercise period
Thierry Breton	23 December 2008 – 1st tranche	Subscription	1,054,670	233,334	5%	01/08/2010-31/03/2018
Thierry Breton	23 December 2008 – 2nd tranche	Subscription	809,666	233,333	25%	01/04/2011-31/03/2018
Thierry Breton	23 December 2008 – 3rd tranche	Subscription	590,332	233,333	50%	01/04/2012-31/03/2018

(*) Reference price at EUR 17.60

Stock option plan issued in 2008 to the Senior Executive Vice Presidents

Senior Executive Vice President	Date of plan	Type of options	Valuation of the options using consolidated statement model (in EUR)	Number of options	Strike price in % above reference price (*)	Exercise period
Charles Dehelly	23 December 2008 – 1st tranche	Subscription	352,560	78,000	5%	01/08/2010-31/03/2018
Charles Dehelly	23 December 2008 – 2nd tranche	Subscription	270,660	78,000	25%	01/04/2011-31/03/2018
Charles Dehelly	23 December 2008 – 3rd tranche	Subscription	197,340	78,000	50%	01/04/2012-31/03/2018

(*) Reference price at EUR 17.60

Senior ExecutiveVice President	Date of plan	Type of options	Valuation of the options using consolidated statement model (in EUR)	Number of options	Strike price in % above reference price (*)	Exercise period
Gilles Grapinet	23 December 2008 – 1st tranche	Subscription	352,560	78,000	5%	01/08/2010-31/03/2018
Gilles Grapinet	23 December 2008 – 2nd tranche	Subscription	270,660	78,000	25%	01/04/2011-31/03/2018
Gilles Grapinet	23 December 2008 – 3rd tranche	Subscription	197,340	78,000	50%	01/04/2012-31/03/2018

(*) Reference price at EUR 17.60

Terms of the stock subscription option plan granted in 2008

The management team at Atos Origin was changed in late 2008 and, as part of the authorisations granted by the General Shareholders Assemblies on May 23rd 2007 and May 26th 2009, this change also included granting a global stock options plan for the new team and managing directors. A three-year stock option plan was initiated in December 2008. Performance conditions were clarified over the course of 2009. It is reiterated that no other long term incentive plan (Stock Options or Free shares) was granted to the management team either in 2009 or in 2010.

Issuance on December 23rd 2008

On December 23rd 2008, the Atos Origin Supervisory Board authorised a three-year plan of 1,378,000 stock options. They were intended for the key members of the company's new General Management, who are: Thierry Breton, Chairman of the Management Board (he was planned to become Chairman of the Board and Chief Executive Officer of the company after the announced modification of the governance structure of the Company), the two newly appointed Senior Executive Vice Presidents, Charles Dehelly and Gilles Grapinet, who are also associated with 21 newly appointed project managers for the Company's structural improvement scheme for operational performance launched by the new management team, named "TOP".

This plan was structured so as to include commitments that would guarantee the company's operational performance is both recovered and improved durably, along the three-year period of the "TOP" Program.

Therefore, the options were granted in three consecutive tranches and one-third of them may be exercised (under the conditions of performance and presence), respectively, as of April 1st or August 1st 2010 (depending on the beneficiary), the second third (under the conditions of performance and presence) as of April 1st 2011 and the remainder (under the conditions of performance and presence) as of April 1st 2012.

The Supervisory Board, and then the Board of Directors (in 2009 when the operational performance criteria were being defined once the budget objectives had been set), used the services of professional advisors while the general market positions were changing to ensure the compliance of the plan with the AFEP/MEDEF recommendations (specifically, a percentage of accounting valuation of the annualized options in line with the "average" of comparable companies and "not disproportionate" to the total compensation, "serious and demanding" in terms of the performance conditions, stock option plan on the exercise date so the company is not required to purchase shares beforehand, limit any possible "windfall effects" by tightening the internal and external performance conditions, disclosure of the percentage of stock granted to the corporate officer compared to all securities issued annually, etc.).

Performance Conditions

The operational performance criteria (associated with continuous improvement year over year over the entire period of the company's financial profile) that apply to the stock option plan for Atos Origin directors were determined by the company's Board of Directors in its meetings on February 17th and October 5th 2009, following the advice of the Remuneration Committee. The Board of Directors deemed these criteria to comply with the AFEP-MEDEF recommendations of December 2008 (prior to this, in December 2008, the Supervisory Board had received professional advice from a firm specialized in these matters).

For the three-year period of the plan, the Board of Directors retained the measurable progress indicators that reflected the priorities given to the management: improve the operating margin, the net cash flow and the share price, and on this point for each of the three tranches to have a strike price higher than the reference price with a sliding threshold set for each tranche. These criteria were preferred above all other comparison criteria—for example, stock market or indicial comparison criteria—which were considered less relevant to the company's current phase, particularly in light of its situation, but also its present scope (which makes it a sideline player in IT services, primarily due to the weight, in electronic payments, of Atos Worldline's businesses).

The recommendations of the Corporate Governance Code of Listed Corporations published by the AFEP/MEDEF in December 2008 and cited in the AMF report on 9th July 2009 stipulate that: "the exercise by Executive Directors of all of the options and the acquisition of the shares must be related to performance conditions that are to be met over a period of several consecutive years. These conditions must be serious and demanding and combine internal and/or external performance requirements, i.e. they must be related to the performance of other industries, a benchmark sector, etc." In view of these benchmark conditions cited, the options are thereby subject to the following performance conditions:

For the 1st tranche (for which the initial exercise period begins on April 1st 2010 and was delayed until August 1st 2010 for members of general management):

The strike price for the options was set at an amount higher than the share price on the date of grant, representing 5% above the reference price (reminder: reversing the downward trend and then recovering the quoted stock price were the utmost priority when the new team took their posts).

The only stock options issued to the general management team (Thierry Breton – Corporate Officer – and the two Senior Executive Vice Presidents), for which the start of the exercise period was delayed until August 1st 2010, were subjected to the following additional performance conditions that must be achieved for at least three of the four semesters (the reference period being a semester) ending December 31st 2008, June 30th 2009, December 31st 2009 and June 30th 2010:

> (i) Net cash flow before dividends and excluding acquisitions and transfers equal to at least 85% of the budget for the semesters in question, or 10% more than the results for the previous year's corresponding semester (N-1); and
> (ii) Operating margin equal to at least 85% of the budget for the semesters in question, or 10% more than the results for the previous year's corresponding semester (N-1).

For the 2nd tranche (for which the initial exercise period begins on April 1st 2011):

The strike price for the options was set at an amount higher than the share price on the date of grant, representing 25% above the reference price.

The following performance conditions must be achieved for the two years (the reference period being a year) prior to the start of the exercise period:

> (i) Net cash flow before dividends and excluding acquisitions and transfers equal to at least 80% of the budget for the year, or 10% more than the previous year's results; and
> (ii) Operating margin equal to at least 80% of the budget for the year, or 10% more than the previous year's results.

For the 3rd tranche (for which the initial exercise period begins on April 1st 2012):

The strike price for the options was set at an amount higher than the share price on the date of grant, representing 50% above the reference price.

The following performance conditions must be achieved for the two years (the reference period being a year) prior to the start of the exercise period:

> (i) Net cash flow before dividends and excluding acquisitions and transfers equal to at least 80% of the budget for the year, or 10% more than the previous year's results; and
> (ii) Operating margin equal to at least 80% of the budget for the year, or 10% more than the previous year's results.

Computation and Deferment of Exercise

The value of the indicators for the internal performance conditions for each of the three tranches is determined by the Board of Directors for each reference period (year or semester) and sent to the beneficiaries.

In case performance conditions are not met for one of the reference period associated to the different tranches (or for two reference periods concerning the 1st tranche), the beneficiary would lose the options for the tranche in question:

> i) Unless, during two reference periods of the stock option tranche in question (or in at least three reference periods for options in the 1st tranche), at least one of the two internal performance conditions was met. In this case, the beneficiary is still eligible to exercise said options of the tranche in question if the performance conditions are met in the reference period immediately following the last reference period of the tranche in question.
>
> ii) Unless the Board of Directors rules otherwise, pursuant to article L. 225-177 of the French Commercial Code.

Demanding aspect of the performance condition requirements for Atos Origin Executive stock subscription option plan

The Board of Directors referred to the company's historical performance over 2006 – 2007 – 2008 to ensure that the performance conditions imposed on the new executive team were demanding throughout the duration of the three-year plan.

It first ensured general market understanding of the three-year budget requirement. It was thus determined that the company has publicly announced its goal to significantly improve its operating margin over the duration of the TOP Program (for 2009-2011 inclusive) is particularly high, both regarding the Company's past performance and the economic conditions anticipated for 2009 and beyond. The three-year objectives, approved by the Board of Directors, for improving the operating margin and cash flow are fully meeting this due of Excellence.

Furthermore, this led many industry analysts and observers to note that Atos Origin was one of the few companies in its sector to have exhibited such ambition for the next three years in the current economic situation.

Looking at the three years preceding the stock options grant, during which the economic environment was more favourable, the cumulated criteria established today would not have been achieved, either in 2006, or in 2008, as shown in the table below, which applies the internal performance criteria for the 2009-2011 (inclusive) plan to the years 2006-2008 (inclusive):

A – Relating to the 1st tranche (exercise conditions at 85% of budget):

Results in 2006

Operating Margin/Budget	< 85%	85% of Budget criteria not satisfied
Operating Margin/Previous Year	-38%	+10% vs. Previous Year criteria not satisfied

And

Cash Flow/Budget	< 85%	85% of Budget criteria not satisfied
Cash Flow/Previous Year	-47%	+10% vs. Previous Year criteria not satisfied

Conclusion for 2006: The performance criteria would not have been met in 2006.

Results in 2007

Operating Margin/Budget	> 85%	85% of Budget criteria satisfied
Operating Margin/Previous Year	+10%	+10% vs. Previous Year criteria satisfied

And

Cash Flow/Budget	> 85%	85% of Budget criteria satisfied
Cash Flow/Previous Year	21%	+10% vs. Previous Year criteria satisfied

Conclusion for 2007: The performance criteria would have been met in 2007.

Results in 2008

Operating Margin/Budget	< 85%	85% of Budget criteria not satisfied
Operating Margin/Previous Year	-2%	+10% vs. Previous Year criteria not satisfied

And

Cash Flow/Budget	< 85%	85% of Budget criteria not satisfied
Cash Flow/Previous Year	-33%	+10% vs. Previous Year criteria not satisfied

Conclusion for 2008: The performance criteria would not have been met in 2008.

B – Relating to the 2nd and 3rd tranches (exercise conditions at 80% of budget):

Results in 2006

Operating Margin/Budget	< 80%	80% of Budget criteria not satisfied
Operating Margin/Previous Year	-38%	+10% vs. Previous Year criteria not satisfied

And

Cash Flow/Budget	< 80%	80% of Budget criteria not satisfied
Cash Flow/Previous Year	-47%	+10% vs. Previous Year criteria not satisfied

Conclusion for 2006: The performance criteria would not have been met in 2006.

Results in 2007

Operating Margin/Budget	> 80%	80% of Budget criteria satisfied
Operating Margin/Previous Year	+10%	+10% vs. Previous Year criteria satisfied

And

Cash Flow/Budget	> 80%	80% of Budget criteria satisfied
Cash Flow/Previous Year	21%	+10% vs. Previous Year criteria satisfied

Conclusion for 2007: The performance criteria would have been met in 2007.

Results in 2008

Operating Margin/Budget	> 80%	80% of Budget criteria satisfied
Operating Margin/Previous Year	-2%	+10% vs. Previous Year criteria not satisfied

And

Cash Flow/Budget	< 80%	80% of Budget criteria not satisfied
Cash Flow/Previous Year	-33%	+10% vs. Previous Year criteria not satisfied

Conclusion for 2008: The performance criteria would not have been met in 2008.

The Board of Directors estimated, when the criteria were validated, and notwithstanding the poor economic environment, that the defined criteria for the plan 2009 – 2011 satisfy the "strict and demanding" conditions and meet the AFEP/MEDEF recommendations.

Achievement of stock options performance conditions

A – Relating to the 1st tranche (exercise conditions at 85% of budget):

Performance conditions were met on 3 semesters out 4.

Operating Margin (M€)[16]	Second Semester 2008	First Semester 2009	Second Semester 2009	First Semester 2010
Achievement	142	118	172	141
Budget	191	118	182	123
Budget achievement (%)	74%	100%	94,5%	114,6%
85% of Budget criteria or +10% vs. Previous Year criteria satisfied	no	yes	yes	yes

Net Cash Flow (M€)	Second Semester 2008	First Semester 2009	Second Semester 2009	First Semester 2010
Achievement	92	-24	141	74
Budget	130	-72	114	-44
Budget achievement (%)	71%	312%	124%	368,2%
85% of Budget criteria or +10% vs. Previous Year criteria satisfied	no	yes	yes	yes
Conditions met	NO	YES	YES	YES

Consequently, Thierry Breton, Charles Dehelly and Gilles Grapinet have vested Tranche 1 Options on August 1st 2010.

[16] Operatin Margin for 2007 second semester was 154 million euros.

B – Relating to the 2nd tranche (exercise conditions at 80% of budget):

Achievements for 2009 and 2010 are presented below:

Operating Margin (M€)	2009	2010
Achievement	290	319
Budget	300	315
Budget Achievement (%)	96,7%	101,4%
80% of Budget criteria or +10% vs. Previous Year criteria satisfied	Yes	Yes

Net Cash Flow (M€)	2009	2010
Achievement	117	142,8
Budget	42	126
Budget Achievement (%)	278,6%	113,3%
80% of Budget criteria or +10% vs. Previous Year criteria satisfied	Yes	Yes
Conditions met	YES	YES

Performance Conditions for the Options Tranche 2 have been met over two consecutive years. As a reminder, vesting date for the Tranche 2 Options is April 1st, 2011.

Besides, even though the Board of Directors didn't use external performance conditions as a criterion for the grant of stock subscription options to Atos Origin's Top Management, because of the reasons mentioned before, the company achieved a greater performance than its main competitors concerning its stock exchange, and the stock index reference (CAC40), in 2009 as well as in 2010, as is it show in the table below:

Company	2009 Evolution *(base 100 on 31/12/08)*	2010 Evolution *(base 100 on 31/12/09)*	2009-2010 Evolution *(base 100 on 31/12/08)*
Atos Origin	**179**	**124**	**222**
Logica	165	115	190
IBM	156	112	174
Accenture	127	117	148
HP	142	82	116
Cap Gemini	116	119	127
CAC 40	122	97	118

D.4.4 Benefits to the executive directors

The table shows the Chairman of the Board/CEO and the Senior Executive Directors.

Executive/Corporate Officer	Employment Contract		Supplementary Pension Plan		Payment or Benefits effectively or potentially due in the event of terminating or changing function		Non-Compete Clause payment	
	YES	NO	YES	NO	YES	NO	YES	NO
Thierry Breton Chairman of the Management Board Nov 16th 2008 –Feb 10th 2009 Chairman/CEO Feb 10th 2009 – present		NO	YES			NO		NO
Charles Dehelly Senior Executive Vice President of Operations Dec 1st 2008 – present	YES		YES			NO		NO
Gilles Grapinet Senior Executive Vice President in charge of Global Functions Dec 22dn 2008 – present	YES		YES			NO		NO

Thierry Breton does not have an employment contract and will not receive any severance payment at the end of his mandate. The terms of the supplementary pension plan are described in D.4.5 "Compliance of global executive compensation with AFEP/MEDEF recommendations". Thierry Breton will not receive compensation related to a non-compete clause.

D.4.5 Comparative of global compensation for Executive Directors (2006-2010)

The Supervisory Board made sure that the theoretical global compensation of Thierry Breton, Chairman/CEO,is less than or equal to that of his predecessors, both in total cash compensation and in total annualized compensation including long term incentives, all the while incorporating different implementation principles, and in accordance the objectives fixed by the Board to the Management.

The table below demonstrates this element:

Theoretical annualized total cash compensation

	B. Bourigeaud *Chairman of the Management Board (1997-2077)*	**P. Germond** *Chairman of the Management Board (2007-2008)*	**T. Breton** *Chairman and CEO (2008-present)*
Total annual cash Compensation (fixed+variable in (M€) - Fixed part - Variable part - Additional variable part[17]	 1,16 [18] 0,9 0,45	 0,9 1,1 0,5	 1,2 [19] 1,2 0
Total annual Cash Compensation (fixed+variable in M€)	**2,51**	**2,51**	**2,4**

[17] In the event of over perforarmance

[18] Including benefits worth approximately EUR 260 000 (lease of home)

[19] Fixed part of compensation taking into account the duties of the Chairman and CEO (the former Chairman received EUR 0.51 million for this alone)

Annual Long-Term Incentive total compensation (accounting value) in (M€)

	B. Bourigeaud *Chairman of the Management Board (1997-2077)*	**P. Germond** *Chairman of the Management Board (2007-2008)*	**T. Breton** *Chairman and CEO (2008-present)*
Long-term incentive Annualized Compensation (accounting value) - stock options - free shares	0,5 0,45	0,87 0,52[20]	0,82[21] 0
Annualized Long-term Incentive Total Compensation (accounting value)[22]	**0,95**	**1,39**	**0,82**

Additional items

	B. Bourigeaud *Chairman of the Management Board (1997-2077)*	**P. Germond** *Chairman of the Management Board (2007-2008)*	**T. Breton** *Chairman and CEO (2008-present)*
Additional items			
Supplementary pension	**Yes**	**Yes**	**Yes**
Severance payment	**Yes (EUR 4,5M)**	**In dispute[23]**	**No**

Total compensation paid (in cash)

Year	Chairman /CEO	Amounts paid (Cash, €)
2006	Bernard Bourigeaud	3 106 591
2007	Bernard Bourigeaud[1]	2 507 144[2]
2008	Philippe Germond[3]	3 154 067
2009	Thierry Breton	1 928 337
2010	Thierry Breton	2 225 884

(1) 9 months to 1/10/07 as Chairman of the Management Board, 3 months as member of the Management Board.
(2) Sum to which one should add severance payment (EUR 4,5M).
(3) 10 months to16/11/08.

D.4.6 Compliance of global executive compensation with AFEP/MEDEF recommendations

The Board ensured the compliance of the total compensation of the Chairman/CEO with the AFEP/MEDEF recommendations published in December 2008 and accepted by the AMF in its "AMF Report on Compensation for Executives of Listed Companies and on the Implementation of AFEP/MEDEF Recommendations", dated July 9th 2009.

On July 9th, 2010, Atos Origin received a letter from the AMF stating that, the AMF reviewed the 2009 annual report and the followup of the AFEP-MEDEF recommendations made during the review of the annual report. The letter stated that this document didn't require any specific comment.

[20] Accounting valuation used in the 2008 annual report
[21] One-year valuation of the three-year plan
[22] « Black and Scholes » method for stock-options
[23] P. Germond claims a severance payment of EUR 3.9 million, which the Company disputes both in term of principle and in the amount.

This compliance analysis refers to the following points of interest:

a) Employment contract: Because he was never an employee of the company, the Chairman/CEO is not bound by any employment contract.

b) Fixed compensation: To set the Chairman/CEO's fixed compensation at EUR 1.2 million per year, the Board took into account the cumulative duties of the Chairman and CEO. It should be noted that the fixed compensation previously allocated to the Chairman of the Management Board – alone – was EUR 0.9 million per year and the one previously allocated to the Chairman of the Supervisory Board – alone – was EUR 0.450 million per year in 2007 and EUR 0.240 million per year in 2008. In addition, the Chairman/CEO does not receive any directors' fees.

c) Variable compensation: In 2009, the maximum amount for the variable compensation was capped at 100% of the fixed part. Demanding and clear operating performance criteria were established and documented to condition the obtaining of the variable part on achieving objectives. For the second half of 2010, for example, the performance criteria were based on the target budget objectives: 50%for the operating margin, 30%for the generation of free cash flow, and 20%for turnover growth. In order to more closely monitor the Company's performance and to establish a responsive way to follow its improvement plan, the objectives are set on a half-year basis.

d) Severance payment: There is no severance payment of any kind (golden parachute, non-compete clauses, etc.) neither for the Chairman/CEO nor for the two Senior Executive Vice Presidents.

e) Supplementary pension plan: The Chairman/CEO benefits from the supplementary pension plan reserved for the members of the Group's executive committee, however, he requested to postpone the benefit to 31st December 2009 due to the ongoing parliamentary debate on this issue and its outcome. The following points are noteworthy with regard to the AFEP/MEDEF recommendations. The beneficiary group is wider than just the inner circle of corporate officers since it applies to, not only the three members of senior management team, but also to the 14 members of the executive committee, a total of 17 people. To benefit from the scheme, one must retire while maintaining a contractual link or corporate/administrative office with the Group or one of its entities. The pension paid by the company is the difference between a) a maximum, based on years of contribution, of 60% of the reference salary based on the average of the past 5 years of only the fixed salary (excluding the variable compensation and any additional compensation) preceding retirement, and b) the pension paid by other legal or conventional plans (including applicable defined contribution plans). A minimum of 10 years of cumulated seniority is required to receive benefits under the plan, with a maximum of 15 years, such that a newcomer to the plan who is over 50 (ex. 50+n years old) receives a benefit based on n years of contributions, up to a maximum of 5 years. Each contribution year can vest a percentage of potential rights, limited to fixed compensation (4% of fixed salary, or 2% of the total fixed plus variable salary). Using only the fixed salary is preferred over using the total salary in order to avoid windfall and provide for exact visibility over the amounts to be funded. It should be noted that the potential retirement rights represent only a small percentage of the overall compensation of the beneficiaries.

f) Performance shares: The Board had decided to ban in 2009 the grant of performance-based shares (free shares), as such an arrangement was, in the 2009-2010 period and during the implementation phase of the recovery/growth plan, too costly for shareholders (need for the company to acquire shares) and contrary to the desired entrepreneurial spirit (guaranteed profit with free shares once the acquisition terms are met, regardless of changes in the share price). The Board of Directors reserves the right to modify its position at a later date, should this be in the interest of the company.

g) Stock subscription options: As noted above, considering both the Company's position in the contact of its recovery plan and the alignment of shareholder interests with management interests for the period, the Board decided that the long-term retention/performance of the total compensation for 2009-2011 would operate exclusively in the form of granting stock subscriptions options (stock options) under a three-year plan covering all of these objectives. Regarding AFEP-MEDEF's recommendations concerning the grant of stock subscription options on the same calendar periods, it should be noted that the last stock option plan of the late 2008 was implemented along with the new management team taking office (three-year plan dated December 28th 2008) insofar as stock options were granted to different beneficiaries progressively with the constitution of the new managing team between 2009 and early 2010. Concerning the General Management team in particular, it is reminded that this stock option plan was granted consequently to its taking office late 2008: it was not followed by any stock option or free share grant either in 2009 or in 2010. During the grant of stock subscription options, Atos Origin takes into account, in accordance with the rules in force, the compatibility of the date of the grant with the possession by the company of privileged insider information. For the next exercises, the company is considering, if the Board of Directors were to grant new plans to the Top Management, to limit the occurrence of calendar periods where stock options are granted to the only month of December, by reference to the month of the last program launching (December 2008).

h) Allocated volumes: The "volumetric" analysis obviously requires an accounting valuation of the allocated options (Black and Scholes method), as required by IFRS standards and accounting, to have a relevant basis of comparison.

Several considerations have been taken into account in validating the volumes granted:

- First, there is a three-year plan organized into three equal tranches, with 233,333 options each. Therefore, it is advisable to use an annual basis averaged over three years for any relevant comparison. The Board wanted to ensure that allocated volumes produce an annual accounting value for options around the level commonly used in the sector, and therefore, concerning stock options only, to the one granted on an annual basis to the predecessor of the current executive/corporate officer (who received an annual allocation of options equivalent to 110% of his fixed compensation, or face value of EUR 990,000 per year for the executive or recorded as EUR 869,400 for the company – See 2008 Annual Report).
- Second (although not relevant considering that the grant was for the period 2009-2011), the scheme results in that the total volume is consistent with the average posted by the top issuers in 2008, which represents roughly 50% of the theoretical total compensation. This ratio, used to ensure that "the valuation of allocated options is not disproportionate to the total compensation" is confirmed by the AMF in its report, dated 9th July 2009, which states (page 43/57) that, "the options and shares allocated by the 44 companies that made allocations in 2008 represent an average of 48% of global compensation (fixed compensation, variable compensation, director's fees, fringe benefits, stock options and free shares)". For the Chairman/CEO of Atos Origin, whose total maximum compensation (fixed + variable + fringe benefits) is EUR 2.405 million, this means that the maximum posted amount must be around EUR 2.405 million (thus representing 50% of total compensation) in order to determine the total volume of benefits allocated over three years, if complying with this ratio at the time of posting the total benefit in the company's financial records.
- The 700,000 options that are subject to the performance conditions indicated above therefore comply with this last constraint because they result in a posted 2008 accounting value for the three tranches, respectively, of EUR 1,054,670 for the first tranche, EUR 809,666 for the second, and EUR 590,332 for the third, for a total of EUR 2,454,668 (which represents 50.5% of total compensation, as defined above). The plan also complies with the first constraint because, on an annual basis, it corresponds to a three-year allocation of EUR 2,454,668 ÷ 3 = EUR 818,223per year, which is below the EUR 869,400 cap specified above. It is hereby reminded that the predecessor of the executive/corporate officer also received an additional annual allocation of free shares with a face value of EUR 540,000 per year.

The Board therefore found that the volume of the allocation fully respects the objectives of an accounting valuation of annualized options that is “in the average” of comparable companies and “not disproportionate” to total compensation.

i) Percentage of securities allocated to the executive/corporate officer: Because securities were granted to the executive/corporate officer in 2008, accounting should compare the percentage with respect to all of the securities allocated in 2008, including those before his arrival in November, even if the matter of consistency with this comparison could be raised since a managerial change occurred. However, on an annualized basis in 2008, and therefore on a comparable basis, the percentage of securities allocated to the executive/corporate officer represents 6.3% of all securities granted over the year (options, free shares translated into equivalent stock options). We here add that a complementary derogatory profit sharing scheme (“participation”) was implemented for all 15 000 employees present in France.

j) Reduced impact of potential windfall: The Board then tried to reduce the impact of a potential windfall effect resulting from the fact that the plan was carried out in a very bleak economic environment, with an uncertain duration and without full perspective of the general economic conditions and those of Atos Origin's sector, particularly in the medium term. Thus, the Board of Directors decided that, in addition to the performance conditions described above, the third tranche of the plan would involve a +50% premium compared to the reference price and the second tranche would have a +25% premium (see above). Following the 1st half of 2009 results issuance , Atos Origin’s share price rose significantly (+30% over two months, only to drop back down later), as its volatility increased. Thus, for the first tranche (which had no other performance conditions than the strike, with a +5% premium), the Board decided to add reinforced operational performance conditions to be met, setting the performance requirement level at 85% achievement of the budgeted net cash flow and operating margin, compared to 80% for tranches 2 and 3. This tranche also has conditions to be satisfied, not only for the two full years, but for at least three out of four of the semesters during the period. The exercise date for tranche 1 has therefore been pushed back to account for this. In doing this, the Board expressed the importance that it attached to this, from the first phase of the three-year plan, to the continued operational success of the company over time, semester after semester. The first tranche is more conditioned that the other two on this success.

k) Hedging instruments: The use of any options hedging instruments is formally prohibited for the beneficiaries of stock option plans.

l) Retention of a percentage of shares from exercised stock options: The Board decided that, if options are exercised, the executive/company officer would retain at least 5% of the acquired shares in a nominative account, while still part of the company. This simple and documented mechanism is preferred over any other more sophisticated scheme (percentage of the capital gain from sale, percentage of the fixed, variable, or total salary, etc.), which may be more relevant for other companies than for Atos Origin during this period, given the specific challenges presented by the execution of this three-year plan.

m) Public notice on compensation to the executive/corporate officer: In the interests of transparency and open market communication, all of the elements characterising the various components of the executive/corporate officer's total compensation are made public, once adopted by the Board.

In conclusion, the analysis of the above items led the Board of Directors, at its November 19th 2009 and December 22nd 2010 meetings, to deem the total compensation of the executive/corporate officer to be compliant at all points with the recommendations of the December 2008 AFEP/MEDEF Code, approved by the AMF in its report dated 9th July 2009. A complete press release has been transmitted to the market including in particular all the elements cited above.

D.5 **Resolutions**

D.5.1 Proposed resolutions to the AGM

Resolutions submitted to the shareholders' vote will be published in the Bulletin des Annonces Légales Obligatoires (official legal gazette for listed companies) and will be posted on the Atos Origin website ("Investors" section), as required by applicable laws and regulations (i.e. at least 35 days before the shareholders' meeting).

D.5.2 Board of Directors reports to the Art. L 225-184 (French Com. Code)

Dear Shareholders,

We hereby inform you that no stock subscription options were granted to legal representatives during the 2010 fiscal year.

There were no shares subscribed or shares bought following the exercise of stock-options by the legal representatives during the 2010 fiscal year.

The total number, the balanced average price and the exercise dates of the stock-options or free share grants given, during the year 2010, by the Company or a company or economic interest group linked to the Company as per section L.225-180 of the French Commercial Code, to each of ten non-legal representative employees of the Company which have received the highest amount of options are the following:

	Number of stock-options granted	Average balanced price in Euros	Exercise dates
1st tranche	106,673	40.41	01/07/2011 – 30/06/2019
2nd tranche	106,664	48.11	01/07/2012 – 30/06/2019
3rd tranche	106,663	57.74	01/07/2013 – 30/06/2019
TOTAL	320,000	48.75	

The total number and the balanced average price of the shares which were subscribed or bought during the year 2010 by way of exercising one or more owned options of the Company or a company or economic interest group linked to the Company as per section L. 225-180 of the French Commercial Code, by each of ten non-legal representative employees of the Company which have received the highest amount of option are the following:

Number of stock-options exercised	Average balanced price in Euros
86,746	21.68

The total number, the balanced average price and the exercise dates of the stock-options or free share grants given, during the year 2010, by the Company or a company or economic interest group linked to the Company as per section L. 225-180 of the French Commercial Code, to all employee beneficiaries, the number of such beneficiaries, and the distribution of the grants according to the categories of beneficiaries are the following:

Date of the stock-option plans		Number of stock-options granted	Average balanced price in Euros	Exercise dates
31/12/2010	1st tranche	124,842	40.41	01/07/2011 – 30/06/2019
31/12/2010	2nd tranche	124,830	48.11	01/07/2012 – 30/06/2019
31/12/2010	3rd tranche	124,828	57.74	01/07/2013 – 30/06/2019
	TOTAL	**374,500**	**48.75**	

D.5.3 Board of Directors reports to the 2006-05 Instruction of February 2006

Dear Shareholders,

We hereby inform you that the following transactions have been made on the shares of the Company by its legal representatives during the year 2010:

Name	Number of shares bought	Date	Purchase price in Euros
Lionel ZINSOU-DERLIN	1 000	22/02/2010	34.27
Aminata Niane	1 000	02/09/2010	32.40

We hereby inform you that the following transactions have been made on the shares of the Company by a person mentioned in article L.621-18-2 b of the French Monetary and Financial Code *(any person who has, on the one hand, within the company, the capacity to make decisions of management concerning its evolution and its strategy and has, on the other hand, a regular access to privileged information concerning directly or indirectly the company).*

Name	Number of shares bought	Date	Purchase price in Euros
Head of Investor Relations			
Gilles ARDITTI	825	17/12/2010	40.11
Gilles ARDITTI	4,000	21/12/2010	39.68

D.5.4 Board of Directors reports to the AGM pursuant to Art. L 225-197-4 (French Com. Code)

Dear Shareholders,

We hereby inform you that no free shares have been granted to either the legal representatives or the employees of the Company or a company or economic interest group linked to the Company in the terms set out in section L.225-197-4 of the French Commercial Code during the year 2010.

D.6 **Code and charts**

D.6.1 United Nations Global Compact

Atos Origin subscribed to the United Nations Global Compact in June 2010, asserting its commitment to the ten principles in the areas of human rights, labour, the environment and anti-corruption which enjoy universal consensus. Atos Origin is fully and proactively committed, both at company and top management level, to conduct its business in accordance with these principles.

D.6.2 Code of Ethics

Atos Origin places particular importance on upholding ethical rules in conducting its business. To this end, Atos Origin adopted a Code of Ethics as early as 2003, reminding its employees the need to act honestly, impartially and with integrity in their daily professional activity and in compliance with the legal framework applicable in every country where Atos Origin conducts its business. The Code was rewritten in 2010 to take into account the evolution of the environment in which Atos Origin operates.

Though the Code is distributed to all employees throughout the world, the employees who are most concerned with the content of the Code are asked to acknowledge receipt of the Code. In addition, the suppliers and partners of Atos Origin which contribute to develop its activities must formally commit to respecting the principles of the Code.

Professional integrity is implemented internally. Atos Origin treats its employees based on merits and qualifications and without discrimination. Integrity is also the foundings of Atos Origin's relationship with third parties.

D.6.2.1 **No Bribery or Corruption**

Atos Origin refuses any form of corruption or dishonest or illegal practice with the aim to obtain a commercial advantage or other. As participant to the United Nations Global Compact, Atos Origin subscribes to the anti-bribery in "all its forms, including extortion and bribery

D.6.2.2 **Fair competition**

Atos Origin treats its customers, suppliers, partners, intermediaries with respect and shall not take unfair advantage nor practice discriminatory conditions. As a consequence, Atos Origin refuses that its employees or third parties assisting Atos Origin in developing business take part in an agreement, understanding or concerted practice which would contravene the applicable laws and regulations concerning anti-competitive practices.

D.6.2.3 **Conflicts of Interest**

Atos Origin undertakes to ensure that all decisions taken by one of its employees within its professional activity are taken objectively and impartially, in the interest of Atos Origin and not in the employee's own interest, whether financial or personal. As a consequence, employees are asked to report financial or personal interests which they may have with competitors, clients or suppliers likely to constitute a conflict of interest.

D.6.2.4 **Protection of Atos Origin assets – Fraud**

The assets of Atos Origin, whether, material such as hardware, or intellectual property rights or financial equity are used only for conducting Atos Origin business and according to the guidelines defined by the Group: reporting must be of high quality, reliable and relevant, translating exactly the activities of the company

D.6.2.5 Protection of confidentiality and privileged information

Atos Origin protects the confidential information it owns or which is made available to it by its customers, suppliers or partners. In addition, Atos Origin has defined applicable rules to the use and disclosing of privileged information likely to impact the market of Atos Origin's shares (see Section D.6.4).

D.6.3 Other applicable provisions

Not all mandatory provisions applicable to Atos Origin are contained in the Code of Ethics. The policies which are adopted by the heads of departments at Group level also contain provisions which the employees of the Group must comply with, such as rules on authorization and decision taking with regard to signatures, on applicable clauses to client and supplier contracts, on the selection of potential employees and their training or on the selection process for suppliers and agents.

In addition, Atos Origin employees share common values with the Group which guide them in their day-to-day behaviour, both in the company and with their clients

D.6.4 Privileged Information and insider trading

The unauthorised use or publication of inside or privileged information can distort the market for Atos Origin securities. Accordingly, in order to ensure that there is a fair and open market in Atos Origin securities, the Company's goal is also to publish material information to investors and shareholders regarding its activities immediately when it becomes known and under conditions that are equal for all. The Company requires all senior managers or employees having access to critical information ("relevant employees") to follow insider trading rules and regulations.

Insider trading

Inside information is classified as information having an impact on a decision of whether to buy, sell or retain any Atos Origin securities, therefore distorting the market. The unauthorised use or communication of inside information is strictly prohibited and constitutes a legal offence. Such offences are liable to criminal, regulatory (Autorité des Marchés Financiers, the French exchange commission) and civil proceedings. Accordingly, no employee may discuss or divulge any inside information to third parties or deal in Atos Origin securities when he/she is in possession of any inside information.

Dealing during closed periods

"Relevant employees" may not deal in Atos Origin securities, whether directly or indirectly, during any "closed period", which is defined as six weeks prior to the publication of Atos Origin's annual financial statements and four weeks prior to publication of Atos Origin's first and third quarter financial statements.

"Relevant employees" include (i) all directors and/or officers and/or managers of companies within the Atos Origin Group and their direct subordinates and assistants; (ii) any key employee specifically designated as such by the Chairman and Chief Executive Officer; and (iii) any employee who is likely to be in possession of unpublished privileged information concerning Atos Origin SA and its subsidiaries. The above limitation on dealing in Atos Origin securities does not apply to the exercise by employees of stock options granted by Atos Origin. The limitation does apply however to the sale of resulting shares.

Dealings in Atos Origin options

Employees are forbidden to negotiate any protection against fluctuations in the potential capital gain to be obtained from Atos Origin stock options or free shares granted by Atos Origin to an individual in the course of their employment (whether through a call, a put or otherwise), except if expressly authorised by the Chairman and Chief Executive Officer.

Clearance to deal

Even outside closed periods, relevant employees may not deal in Atos Origin securities, whether directly or indirectly, without obtaining the prior approval of the Chairman and Chief Executive Officer.

This does not apply to the exercise (not followed by a sale) by employees of stock options granted by Atos Origin.

D.6.5 Internal rules and charter of Board of Directors

The Board of Directors has approved Internal Rules to which is attached a Charter of the Atos Origin Board of Directors and a Guide to the Prevention of Insider Dealing. The Charter of the Board of Directors summarises the mission and obligations of the members of the Board of Directors. The Charter covers in particular the following points: prohibition to hold a corporate office and an employee contract, company interests, attendance, diligence, loyalty, independence, confidentiality, trading in the Group's shares, conflicts of interest, information of members.

Appointment
Before accepting their mandate, each director must declare that he/she have understood the obligations binding upon them. He/she must also acknowledge the applicable laws and regulations, the Articles of Association of the Company, the Internal Rules of the Board of Directors, the Charter of the Board of Directors and the Guide to the Prevention of Insider Dealing. Directors must own in their own name at least one thousand nominee shares and, if they do not own such shares at appointment, they must acquire them within three months of their date of appointment.

Directorship and Employment are mutually exclusive
A director who becomes a legal representative of the Company shall undertake to terminate his or her employment contract with the Company (if such employment contract exists), either by contractual termination or by resignation. This provision obviously does not apply to the director representing the employee shareholders.

Defending the interests of the Company
Each director represents all shareholders and must act at all times in their interest and in the interest of the Company. He/she must alert the Board of Directors of any event brought to his or her attention which he/she deems could affect the interests of the Company.

Conflicts of interest
The Atos Origin "Code of Ethics" prohibits any director or staff member from having a conflict of interest between their personal and corporate responsibilities. Directors must inform the Board of Directors of any actual or potential conflict of interest of which they are aware. The director must then participate in a review of that conflict by the Board as a whole, but must abstain from taking part in any vote taken on the subject.
A conflict of interest arises when a director or a member of his or her family could personally benefit from the way the Company's business is conducted, or could maintain a relationship of any kind with the Company, its affiliates or its management that could compromise the director's judgment (particularly as a client, supplier, business banker, legal representative).

Attendance – Diligence
By accepting their mandate, each director agrees to spend the necessary amount of time and care in performing their duties and must comply with legal regulations applying to the number of director mandates. Except in unavoidable circumstances, each director must attend all Board meetings and the meetings of all Board Committees to which they belong. He or she shall keep informed about the work and specifics of the Company, including its stakes and values, by inquiring, if necessary, its Management. He or she shall make a point of keeping updated on the knowledge that enables him or her to perform his or her functions.

Loyalty
Each director is under an obligation of loyalty towards the Company. He or she shall not take any initiative that could harm the interests of the Company or other companies or entities within the Group and shall act in good faith in all circumstances.
He or she shall not take on any responsibilities on a personal basis in any company or business practicing any activities in direct competition with those of Atos Origin without prior approval of the

Chairman of the Board of Directors and of the Chairman of the Remuneration and Nomination Committee.

Independence
The director carries out his or her functions in complete independence. He or she undertakes to preserve in all circumstances, his or her independence of analysis, judgment, decision and action. He or she does not tolerate being influenced by any factor outside of the corporate interest, which he or she undertakes to protect. He or she commits to inform the Board of any known issue which appears to be of such a nature as to affect the interests of the Company.

Confidentiality
The Directors are required to uphold professional secrecy, which exceeds the mere obligation of discretion provided for in the law, in regards to any information gathered during or outside of the Board of Directors' meetings. They commit to keep strictly confidential any information that has not been publicly disclosed, of which they have been informed or become aware during their mandate, as well as the contents of discussions and votes of the Board of Directors and of its committees.

Inside information and trading in the Company's securities
Directors may not trade in the Company's securities other than within the limits of the "Guide to the Prevention of Insider Dealing" approved by the Board of Directors. The Company prohibits trading in its securities especially during closed periods prior to the announcement of its annual and half-year results and quarterly revenue performance. Board members must inform the Company of any dealings in the securities of the Company within five days of executing the transactions, in order that the Company may comply with its relevant filing requirements, notably to the French stock exchange regulatory authority - the Autorité des Marchés Financiers.

Information of Board members
The Company shall be required to provide its directors with any information necessary for the efficient participation in the work of the Board of Directors in such a way as to enable them to carry out their mandate under appropriate conditions. The same shall apply at any time in the life of the Company where the importance or urgency of the information so requires. This permanent information shall include any relevant information, including critical information, concerning the Company and particularly articles in the press and financial analysis reports.

A director may request from the Chairman any complementary information that he or she deems necessary for the full accomplishment of his or her missions, particularly in view of the agenda of the meetings. Should a director consider that he or she has not been put in a position that enables him or her to discuss with full knowledge of the facts, it is his or her duty to indicate such to the Board and to require that he or she be provided with the indispensable information.

D.7 Common stock evolution and performance

D.7.1 Basic data

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.

D.7.1.1 Information on stock

Number of shares	: 69,914,077
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

The main tickers are:

Source	Tickers	Source	Tickers
Euronext	ATO	Reuters	ATOS.PA
AFP	ATO	Thomson Finance	ATO FR
Bloomberg	ATO FP		

The Euronext sector classification is as follows:

Euronext: sector classification Industry Classification Benchmark (ICB)
9000 AEX Technology
9530 AEX Software and Computer services
9533 Computer Services

The shares are also components of the following indices as of 31 December 2010:

Index	Type	Code ISIN	Market Place
Eurolist (segment 1)	Global Europe		Paris-Amsterdam-Brussels-Lisbon
Euronext CAC 70	Global Europe		Paris-Amsterdam-Brussels-Lisbon
Euronext 100	Global Europe	FR0003502079	Paris-Amsterdam-Brussels-Lisbon
SBF 80	Global	FR0003999473	Paris PX8
SBF 120	Global	FR0003999481	Paris PX4
SBF 250	Global	FR0003999499	Paris PX5
CAC IT20	Sector	QS0010989091	Paris CIT20
CAC IT	Sector	FR0003501980	Paris PXT
DJ Euro Stoxx Techno	Sector	EUR0009658541	Germany-Xetra SX8E
CAC Technology	Sector	QS0011017827	Paris
CAC Software & Computer Services	Sector	FR0000051732	Paris
ASPI Europe, Europa EMP 100 Europa CAP 100, ECPI Ethical Index Euro: Sustainable Development			

D.7.1.2 **Free Float**

The free-float of the Group shares exclude stakes exceeding 5% of the issued capital of the Group, namely the main shareholder, Financière Daunou 17 (PAI Partners) owning 25.0% of the Group share capital on 31 December 2010. Any other shareholder owns or disclosed to own more than 5% of the issued capital of the Group. Stakes owned by the employees and the management are excluded from the free float.

As of 31 December 2010	Shares	% of capital	% of voting rights	Nominal Value (in EUR)	Book value (in EUR)
Treasury stock	253,551	0.4%	0.4%	253,551	9,319,107
Financière Daunou 17	17,442,839	25.0%	25.0%	17,442,839	
Board of Directors	14,640	0.0%	0.0%	14,640	
Employees	2,523,605	3.6%	3.6%	2,523,605	
Free float	49,679,442	71.1%	71.1%	49,679,442	
Total	**69,914,077**	**100.0%**	**100.0%**	**69,914,077**	

D.7.2 Stock ownership

Principal changes in the ownership of the Group's shares in the past two years have been as follows:

	31 December 2010		31 December 2009		31 December 2008	
In shares	**Shares**	**%**	**Shares**	**%**	**Shares**	**%**
Financière Daunou 17	17,442,839	25.0%	15,765,838	22.6%	15,765,838	22.6%
Pardus	1,821,869	2.6%	7,000,004	10.0%	7,000,004	10.0%
Centaurus			1,332,140	1.9%	3,492,119	5.0%
FMR Llc	3,498,744	5.0%				
Management Board					33,785	0.0%
Supervisory Board					10,721	0.0%
Board of Directors	14,640	0.0%	14,938	0.0%		
Total Management	**14,640**	**0.0%**	**14,938**	**0.0%**	**44,506**	**0.1%**
Employees	2,523,605	3.6%	2,279,112	3.3%	2,119,700	3.0%
Treasury stock	253,551	0.4%	652,152	0.9%	1,111,293	1.6%
Public	44,358,829	64.3%	42,676,278	61.2%	40,183,993	57.6%
Total	**69,914,077**	**100.0%**	**69,720,462**	**100.0%**	**69,717,453**	**100.0%**
Registered shares	1,403,026	2.0%	1,629,770	2.3%	1,703,175	2.4%
Bearer shares	68,511,051	98.0%	68,090,692	97.7%	68,014,278	97.6%
Total	**69,914,077**	**100.0%**	**69,720,462**	**100.0%**	**69,717,453**	**100.0%**

The share ownership of the Group's Board of Directors at 31 December 2010 is detailed in section D.3 "Report by the Chairman of the Board of Directors on Corporate Governance and Internal Control" in the Corporate Governance section of the reference document. The Group's shares which are owned by employees are mainly managed by mutual funds and a corporate savings plan, the other part representing the grant of performance options which are unavailable during a period of two years.

The Treasury stock evolution is explained below in the section "Treasury stock and liquidity contract".

During 2010, the Group has been advised of several upwards share movements from Financière Daunou 17 (PAI) and FMR Llc, and downwards from Pardus Capital.

D.7.3 Dividend policy

During its meeting held on 15 February 2011, the Board of Directors decided to propose at the next Ordinary Shareholders Meeting to pay a dividend of 0.50 euro per share in 2011 on the 2010 results.

During the past three fiscal periods, Atos Origin has paid the following dividends:

Fiscal period	**Dividend paid per share** (in EUR)
2009	0.00
2008	0.00
2007	0.40 (paid in 2008)

D.7.4 Shareholder Documentation

In addition to the Reference Document, which is published in English and French, the following information is available to shareholders:

- A half year report
- Quarterly revenue and trading update announcements
- The Group'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 Group Articles of Association, minutes of Shareholder Meetings, Auditors' reports, etc. may be viewed at the Group's registered office (Legal Department) by prior appointment.

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

D.7.5 Financial calendar

10th May 2011	2011 First quarter revenue
1st June 2011	Annual General Meeting
1st July 2011	Extraordinary General Meeting
27th July 2011	2011 Half-year results

D.7.6 Contacts

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

Gilles Arditti, Group Senior Vice-President Investor Relations and financial communcation,
Tel: +33 (0) 1 73 26 00 66, gilles.arditti@atosorigin.com

Requests for information can also be sent by email to investors@atosorigin.com

D.7.7 Update of Document issued

The following list includes all financial information published or made available since 1 January 2008.

This document is a full free translation of the original French text.

Document	Date of issue	Source
Financial reports		
▪ Annual report 2010	01/04/11	website Atos Origin / website AMF
▪ Half-year report 2010	28/07/10	website Atos Origin / website AMF
▪ Annual report 2009	01/04/10	website Atos Origin / website AMF
▪ Half-year report 2009	31/07/09	website Atos Origin / website AMF
▪ Annual report 2008	09/04/09	website Atos Origin / website AMF
Financial press releases		
▪ Definition and mode of calculation of the cash flows	11/03/11	website Atos Origin / website AMF
▪ Annual results 2010	16/02/11	website Atos Origin / website AMF
▪ Atos Origin signs a binding agreement to acquire Siemens IT Solutions and Services	01/02/10	website Atos Origin / website AMF
▪ Atos Origin and Siemens to create a European IT Champion	14/12/10	website Atos Origin / website AMF
▪ Third quarter revenue 2010	13/10/10	website Atos Origin / website AMF
▪ Half-year results 2010	28/07/10	website Atos Origin / website AMF
▪ First quarter revenue 2010	14/04/10	website Atos Origin / website AMF
▪ Annual results 2009	17/02/10	website Atos Origin / website AMF
▪ Third quarter revenue 2009	16/10/09	website Atos Origin / website AMF
▪ Half-year results 2009	29/07/09	website Atos Origin / website AMF
▪ First quarter revenue 2009	15/04/09	website Atos Origin / website AMF
▪ Annual results 2008	18/02/09	website Atos Origin / website AMF
▪ Fourth quarter revenue 2008	05/02/09	website Atos Origin / website AMF
Financial presentations		
▪ Full-year 2010 results	16/02/11	website Atos Origin
▪ Alliance between Atos Origin and Siemens	15/12/10	website Atos Origin
▪ Third quarter revenue 2009	13/10/09	website Atos Origin
▪ Half-year results 2010	28/07/10	website Atos Origin
▪ AGM 27 May 2010	27/05/10	website Atos Origin
▪ First quarter revenue 2010	14/04/10	website Atos Origin
▪ Full-year 2009 results	17/02/10	website Atos Origin
▪ Third quarter revenue 2009	16/10/09	website Atos Origin
▪ Half-year 2009 results	29/07/09	website Atos Origin
▪ First quarter revenue 2009	15/04/09	website Atos Origin
▪ Full-year 2008 results	18/02/09	website Atos Origin
Other financial communications		
▪ Offering by Atos Origin of bonds convertible into and/or exchangeable for new or existing shares (OCEANE)	21/10/09–23/10/09	website Atos Origin / website AMF
▪ Description of trading programme of Company's shares	25/06/10-25/06/09	website Atos Origin / website AMF
Shareholders' meetings		
▪ Shareholders' meeting presentation 2009	27/05/10	website Atos Origin
▪ Shareholders' meeting presentation 2008	26/05/09	website Atos Origin
▪ Minutes of the 2008 AGM (full text of resolutions and results of vote)	26/05/09	Company's registered office

Document	Date of issue	Source
Financial statements		
▪ Consolidated financial statements 2010	16/02/10-01/04/11	Company's registered office / Commercial court / Reference Document
▪ Parent company financial statements 2010	01/04/11	Company's registered office / Commercial court / Reference Document
▪ Condensated consolidated financial statements for the first half 2010	31/07/10	Company's registered office / Commercial court/ Half-year report
▪ Consolidated financial statements 2009	17/02/10-01/04/10	Company's registered office / Commercial court / Reference Document
▪ Parent company financial statements 2009	01/04/10	Company's registered office / Commercial court / Reference Document
▪ Condensated consolidated financial statements for the first half 2009	31/07/09	Company's registered office / Commercial court / Half-year report
▪ Consolidated financial statements 2008	18/02/09-09/04/09	Company's registered office / Commercial court / Reference Document
▪ Parent company financial statements 2008	09/04/09	Company's registered office / Commercial court / Reference Document
Auditors reports		
▪ Auditors' report on the consolidated financial statements 2010	01/04/11	Company's registered office / Commercial court / Reference Document
▪ Auditors' report on the parent company financial statements 2010	01/04/11	Company's registered office / Commercial court / Reference Document
▪ Auditors' special report on regulated agreements 2010	01/04/11	Company's registered office / Reference Document
▪ Auditors' special report on the report prepared by the Chairman of the Board of Directors 2010	01/04/11	Company's registered office / Reference Document
▪ Auditors' letter regarding the information given in the Reference Document 2010	01/04/11	Company's registered office
▪ Auditors' report on the consolidated financial statements 2009	01/04/10	Company's registered office / Commercial court / Reference Document
▪ Auditors' report on the parent company financial statements 2009	01/04/10	Company's registered office / Commercial court / Reference Document
▪ Auditors' special report on regulated agreements 2009	01/04/10	Company's registered office / Reference Document
▪ Auditors' special report on the report prepared by the Chairman of the Board of Directors 2009	01/04/10	Company's registered office / Reference Document
▪ Auditors' letter regarding the information given in the Reference Document 2009	01/04/10	Company's registered office
▪ Auditors' letter regarding the information given in the half-year report 2009	31/07/09	Company's registered office
▪ Auditors' review report on the first half-year financial information 2009	31/07/09	Company's registered office / Commercial court / Reference Document
▪ Auditors' report on the consolidated financial statements 2008	08/04/09	Company's registered office / Commercial court / Reference Document
▪ Auditors' report on the parent company financial statements 2008	08/04/09	Company's registered office / Commercial court / Reference Document

▪ Auditors' special report on regulated agreements 2008	08/04/09	Company's registered office / Reference Document
▪ Auditors' special report on the report prepared by the Chairman of the Supervisory Board 2008	08/04/09	Company's registered office / Reference Document
▪ Auditors' letter regarding the information given in the Reference Document 2008	08/04/09	Company's registered office

Declarations

▪ Total Number of Voting Rights and Shares (monthly)	28/02/11-31/01/11-31/12/10-30/11/10-31/10/10-30/09/10-31/08/10-31/07/10-30/06/10-31/05/10-30/04/10-31/03/10-28/02/10-31/01/10-31/12/09-06/07/09-09/01/09	website Atos Origin / website AMF
▪ Transaction Declaration	05/01/11-02/07/10-05/01/10-06/07/09-09/01/09	website Atos Origin / website AMF
▪ Declaration of share transfer made by Members of the Management of Atos Origin	01/04/11-02/09/10-22/02/10-18/05/09-27/03/09-19/03/09	Reference Document / website AMF
▪ Liquidity contract – Half-Year declaration	05/01/11-02/07/10-05/01/10-07/07/09-09/01/09	website Atos Origin / website AMF

Websites mentioned:

- Atos Origin www.atosorigin.com
- AMF www.amf-france.org > Décisions et informations financières > Communiqués des sociétés
- BALO www.journal-officiel.gouv.fr

D.7.8 Common stock

D.7.8.1 At 31 December 2010

At 31 December 2010, the Group's issued common stock amounted to EUR 69.9 million, comprising 69,914,077 fully paid-up shares of EUR 1.00 per value each.

After the issuing of 193,615 new shares which resulted from the exercise of stock subscription options, the common stock of the Company remained almost stable at 31 December 2010 compared to the end of 2009.

Transactions	Number of shares issued	Common stock	Additional paid-in capital	Total
			(in EUR million)	
At 31 December 2009	**69,720,462**	**69.7**	**1,409.8**	**1,479.5**
Exercise of stock options	193,615	0.2	4.2	4.4
At 31 December 2010	**69,914,077**	**69.9**	**1,414.0**	**1,483.9**

D.7.8.2 **Over last five years**

Year	Changes in Common stock	Date	New shares	Total number of shares	Common stock (in EUR million)	Additional paid-in capital (in EUR million)	New Common stock (in EUR million)
2006	Exercise of stock options	31/03/2006	144,022	67,507,487	0.1	5.3	67.5
	Exercise of stock options	30/06/2006	31,645	67,539,132	0.0	0.9	67.5
	Exercise of stock options	30/09/2006	85,844	67,624,976	0.1	2.1	67.6
	Stock purchase plan	20/12/2006	1,230,757	68,855,733	1.2	42.0	68.9
	Exercise of stock options	31/12/2006	25,232	68,880,965	0.0	1.0	68.9
2007	Exercise of stock options	31/03/2007	23,624	68,904,589	0.0	0.6	68.9
	Exercise of stock options	30/06/2007	79,229	68,983,818	0.1	2.0	69.0
	Exercise of stock options	30/09/2007	21,753	69,005,571	0.0	0.5	69.0
	Stock purchase plan	20/12/2007	693,439	69,699,010	0.7	21.9	69.7
	Exercise of stock options	31/12/2007	11,144	69,710,154	0.0	0.3	69.7
2008	Exercise of stock options	31/03/2008	1,708	69,711,862	0.0	0.0	69.7
	Exercise of stock options	30/06/2008	2,746	69,714,608	0.0	0.1	69.7
	Exercise of stock options	31/12/2008	2,845	69,717,453	0.0	0.1	69.7
2009	Exercise of stock options	31/12/2009	3,009	69,720,462	0.0	0.1	69.7
2010	Exercise of stock options	31/03/2010	10,250	69,730,712	0.0	0.3	69.7
	Exercise of stock options	30/06/2010	10,526	69,741,238	0.0	0.2	69.7
	Exercise of stock options	30/09/2010	72,870	69,814,108	0.1	1.5	69.8
	Exercise of stock options	31/12/2010	99,969	69,914,077	0.1	2.2	69.9

A total of 193,615 stock options were exercised during the period, representing 1.88% of the total number of stock options at 31 December 2009.

D.7.8.3 **Disclosure of interests**

During 2010, the Group has been advised of downwards share movements from Pardus Investments which held 10.0% of share capital as at 31 December 2009 reducing its ownership down to 2.61% of share capital as at 31 December 2010.

Financière Daunou 17 (PAI) has announced several upward share movements, the last one being the cross of the threshold of 25% of Group shares announced on 17 June 2010. FMR (Fidelity Management and Research) announced the detention of 5.02% of Group shares on 18 January 2010.

	Date of statement	Shares	% interest (a)	% voting rights (b)
FMR Llc (upwards)	15/01/2010	3,498,744	5.02%	5.02%
Financière Daunou 17 (upwards)	04/05/2010	16,075,538	23.20%	23.20%
Financière Daunou 17 (upwards)	21/05/2010	16,868,969	24.20%	24.20%
Financière Daunou 17 (upwards)	17/06/2010	17,442,839	25.00%	25.00%
Pardus Investments SARL (downwards)	19/06/2010	5,964,424	8.55%	8.55%
Pardus Investments SARL (downwards)	08/07/2010	4,928,848	7.07%	7.07%
Pardus Investments SARL (downwards)	20/07/2010	3,893,272	5.58%	5.58%
Pardus Investments SARL (downwards)	13/08/2010	2,857,696	4.10%	4.10%
Pardus Investments SARL (downwards)	17/09/2010	1,821,869	2.61%	2.61%
Pardus Investments SARL (downwards)	04/03/2011	1,321,600	1.89%	1.89%

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

The Group has not been advised of any share movement since this date.

D.7.8.4 **Voting rights**

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

D.7.8.5 **Shareholders agreements**

The Group has not received notice of any shareholder agreements for filing with the stock exchange authorities and, to the best knowledge of the Group Management, no other “Action de Concert” (shareholder agreements) or similar agreements exist.

To the knowledge of the Group, there are no other agreements capable of having a material effect on the share capital of the Group.

D.7.8.6 **Treasury stock and liquidity contract**

Atos Origin entrusted to Rothschild & Cie Banque the implementation of a liquidity contract through an agreement dated 13 February 2006, for a one-year duration with automatic renewal, in conformity with the ethics charter of the AMAFI (Association Française des Marchés Financiers) – former AFEI - approved by the instruction of the Commission des Opérations de Bourse (COB) dated 10 April 2001.

In shares	January 2010	February 2010	March 2010	April 2010	May 2010	June 2010	July 2010	August 2010	September 2010	October 2010	November 2010	December 2010
Buy YtD	0	2 750	2 750	2 750	3 000	63 718	98 718	140 503	193 744	256 975	319 425	342 725
Sell YtD	0	-57 750	-77 750	-82 750	-83 000	-102 718	-178 718	-220 503	-273 744	-334 475	-399 425	-422 725
Net YtD	0	-55 000	-75 000	-80 000	-80 000	-39 000	-80 000	-80 000	-80 000	-77 500	-80 000	-80 000
Net in the month	0	-55 000	-20 000	-5 000	0	41 000	-41 000	0	0	2 500	-2 500	0
LTI/MIP (in the month)			-108 289		-206 514	-3 798						
Treasury stock	652 152	597 152	468 863	463 863	257 349	294 551	253 551	253 551	253 551	253 551	253 551	253 551
Common stock	69 724 499	69 725 138	69 730 712	69 736 617	69 740 580	69 741 238	69 745 403	69 748 817	69 814 108	69 821 264	69 837 246	69 914 077
%	0.9%	0.9%	0.7%	0.7%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%

For the implementation of the contract, EUR 15 million were allocated to the liquidity account. At 31 December 2010, the Group held 253,551 shares, but none related to the liquidity contact. They correspond to the LTI and MIP plans engagements. The risk on common stock is limited to treasury stock.

On average, in 2010, the transaction stock prices have amounted to:

- EUR 33.47 per stock for the purchase of treasury stock;
- EUR 33.92 per stock for the sale of treasury stock.

At 31 December 2010, treasury stock held by the Group amounted to 253,551 shares with nominal value of EUR 1.00 per share, representing 0.36% of the common stock, with a book value of EUR 9,319,107.

The 7th resolution of the Annual General Meeting of 27 May 2010 renewed the authorisation to trade in the Group's shares. The number of shares purchased may not exceed 10% of the share capital existing at the moment of the date of the Annual General Meeting (i.e. 6,973,071 shares, or 10% of the existing share capital on 27 May 2010). These purchases could be carried out by virtue of any allocation permitted by law, with the aims of this share repurchase programme being:

- to maintain them or subsequently use them for payment or exchange within the context of possible external growth operations, in observance of the market practices accepted by the AMF, it being specified that the maximum amount of shares acquired by the Company to maintain or subsequently use for payment or to exchange within the context of possible external growth operations shall not exceed 5% of the share capital,
- to ensure liquidity and lead the secondary market of the Company's shares within the context of a liquidity contract concluded with an investment service provider in complete independence, in observance of the professional conduct charter accepted by the AMF,
- to attribute these to the representatives or employees of the Company and/or companies within its group, under the conditions and according to the procedures established by the legal and regulatory provisions applicable within the context (i) of the participation in the benefits of expansion of the company, (ii) of the share option regime established by articles L. 225-179 and seq. of the Commercial Code, (iii) of the free share issuance regime established by articles L. 225-197-1 to L. 225-197-3 of the Commercial Code and (iv) of a company savings plan, as well as to carry out all hedging operations relating to these operations, under the conditions established by market authorities and during periods when the Board of Directors or person acting as its representative so decides,
- to tender these at the time of exercise of the rights attached to securities giving the right, whether immediate or deferred, by reimbursement, conversion, exchange, presentation of a warrant or any other form of attribution of the shares of the Company, as well as to carry out all hedging operations with regard to the issuance of such securities, under the conditions established by market authorities and during periods when the Board of Directors or person acting as its representative so decides, or,
- to cancel them as a whole or in part through a reduction of the share capital by way of application of the seventh resolution of the Shareholders meeting held on 27 May 2010.

The maximum purchase price may not exceed EUR 56.65 (net of fees) per share.

The Board of Directors may nevertheless adjust the aforementioned purchase price in the event of incorporation of premiums, reserves or profits, giving rise either to an increase in the nominal value of the shares or to the creation and attribution of free shares, as well as in the event of division of the nominal value of the share or regrouping of the shares to take account of the effect of these operations on the value of the share.

This authorisation is given for a period of eighteen (18) months, starting from 27 May 2010.

Legal documents relating to trading in the Group's shares may be viewed at the Group's registered office (Legal Department) by prior appointment and are available through the AMF database.

D.7.8.7 **Potential common stock (stock option and convertible bond)**

Potential dilution

Based on 69,914,077 shares in issue, the common stock of the Group could be increased by 14.9 million new shares, representing 17.6% of the common stock after dilution. This dilution can only occur with the exercise of all stock subscription options granted to employees or through the conversion of the convertible bond issued in 2009:

In shares	31 December 2010	31 December 2009	Change	% dilution	EUR million
Number of shares outstanding	69,914,077	69,720,462	193,615		
Convertible bonds	5,414,771	5,414,771	0	6.4%	
Stock subscription options	9,477,800	10,310,776	-832,976	11.2%	391.9
Potential dilution	**14,892,571**	**15,725,547**	**-832,976**	**17.6%**	
Total potential common stock	**84,806,648**	**85,446,009**	**-639,361**		

The exercise of all the options would have the effect of increasing total shareholders' equity by EUR 391.9 million and common stock by EUR 9.4 million.

However, 51% of the total number of stock options granted to employees has a strike price that exceeds the stock market price as at 31 December 2010 (EUR 39.84).

Stock options evolution

During the period, 374,500 new stock subscription options were granted to employees at an average share price of EUR 48.8.

Number of stock subscription options at 31 Dec. 2009	**10,310,776**
Stock subscription options granted in 2010	374,500
Stock subscription options exercised in 2010	-193,615
Stock subscription options forfeited in 2010	-244,386
Stock subscription options expired in 2010	-769,475
Number of Stock subscription options at 31 Dec. 2010	**9,477,800**

A total of 1,013,861 stock subscription options were cancelled (i.e. forfeited or expired) in 2010 and 193,615 were exercised.

Detail of the stock options as of December 31st 2010

Date of Shareholders' meeting	Date of Board meeting	Options granted	Of which mbers of the Board	Of which ten highest grants	Options exercised	Options cancelled	Closing 31/12/10	Of which mbers of the Board	Numbers of beneficiaries	Exercise period start date	Exercise period end date	Strike Price (EUR)	Cash (EUR million)
31/10/00	15/01/01	5,000	0	0	0	0	5,000	0	2	15/01/04	15/01/11	76.23	0.4
31/10/00	15/01/01	500	0	0	0	0	500	0	1	15/01/05	15/01/11	76.23	0.0
31/10/00	23/04/01	4,000	0	0	0	3,000	1,000	0	3	23/04/04	23/04/11	84.33	0.1
31/10/00	23/04/01	3,200	0	0	0	0	3,200	0	3	23/04/05	23/04/11	84.33	0.3
31/10/00	18/09/01	2,200	0	0	0	0	2,200	0	1	18/09/05	18/09/11	80.71	0.2
31/10/00	08/10/01	1,800	0	0	0	800	1,000	0	3	08/10/04	08/10/11	74.06	0.1
31/10/00	11/12/01	5,000	0	0	0	0	5,000	0	1	11/12/04	11/12/11	79.36	0.4
31/10/00	12/12/01	410,350	0	33,000	0	84,700	325,650	0	774	12/12/04	12/12/11	79.04	25.7
31/10/00	12/12/01	236,400	0	8,500	0	14,900	221,500	0	522	12/12/05	12/12/11	79.04	17.5
31/10/00	14/01/02	2,500	0	0	0	500	2,000	0	2	14/01/05	14/01/12	75.17	0.2
31/10/00	14/01/02	1,000	0	0	0	500	500	0	2	14/01/06	14/01/12	75.17	0.0
31/10/00	16/04/02	1,350	0	0	0	1,100	250	0	3	16/04/05	16/04/12	87.51	0.0
31/10/00	16/04/02	1,000	0	0	0	0	1,000	0	1	16/04/06	16/04/12	87.51	0.1
31/10/00	20/06/02	11,101	0	6,943	0	2,806	8,295	0	815	20/06/05	20/06/12	63.06	0.5
31/10/00	20/06/02	6,000	0	0	0	6,000	0	0	4	20/06/05	20/06/12	63.06	0.0
31/10/00	20/06/02	12,574	0	331	0	2,178	10,396	0	1,536	20/06/06	20/06/12	63.06	0.7
31/10/00	01/07/02	45,000	0	0	0	0	45,000	0	4	01/07/05	01/07/12	62.32	2.8
31/10/00	01/07/02	20,000	0	0	0	0	20,000	0	2	01/07/06	01/07/12	62.32	1.2
31/10/00	09/07/02	5,000	0	0	0	5,000	0	0	3	09/07/06	09/07/12	61.49	0.0
31/10/00	16/08/02	184,606	0	24,650	46,730	87,228	50,648	0	146	16/08/05	16/08/12	41.52	2.1
31/10/00	02/10/02	2,000	0	0	500	500	1,000	0	4	02/10/05	02/10/12	41.52	0.0
31/10/00	15/10/02	3,000	0	0	3,000	0	0	0	1	38,640	41,197	26	0.0
31/10/00	15/10/02	100	0	0	0	0	100	0	1	39,005	41,197	26	0.0
31/10/00	27/03/03	616,410	0	25,300	376,597	56,012	183,801	0	1,447	38,353	41,360	26	4.8
31/10/00	27/03/03	348,902	0	10,564	130,669	13,764	204,469	0	3,444	39,168	41,360	26	5.3
31/10/00	16/06/03	2,000	0	0	0	2,000	0	0	2	16/06/07	16/06/13	30.88	0.0
31/10/00	08/07/03	500	0	0	0	0	500	0	1	08/07/06	08/07/13	31.81	0.0
31/10/00	01/10/03	1,500	0	0	0	1,000	500	0	2	01/10/06	01/10/13	49.87	0.0
31/10/00	01/10/03	762	0	0	0	0	762	0	1	01/10/07	01/10/13	49.87	0.0
31/10/00	09/02/04	1,172,125	0	117,000	51,675	63,175	1,057,275	0	1,220	01/01/06	09/02/14	54.14	57.2
22/01/04	09/02/04	414,750	0	52,000	0	13,425	401,325	0	686	09/02/08	09/02/14	54.14	21.7
04/06/04	10/01/05	805,450	0	52,500	500	116,867	688,083	0	803	10/01/08	10/01/15	49.75	34.2
04/06/04	10/01/05	347,250	0	41,500	200	23,905	323,145	0	567	10/01/09	10/01/15	49.75	16.1
04/06/04	28/04/05	750	0	0	0	500	250	0	1	28/04/08	28/04/15	49.98	0.0
04/06/04	28/04/05	6,750	0	0	0	1,333	5,417	0	5	28/04/09	28/04/15	49.98	0.3
04/06/04	26/10/05	5,200	0	0	0	1,999	3,201	0	3	26/10/09	26/10/15	58.04	0.2
04/06/04	12/12/05	20,000	0	0	0	0	20,000	0	1	12/12/08	12/12/15	57.07	1.1
04/06/04	12/12/05	15,000	0	0	0	6,666	8,334	0	1	12/12/09	12/12/15	57.07	0.5
04/06/04	29/03/06	810,130	0	50,000	0	160,383	649,747	0	828	29/03/09	29/03/16	59.99	39.0
04/06/04	29/03/06	337,860	0	44,500	0	34,774	303,086	0	420	29/03/10	29/03/16	59.99	18.2
04/06/04	01/12/06	50,000	0	0	0	0	50,000	0	1	01/12/10	01/12/16	43.87	2.2
04/06/04	19/12/06	16,150	0	0	0	4,063	12,087	0	24	19/12/09	19/12/16	43.16	0.5
04/06/04	19/12/06	3,000	0	0	0	166	2,834	0	6	19/12/10	19/12/16	43.16	0.1
23/05/07	09/10/07	20,000	0	0	0	0	20,000	0	1	09/10/10	09/10/17	40.35	0.8
23/05/07	09/10/07	5,000	0	0	0	0	5,000	0	1	09/10/11	09/10/17	40.35	0.2
23/05/07	10/03/08	190,000	0	0	0	140,000	50,000	0	3	10/03/14	10/03/18	34.73	1.7
23/05/07	22/07/08	5,000	0	0	0	0	5,000	0	1	22/07/11	22/07/18	34.72	0.2
23/05/07	22/07/08	2,500	0	0	0	0	2,500	0	1	22/07/12	22/07/18	34.72	0.1
23/05/07	23/12/08	459,348	233,334	182,672	11,665	3,334	444,349	233,334	24	01/04/10	31/03/18	18.40	8.2
23/05/07	23/12/08	459,326	233,333	182,664	0	6,666	452,660	233,333	24	01/04/11	31/03/18	22.00	10.0
23/05/07	23/12/08	459,326	233,333	182,664	0	6,666	452,660	233,333	24	01/04/12	31/03/18	26.40	12.0
23/05/07	26/03/09	611,714	0	333,340	98,295	43,336	470,083	0	74	01/07/10	30/06/18	20.64	9.7
23/05/07	26/03/09	611,643	0	333,330	0	49,998	561,645	0	74	01/07/11	30/06/18	24.57	13.8
23/05/07	26/03/09	611,643	0	333,330	0	49,998	561,645	0	74	01/07/12	30/06/18	29.49	16.6
26/05/09	03/07/09	481,414	0	108,338	38,848	46,696	395,870	0	438	01/07/10	30/06/18	25.00	9.9
26/05/09	03/07/09	481,108	0	108,332	0	73,650	407,458	0	438	01/07/11	30/06/18	30.00	12.2
26/05/09	03/07/09	480,978	0	108,330	0	73,637	407,341	0	438	01/07/12	30/06/18	35.00	14.3
26/05/09	04/09/09	86,347	0	75,840	466	3,502	82,379	0	24	01/07/10	30/06/18	34.28	2.8
26/05/09	04/09/09	86,334	0	75,830	0	3,501	82,833	0	24	01/07/11	30/06/18	40.81	3.4
26/05/09	04/09/09	86,319	0	75,830	0	3,497	82,822	0	24	01/07/12	30/06/18	48.97	4.1
26/05/09	31/12/10	124,842	0	106,673	0	0	124,842	0	18	01/07/11	30/06/19	40.41	5.0
26/05/09	31/12/10	124,830	0	106,664	0	0	124,830	0	18	01/07/12	30/06/19	48.11	6.0
26/05/09	31/12/10	124,828	0	106,663	0	0	124,828	0	18	01/07/13	30/06/19	57.74	7.2
Sub-total Stock options		**12,412,720**	**700,000**	**2,922,088**	**759,145**	**2,175,775**	**9,477,800**	**700,000**					**391.9**

The weighted average strike price of the above-mentioned options is summarised in the table below:

	31 December 2010	Weighted average strike price (EUR)	Value (EUR million)	% total stock options
Strike price from EUR10 to EUR20	444,349	18.40	8.18	5%
Strike price from EUR20 to EUR30	3,282,933	24.96	81.94	35%
Strike price from EUR30 to EUR40	955,178	32.79	31.32	10%
Strike price from EUR40 to EUR50	1,575,053	47.70	75.13	17%
Strike price from EUR50 to EUR60	2,567,796	56.52	145.14	27%
Strike price from EUR60 to EUR70	83,691	62.49	5.23	1%
Strike price from EUR70 to EUR80	561,150	78.99	44.32	6%
Strike price from EUR80 to EUR90	7,650	83.81	0.64	0%
Total Stock options	**9,477,800**	**41.35**	**391.90**	**100%**

	31 December 2010	Weighted average strike Price (EUR)	Value (EUR million)	% total stock options
Already exercisable end of 2010	6,031,736	47.29	285.25	64%
Exercisable in 2011	1,639,438	27.32	44.78	17%
Exercisable in 2012	1,631,798	32.43	52.92	17%
Exercisable in 2013	124,828	57.74	7.21	1%
Exercisable in 2014	50,000	34.73	1.74	1%
Total Stock options	**9,477,800**	**41.35**	**391.90**	**100%**

At the end of 2010, the weighted average strike price of stock options granted to employees was EUR 41.35 down 4.4% compared to EUR 43.26 at the end of December 2009.

Unused authorizations to issue shares and share equivalents

Having regard to resolutions voted during the Annual Shareholders Meeting on 27 May 2010, the unused authorizations to issue shares and share equivalents are the following:

Autorisation (in EUR)	Authorised amount Par value	Utilised amount Par value	Not utilised amount Par value	Authorisation Expiry date
E.G.M. 27/05/2010 10th resolution Common stock increase with preferential rights (*)	20,000,000		20,000,000	27/07/2012
E.G.M. 27/05/2010 11th resolution Common stock increase with preferential rights (*)	10,500,000		10,500,000	27/07/2012
E.G.M. 27/05/2010 13th resolution Common stock increase in the event of a public exchange offer (*)	10,500,000		10,500,000	27/07/2012
E.G.M. 27/05/2010 14th resolution Common stock increase in payment for contributions in kind (*)	6,973,071		6,973,071	27/07/2012
E.G.M. 27/05/2010 16th resolution Common stock increase reserved for employees	1,394,614		1,394,614	26/07/2012
A.G.E. 26/05/2009 19th resolution Stock subscription options	2,091,523	1,702,500 in 2009 374,500 in 2010	14,523	26/07/2011

(*) within the global limit of EUR 20,000,000 for the aggregate authorisations of the 10th and 14th resolutions adopted on 27 May 2010, according to the maximum set by the 15th resolution adopted the 26 May 2010.

A.G.E. 27/05/2010 19th resolution Share cancellation	6,973,071		6,973,071	26/11/2011

The authorization to issue new shares is of a maximum of 21,409,137, i.e. 30.62% of the current common stock.

The following authorisation to cancel shares corresponded to 10% of the issued common stock at 27th May 2010 Shareholders Meeting.

Bonds convertible into and or exchangeable for new or existing shares (OCEANE)
On 21 October 2009, Atos Origin issued 5,414,771 bonds convertible into and or exchangeable for new or existing Atos Origin shares (OCEANE) with a six-year and two-month term, for a total amount of EUR 249,999,977.07. These bonds have a nominal share value of EUR 46.17. The bonds will be redeemed on 1st January 2016. The annual interest rate is 2.5% payable on January 1st of each year as from 1st January 2010. The conversion period for the bonds stretches from 29 October 2009 to 8 January 2013.

As of 31 December 2010, no bonds have been converted into shares.

D.7.9 Share trading performance

D.7.9.1 Key figures

		2010	2009	2008	2007	2006
Highest	(in EUR)	40.72	38.46	40.45	55.29	65.20
Lowest	(in EUR)	29.82	16.51	15.01	32.80	33.50
Closing as of 31/12	(in EUR)	39.84	32.09	17.92	35.35	44.90
Average daily volume processed on Euronext platform	(in number of shares)	296,552	182,398	395,561	821,106	640,181
Free-float		71.1%	99.1%	98.4%	99.0%	100%
Market capitalization as of 31/12	(in EUR million)	2,785	2,237	1,249	2,464	3,095
Enterprise Value as of 31/12 *	(in EUR million)	2,925	2,376	1,553	2,802	3,524
EV/revenue		0.58	0.46	0.28	0.48	0.64
EV/OMDA		5.5	4.7	3.3	5.5	7.9
EV/OM		8.7	8.2	5.8	10.3	14.3
P/E (year-end stock price ÷ normalized basic EPS)		12.7	6.9	12.2	6.9	17.4

**Assuming that (Enterprise Value) = (Net Debt) + (Market Capitalization)*

D.7.9.2 Market capitalization

Based on a closing share price of EUR 39.84 at the end of December 2010 and 69,914,077 shares in issue, the market capitalisation of the Group at 31 December 2010 was EUR 2,785 million up by +25% compared to EUR 2,237 million at the end of December 2009.

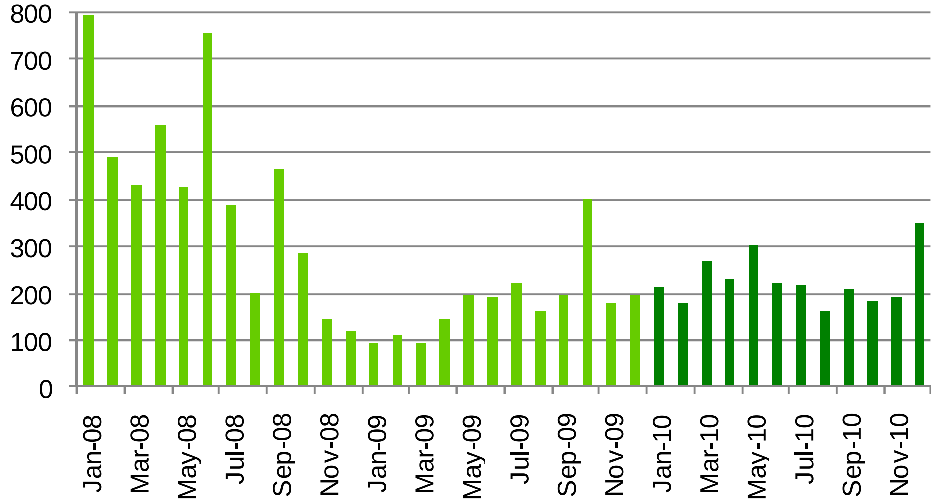
In terms of market capitalisation, Atos Origin is ranked 80th (vs. 79th in 2009) within the Eurolist index, which includes the largest companies by market capitalisation on the Paris exchange.

D.7.9.3 **Traded volumes**

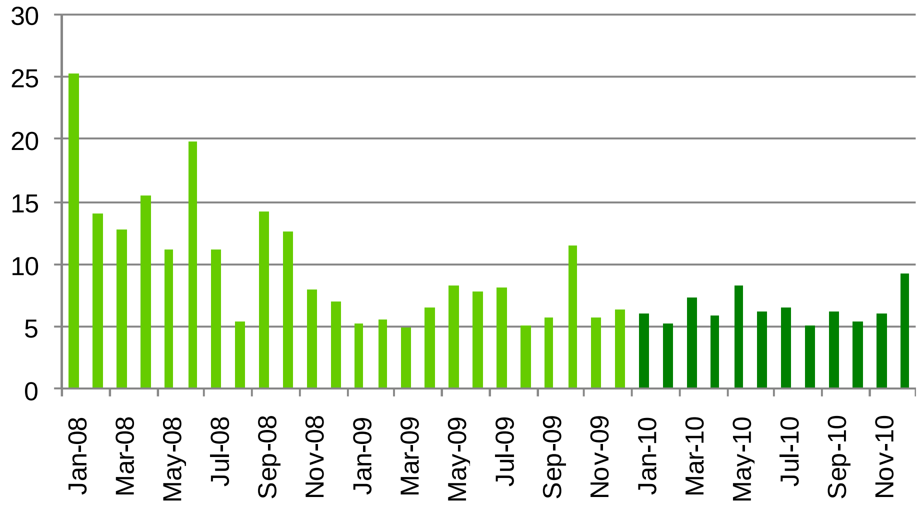
Source: Euronext	Trading Volume (including non NSC platform) (in thousands of shares)	(in EUR thousands)
1st Quarter 2010	18,746	659
2nd Quarter 2010	20,465	757
3rd Quarter 2010	17,808	587
4th Quarter 2010	20,825	725
% of capital traded during the period: 111%	**77,844**	**2,728**

In 2010, the average daily number of shares traded reached 297 thousand on Euronext (528 thousand overall), compared to 310 thousand in 2009 (483 thousand overall).

Monthly trading volume (million euro)



Monthly trading volume (million of share)



D.7.9.4 **Key dates**

On **29 March 2010**, Atos Origin announced that it was expanding its Hi-Tech Transactional Services through the acquisition of Shere - a market leading and innovative provider of integrated self-service, web and desktop systems delivering services to the UK rail and hospitality markets.

On **24 June 2010**, Atos Origin, announced the acquisition of the remaining 42% shareholding in Atos Worldline Processing GmbH in Germany. As a result of this acquisition, the entity has become a wholly owned subsidiary of the Atos Origin Group.

On **30 July 2010**, the Group announced the creation in France of its new legal entity - Atos WorldGrid SAS. Atos WorldGrid is a cornerstone of Atos Origin's strategy to develop its portfolio of Smart Energy and Utilities offerings - nuclear, electricity, oil & gas and water. Atos WorldGrid™ will focus on offering smart energy solutions around production, transport, distribution and retail.

On **26 August 2010**, Atos Origin announced the acquisition of Venture Infotek, the leading independent player in the Indian payments market. Created in 1991, Venture Infotek operates in merchant acquiring, card processing, loyalty programs, government benefits programs on behalf of the Indian banks and major retailers.

On **15 December 2010**, Atos Origin and Siemens announced their intention to create a comprehensive strategic alliance. As part of the transaction, Siemens should notably contribute its Siemens IT Solutions and Services for a total sum of EUR 850 million to Atos Origin in order to create a European IT champion with pro forma 2010 revenues of approximately EUR 8.7 billion and 78,500 employees worldwide.

On **1st February 2011**, Atos Origin and Siemens signed a final binding agreement to acquire Siemens IT Solutions and Services and to proceed with the global partnership announced by both companies on 15th December 2010. The conclusion of this agreement follows the issuance of the opinion by the European Works Council of Atos Origin on this transaction and the approval of the transaction by the Atos Origin Board of Directors. The transaction obtains clearance to proceed. from the European Commission and the the US anti-trust authorities respectively on **March 18th and 25th 2011**. The transaction is expected to close by July 2011, subject to the completion of the remaining condition precedents of the deal, among which the Atos Origin shareholders approval at an Extraordinary Shareholders Meeting.

D.7.9.5 **Share value for "ISF" purposes**

The closing share price on 31 December 2010 was EUR 39.84. The average closing share price over the last 30 stock market trading days of 2010 was EUR 35.67 compared to EUR 30.75 for the same period in 2009.

D.7.9.6 **Purchase or sale by the group of its own shares**

The Group purchased or sold its own shares in 2010 as described within the section "implementation of a liquidity contract". At 31 December 2010, the Group held 253,551 shares as treasury stock.

E APPENDIX

E.1 Definitions

E.1.1 Financial terms and KPI’s (Key Performance Indicators)

Financial terms and Key Performance Indicators	Business Key Performance Indicators
• Current and non-current • DSO • EBITDA • EPS • Gearing • Gross margin – Direct costs • Interest cover ratio • Leverage ratio • Net debt • Normalized net income • Operating income • Operating margin • Operational Capital Employed • ROCE (Return On Capital Employed) • Cash flow from operations • Free Cash Flow • Change in net debt	• External revenue • Attrition rate • Backlog/Order cover • Book-to-bill • Direct and indirect staff • Full Time Equivalent (FTE) • Legal staff • Order entry/bookings • Organic revenue growth • Permanent and temporary staff • Pipeline • Ratio S • Subcontractors and interims • TCV (Total Contract Value) • Turnover • Utilisation rate and non-utilisation rate
Business terms	**Market terms**
• BPO • CMM • CRM • ERP • LAN • MMS • SCM • WAN	• Consensus • Dilutive instruments • Dividends • Enterprise Value (EV) • Free float • Free float capitalisation • Market capitalisation • PEG (Price Earnings Growth) • PER (Price Earnings Ratio) • Volatility

E.1.1.1 **Financial terms**

Operating margin. Operating margin comprises operating income before major capital gains or losses on the disposal of assets, major reorganisation and rationalisation costs, impairment losses on long-term assets, net charge to provisions for major litigations and the release of opening balance sheet provisions no longer needed.

Operating income. Operating income comprises net income before deferred and income taxes, net financial expenses, share of net income from associates and the results of discontinued operations.

EBITDA. (Earnings before Interest, Tax, Depreciation and Amortisation). For Atos Origin, EBITDA is based on Operating margin less non-cash items and is referred to as **OMDA** (Operating Margin before Depreciation and Amortisation)

OMDA. (Operating Margin before Depreciation and Amortisation) is calculated as follows:

Operating margin

- Less - Depreciation of fixed assets (as disclosed in the “Financial Report”)
- Less - Operating net charge of provisions (composed of net charge of provisions for current assets and net charge of provisions for contingencies and losses, both disclosed in the “Financial Report”)
- Less - Net charge of provisions for pensions (as disclosed in the “Financial Report”)
- Less - Equity-based compensation

Gross margin and **Indirect costs.** Gross margin is composed of revenues less the direct costs of goods sold. Direct costs relate to the generation of products and/or services delivered to customers, while indirect costs include all costs related to indirect staff (defined hereafter), which are not directly linked to the realisation of the revenue. The operating margin comprises gross margin less indirect costs.

Normailzed net income. Net income (Group share) before unusual, abnormal and infrequent items, net of tax.

EPS (earnings per share). Basic EPS is the net income divided by the weighted-average number of common shares outstanding during the period. Diluted EPS is the net income divided by the diluted weighted-average number of common shares for the period (number of shares outstanding + dilutive instruments with dilutive effect). **Normalized EPS** is based on normalized net income.

Operational capital employed. Operational capital employed comprises net fixed assets and net working capital, but excludes goodwill and net assets held for sale.

Current and non-current assets or liabilities. A current and non-current distinction is made between assets and liabilities on the balance sheet. Atos Origin has classified as current assets and liabilities those that Atos Origin expects to realise, 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.

Net debt. Net debt comprises total borrowings (bonds, finance leases, short and long-term bank loans, securitisation and other borrowings), short-term financial assets and liabilities bearing interest with a maturity of less than 12 months, less cash and cash equivalents (transferable securities, cash at bank and in hand).

DSO. (Days’ Sales Outstanding). DSO is the amount of trade accounts receivables (including work in progress) expressed in days' revenue (on a last-in, first-out basis). The number of days is calculated in accordance with the Gregorian calendar.

Gearing. The proportion, expressed as a percentage, of net debt to total shareholders’ equity (Group share and minority interests).

Interest cover ratio. Operating margin divided by the net cost of financial debt, expressed as a multiple.

Leverage ratio. Net debt divided by OMDA.

ROCE (return on capital employed). ROCE is net income (Group share), before the net cost of financial debt (net of tax) and the depreciation of goodwill, divided by capital employed.

Cash flow from operations. Cash flow coming from the operations and calculated as a difference between the OMDA (Operating Margin DA), the net capital expenditures and the change in working capital.

Free cash flow. Represents the change in net cash or net debt, excluding equity changes, dividends paid to shareholders, net material acquisitions / disposals (with a price exceeding 0.15% of Group revenue). The free cash flow is the indicator of cash generation on which the Group communicates on priority and for which the term Operating Cash Flow was used in the press release of February 16th 2011.

Change in net debt (cash). Change in net debt or net cash.

E.1.1.2 **Market terms**

Consensus. Opinion that emerges from the financial community, in which financial analysts play a prominent role. Consensus can relate to earnings outlook (individual stock consensus) or to a group of companies in the same sector (market consensus).

Dilutive instruments. Financial instruments such as bonds, warrants, stock subscription options, free shares, which could be converted into shares and have therefore a potential dilutive impact on common stock.

Dividends. Cash or stock payments from a company's profits that are distributed to stockholders.

Free float. Free float is the proportion of a Company's share capital that is regularly traded on the stock exchange. It excludes shares in the six categories listed below (source Euronext):

- Shares held by Group companies: Shares of the listed company held by companies that it controls within the meaning of Article 233/3 of the French Commercial Code.
- Shares held by founders: shares held directly or indirectly by the founders (individuals or family group) when these founders have managerial or supervisory influence (management positions, control by voting rights, influence that is a matter of public knowledge, etc.).
- Shares held by the State: Interests held directly by the State, or by public sector or other companies which are themselves controlled by the State.
- Shares within the scope of a shareholders' agreement: Shares subject to a shareholders' agreement within the meaning of Article 233/10 and 11 of the French Commercial Code, and other than those held by founders or the State.
- Controlling interest: Shares held by juridical persons (other than founders or the State) exercising control within the meaning of article 233/3 of the French Commercial Code.
- Interests considered stable: Interests exceeding 5%, which have not declined by one percentage point or more, excluding the impact of dilution, in the three preceding years. This category also includes shareholders that, in addition to or in association with the link represented by share ownership, have recently entered into significant industrial or strategic agreements with the Group.

Free-float capitalisation. The share price of a company multiplied by the number of free-float shares as defined above.

Market capitalisation. The share price of a company multiplied by the number of its shares in issue.

Volatility. The variability of movements in a share price, measured by the standard deviation of the ratio of two successive prices.

Enterprise Value (EV). Market capitalisation + debt.

PER (Price Earnings Ratio)**.** Market capitalisation divided by net income for a trailing (or forward) 12-month period.

PEG (Price Earnings Growth)**.** Price-earnings ratio divided by year-on-year earnings growth.

E.1.1.3 **Business terms**

BPO (Business Process Outsourcing)**.** Outsourcing of a business function or process, e.g. administrative functions such as accounting, HR management, call centers, etc.

CMM (Capability Maturity Model)**.** CMM is a method for evaluating and measuring the competence of the software development process in an organisation on a scale of 1 to 5. CMMI. is the CMM Integration.

CRM (Customer Relationship Management)**.** Managing customer relationships (after–sales service, purchasing advice, utilisation advice, customer loyalty) has become a strategic component of a company's successful operation. Not only does CRM facilitate efficiency, it also leads to higher sales by building customer loyalty.

ERP (Enterprise Resource Planning)**.** An ERP system is an integrated management software system built in modules, which is capable of integrating sales, manufacturing, purchasing, accounting and human resources systems into an enterprise-wide management information system.

LAN (Local Area Network)**.** A local network that connects a number of computers within a single building or unit.

MMS (Multimedia Message Service)**.** A message capable of carrying text, sounds, fixed or animated colour images, generally sent to a mobile phone.

SCM (Supply Chain Management)**.** A system designed to optimise the logistics chain, aimed at improving cost management and flexibility.

SEPA (Single Euro Payments Area)**.** Regulating initiative from European countries involving the creation of a specific zone where all transactions will be considered as domestic in terms of billing (no longer cross-border electronic payments surcharge).

WAN (Wide Area Network)**.** A long–distance network that generally comprises several local networks and covers a large geographical area.

E.1.1.4 **Business KPI's (Key Performance Indicators)**

Revenue

External Revenue. Revenue related to acquisitions and disposals of the year are excluded if total revenue does not exceed 0.3% of total Group revenue.

Book-to-bill. A ratio expressed in percentage terms based on order entry in the period divided by revenue of the same period.

Order entry/bookings. The total value of contracts (TCV), orders or amendments signed during a defined period. When an offer is won (contract signed), the total contract value is added to the backlog and the order entry is recognized.

TCV (Total Contract Value)**.** The total value of a contract at signature (prevision or estimation) over its duration. It represents the firm order and contractual part of the contract excluding any clause on the decision of the client, as anticipated withdrawal clause, additional option or renewal.

Backlog/Order cover. The value of signed contracts, orders and amendments that remain to be recognized over their contract lives.

Pipeline. The value of revenues that may be earned from outstanding commercial proposals issued to clients. Qualified pipeline applies an estimated percentage likelihood of proposal success.

Organic growth. Organic growth represents the % growth of a unit based on a constant scope and exchange rates basis of which is excluded revenue from acquisitions and cessions of the year having an impact inferior or equal to 0.3% of the Group total revenue.

Human Resources

Legal staff. The total number of employees under Atos Origin employment contracts at the end of the period. Legal staff includes those on long sickness or long absence, apprentices, trainees, and employees on maternity leave, but excludes subcontractors and interims.

FTE (Full-time equivalent staff)**.** The total number of staff calculated using information from time sheets on the basis of working time divided by standard contractual workable time per employee. In general, a person working on a full time contract is considered as one FTE, whereas a person working on a part time contract would be less considered than one FTE.

Calculations are based on contractual working time (excluding overtime and unpaid holidays) with potential workable time (in hours or days) = nominal time + overtime balance – unpaid vacation. For subcontractors and interims, potential workable hours are based on the number of hours billed by the supplier to Atos Origin.

Subcontractors. External subcontractors are third-party suppliers. Outsourced activities (e.g. printing or call center activities) and fixed price subcontracting are excluded from the recorded number of subcontractors or interims.

Interims. Staff from an agency for temporary personnel. Interims are usually used to cover seasonal peaks or for situations requiring staff for a short period of time.

Direct Staff. Direct staff includes permanent staff and subcontractors, whose work is billable to a third party.

Indirect staff. Indirect staff includes permanent staff or subcontractors, who are not billable to clients. Indirect staff is not directly involved in the generation of products and/or services delivered to clients.

Permanent staff. Permanent staff members have a contract for an unspecified period of time.

Temporary staff. Temporary staff has a contract for a fixed or limited period of time.

Ratio S. Measures the number of indirect staff as a percentage of total FTE staff, including both own staff and subcontractors.

Staff turnover and **attrition rate** (for legal staff)**.** Turnover and attrition rates indicate the proportion of legal staff that has left the Group (voluntary and/or involuntary) in a defined period:

- Turnover measures the percentage of legal staff that has left the business in a defined period,
- Attrition measures the percentage of legal permanent staff that has voluntarily left the business in a defined period. Attrition rate is a ratio based on total voluntary leavers in the period on an annual basis divided by the average number of permanent staff in the period.

Utilisation rate and **non-utilisation rate.** Utilisation rate + non-utilisation rate = 100% of workable time for direct FTE, which excludes legal vacations, long-term sickness, long-term sabbaticals and parental leave. Workable time is composed of billed time, inactivity that is billable but not billed (exceptional holidays, sickness, on the bench which is between two assignments, other inactivity as delegation), and non-billable time (pre-sales, training, management meetings, research and development and travel).

Utilisation rate measures the proportion of workable time (hours or days) of direct FTE (own staff excluding subcontractors) that is billed to customer. The ratio is expressed in percentage terms based on billed hours divided by workable hours excluding vacations. Non-utilisation rate measures the workable time (hours or days) of direct FTE (own staff excluding subcontractors) that is not billed or is non-billable to clients.

E.2 AMF cross-reference table

E.2.1 Cross reference table for the Reference Document

This document is a full free translation of the original French text. The original document has been filed with the Autorité des Marchés Financiers (AMF) on 1 April 2011, in accordance with article 212-13 of the AMF's general regulations. After filing, this document as a Reference Document could be used to support a financial operation if accompanied by a prospectus duly approved by the AMF.

The cross-reference table below refers to the main articles of Commission Regulation (CE) n° 809-2004 implementing the Prospectus Directive.

Chapter	Information	Section
1	**PERSONS RESPONSIBLE**	
1.1	Persons responsible	A.3
1.2	Declaration by those responsible	A.3.2
2	**STATUTORY AUDITORS**	
2.1	Auditors' information	A.3.3
2.2	Changes	Non applicable
3	**SELECTED FINANCIAL INFORMATION**	
3.1	Historical financial information	A.4
3.2	Interim periods	Non applicable
4	**RISK FACTORS**	D.1
5	**INFORMATION ABOUT THE ISSUER**	
5.1	History and development of the issuer	A.5.1
5.2	Investments	C.2-C.3
6	**BUSINESS OVERVIEW**	
6.1	Principal activities	B.3.3-B.3.4
6.2	Principal markets	B.3.1
6.3	Principal markets (continue)	
6.4	Dependency	D.1
6.5	Competitive position	B.1
7	**ORGANISATIONAL STRUCTURE**	
7.1	Group	A.5.2.2
7.2	Subsidiaries	C.4.3
8	**PROPERTY, PLANTS AND EQUIPMENT**	
8.1	Material tangible fixed assets	C.3
8.2	Environmental issues	B.5
9	**OPERATING AND FINANCIAL REVIEW**	
9.1	Financial condition	C.2
9.2	Operating results	C.1
10	**CAPITAL RESOURCES**	
10.1	Capital resources	C.2-C.3
10.2	Cash flows	C.2-C.3
10.3	Funding structure	C.2-C.3
10.4	Restrictions	C.2
10.5	Sources of funds	C.2-C.3
11	**RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES**	C.3
12	**TREND INFORMATION**	
12.1	Trends	B.1-C.1
12.2	Material effect	B.1-C.1
13	**PROFIT FORECASTS OR ESTIMATES**	
13.1	Assumptions	Non applicable
13.2	Report	Non applicable
13.3	Comparison	Non applicable
13.4	Update	Non applicable

Chapter	Information	Section
14	**ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES AND SENIOR MANAGEMENT**	
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14.2	Conflicts of interests	D.2
15	**REMUNERATION AND BENEFITS**	
15.1	Remuneration	D.4
15.2	Pension, retirement or similar benefits	D.4
16	**BOARD PRACTICES**	
16.1	Term of office	D.2
16.2	Service contracts	D.2
16.3	Committees	D.2
16.4	Compliance	D.2
17	**EMPLOYEES**	
17.1	Employees' information	B.4
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17.3	Employees' shareholding	D.7
18	**MAJOR SHAREHOLDERS**	
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18.2	Voting rights	D.7
18.3	Ownership and control	D.7
18.4	Arrangements related to control	D.7
19	**RELATED PARTY TRANSACTIONS**	D.7
20	**FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**	
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20.2	Pro forma financial information	Non applicable
20.3	Financial statements	C.3
20.4	Auditing of historical annual financial information	C.3
20.5	Age of latest financial information	C.3
20.6	Interim and other financial information	Non applicable
20.7	Dividend policy	D.7
20.8	Legal and arbitration proceedings	D.2
20.9	Significant change in the issuer's financial or trading position	Non applicable
21	**ADDITIONAL INFORMATION**	
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22	**MATERIAL CONTRACTS**	D.1
23	**THIRD-PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST**	
23.1	Declaration of interest	Non applicable
23.2	Confirmation	Non applicable
24	**DOCUMENTS ON DISPLAY**	D.7
25	**INFORMATION ON HOLDINGS**	C.3

E.2.2 Cross reference table for Financial Report

The present reference document includes all the items of the financial report, in accordance with article L.451-1-2 of Monetary and Financial Code ("Code Monétaire et Financier"), as required by article 222-3 of AMF's general regulations. The cross-reference table below refers to the main articles of the financial report:

Information	Paragraphs
Company financial statements	C.4
Consolidated financial statements	C.3
Annual Report	C.1- D.1-D.4-D.5.2-D.5.3-D.5.4-D.7.8
Certificate of the Annual Financial Report responsible	A.3.2
Statutory auditors' report on financial statements year ended 31 December 2009	C.4.1
Statutory auditors' report on the financial statements for the year ended 31 December 2009	C.3.1
Statutory auditors fees	C.3.3.7
Report of the Chairman of the Board of Directors on Corporate Governance and Internal Control	D.3.2
Statutory auditors' report, on the report prepared by the Chairman of the Board of Directors, in accordance with article L.225-235 of French Commercial Code (Code de Commerce)	D.3.3

In accordance with the requirements of Article 28 of EC regulation n° 809-2004 dated 29 April 2004 relating to documents issued by issuers listed on markets of states members of the European Union ("Prospectus Directive"), the following elements are enclosed by reference:

- the consolidated accounts for the year ended 31 December 2009 under IFRS, the related statutory auditors' reports and the Group management report presented within the registration document ("document de reference") n° D.10-0199 filed with the Autorité des Marchés Financiers (AMF) on 1st April 2010;
- the consolidated accounts for the year ended 31 December 2008 under IFRS, the related statutory auditors' reports and the Group management report presented within the registration document ("document de reference") n° D.09-251 filed with the Autorité des Marchés Financiers (AMF) on 9 April 2009;
- The chapters of the registration documents 2009 and 2008 not mentioned above either do not apply to investors or are covered in another part of the present registration document.

E.3 **Locations and contacts**

Atos Origin has offices in more **than 120 cities worldwide to** support our customers. The addresses, phone and fax numbers of our main offices can be found on the Locations page on our website www.atosorigin.com. Details of current job opportunities can be found in our Careers pages. An email address for general questions and comments about our Internet site can be found at the bottom of the page.

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E.4 **Full index**