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## **Update of the 2013 Registration Document**

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**Including the  
half year financial report**

This document is a full free translation of the original French text. In case of discrepancies, the French version shall prevail. The original document has been filed with the Autorité des Marchés Financiers (AMF) on August 5, 2014, in accordance with Article 212-13 of the AMF's general regulations. It complements the 2013 Registration Document filed with the AMF on April 2, 2014 under number D14-0272. This document has been issued by the Company and commits its signatories and is available on the AMF website ([www.amf-france.org](http://www.amf-france.org)) et the one of the issuer ([www.atos.net](http://www.atos.net))

## CONTENTS

Contents.....	2
A Persons responsible .....	3
A.1 For the Update of the Registration Document .....	3
A.2 For the accuracy of the Update of the Registration Document .....	3
A.3 For the audit.....	4
B Atos in the first half of 2014 .....	5
C Finance .....	7
C.1 Operational review .....	7
C.2 2014 Objectives.....	24
C.3 Financial review .....	25
C.4 Interim condensed consolidated financial statements.....	31
C.5 Statutory Auditors' report on the half-year financial information for the period ended June 30, 2014 .....	52
D Corporate governance.....	53
D.1 Office renewals and appointment of directors.....	53
D.2 Composition of the Board of Directors.....	53
D.3 Executive compensation and stock ownership .....	53
E Common stock evolution .....	57
E.1 Basic data .....	57
E.2 Dividend policy .....	58
E.3 Financial calendar .....	58
E.4 Contacts .....	58
E.5 Common stock.....	59
F Claims and litigation .....	65
F.1 Tax and Social Contribution claims .....	65
F.2 Commercial claims .....	65
F.3 Labor claims.....	66
F.4 Representation & Warranty claims.....	66
F.5 Miscellaneous .....	66
G Implantations.....	67
H Full index .....	69

## **A PERSONS RESPONSIBLE**

### **A.1 For the Update of the Registration Document**

**Thierry Breton**

CEO and Chairman, Atos

### **A.2 For the accuracy of the Update of the Registration Document**

I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in the Update of the 2013 Registration 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 2014 half-year condensed 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 half-year management report (here attached) presents a fair picture of significant events occurring during the first six months of the year, their impact on the financial statements, the main transactions between related parties as well as a description of the main risks and uncertainties for the remaining six months of the year.

I obtained a statement from the Statutory Auditors at the end of their engagement affirming that they have read the whole of the Update of the 2013 Registration Document and examined the information in respect of the financial position and the accounts contained herein.

**Thierry Breton**

CEO and Chairman, Atos

Bezons, August 5, 2014

## A.3 For the audit

### Appointment and term of offices

Statutory Auditors	Substitute Auditors
<b>Grant Thornton</b> Victor Amselem <ul style="list-style-type: none"><li>Appointed on: May 27, 2014 for a term of 6 years</li><li>Term of office expires: at the end of the AGM held to adopt the 2019 financial statements</li></ul>	Cabinet IGEC <ul style="list-style-type: none"><li>Appointed on: May 27, 2014 for a term of 6 years</li><li>Term of office expires: at the end of the AGM held to adopt the 2019 financial statements</li></ul>
<b>Deloitte &amp; Associés</b> Christophe Patrier <ul style="list-style-type: none"><li>Appointed on: May 30, 2012 for a term of 6 years</li><li>Term of office expires: at the end of the AGM held to adopt the 2017 financial statements</li></ul>	Cabinet B.E.A.S. <ul style="list-style-type: none"><li>Appointed on: May 30, 2012 for a term of 6 years</li><li>Term of office expires: at the end of the AGM held to adopt the 2017 financial statements</li></ul>

## **B ATOS IN THE FIRST HALF OF 2014**

### **January 8**

Atos pursued its share buy-back program by implementing, as announced on November 15, 2013. It is the second tranche for an amount of € 115 million. This second tranche was implemented pursuant to the authorization by the Ordinary General Meeting of December 27, 2013 of an additional purpose for the share buy-back program, namely the payment in Atos SE shares for a maximum amount of € 115 million to the Atos Dutch employee pension fund, in accordance with the final agreement dated December 18, 2013. This amount was in addition to the € 43 million amount already paid in cash.

### **February 19**

Atos announced its 2013 annual results and inform its ambition to complete IPO of Worldline. With revenue at € 8,615 million, nearly stable compared to 2012 at constant scope and exchange rates, the Group strongly improved its operating margin to € 645.2 million, an increase of € 78.3 million to reach 7.5% of revenue, completely in line with the 7% to 8% target announced in December 2010 as part of the three-year plan. Net cash position was € 905 million at the end of 2013. The Group generated in 2013 € 365 million of free cash flow also in line with the € 350 to € 400 million target of the three-year plan 2011-2013. Order entry was € 8.8 billion. Book to bill ratio was 105% (excluding Siemens).

### **April 17**

Atos published its revenue for the first quarter of 2014. Revenue was € 2,064 million, representing an organic evolution of -1.8% compared to the first quarter of 2013. Order entry was € 1,671 million leading to a book to bill ratio of 81%. Net cash position stood at € 830 million at the end of March 2014. All 2014 objectives were confirmed. Atos announced also that Worldline is fully mobilized to complete its IPO on schedule.

### **April 17**

Atos confirms that the group has held friendly discussions with key stakeholders of Steria over the last few months, including with its CEO and its Chairman. Atos has indicated that, should Steria wish to reinstate the industrial project to join the Atos group, the Atos Board of Directors was ready to maintain the terms of its friendly offer, at € 22 in cash per Steria share, to remain valid until the Sopra EGM on June 27, 2014.

### **April 25**

Atos SE launched a new employee shareholding plan "Sprint 2014" under the framework of article L. 225-138-1 of the French Commercial Code (Code de commerce) and articles L. 3332-1 et seq. of the French Labor Code (Code du travail). This employee offering will help to strengthen the relationship between the Group and its employees by offering employees the possibility to be more closely associated with the developments and future performance of the Group.

### **May 7**

Atos' subsidiary Worldline filed its document de base with the French Autorité des Marchés Financiers (AMF) on 6 May 2014. Registration of the document de base was the first step towards the planned initial public offering of Worldline's shares on the regulated market of Euronext Paris. The process was subject to receipt of the AMF's visa on the prospectus for the transaction.

### **May 26**

Atos and Bull together announced the intended public offer in cash by Atos for all the issued and outstanding shares in the capital of Bull. Atos offer was set at € 4.90 per Bull's share in cash, representing a 22% premium over the Bull's closing price (€ 4.01) on Friday May 23, 2014, the last trading day before May 26, and a 30% premium with respect to the 3 month volume weighted average share price (€ 3.77). The offer was also targeting the outstanding Bull's OCEANes at € 5.55 per OCEANes. The offer valued the fully diluted share capital of Bull Group at approximately € 620 million. The offer is subject to reaching a minimum 50% + 1 share of Bull's share capital acceptance level, and Atos intends to ultimately delist the Bull shares by way of squeeze-out or a subsequent merger between the two companies.

### **May 27**

Atos SE's held its Annual General Meeting chaired by Mr. Thierry Breton, Chairman and Chief Executive Officer of the Company. All resolutions submitted by the Board of Directors have been approved by a large majority. In particular, the General Meeting approved the dividend payment of € 0.70 per share, as well as the option for payment of the dividend in either shares or cash. The General Meeting also renewed the terms of office of Directors Ms. Colette Neuville and Mr. Nicolas Bazire, Roland Busch and Michel Paris. Finally, in accordance with the recommendations of the AFEP-MEDEF Code, the General Meeting delivered with 94.26% support a favorable opinion on elements of compensation due or allocated for the financial year ending December 31, 2013 to Mr. Thierry BRETON, Chairman and Chief Executive Officer.

### **June 6**

Atos declared the filing with the Autorité des Marchés Financiers (AMF) of a draft public offer targeting all of Bull's outstanding shares and instruments having support of Crescendo Industries, Pothar Investments, Orange group and the BPI representing a total amount of 35.5% of Bull's share capital to Atos' public offer, comprising the tender agreements.

### **June 11**

Atos announced it has acquired Cambridge Technology Partners, a leading IT consulting firm in the Swiss market. With 300 employees, Cambridge reported revenues of CHF 40 million in 2013 (€ 35 million). In a very competitive market, Cambridge has developed a strong reputation in the areas of digital marketing, Identity & Access Management (IAM) and Digital Work Place, in addition to traditional business and technology consulting.

### **June 26**

Atos announced the success of Worldline initial public offering on the regulated market of Euronext Paris. Worldline is an Atos SE subsidiary, one of Europe's leading providers of electronic payment and transactional services and one of the largest such providers worldwide. Set at 16.40 euros per share, the global offering raised a total of approximately € 575 million, consisting of a capital increase of approximately € 255 million and the sale of approximately € 320 million of existing shares by Atos SE.

## C FINANCE

### C.1 Operational review

#### C.1.1 Executive Summary

In 2014, the Group implemented operational changes that are reflected in the 2014 figures from January 1, 2014:

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

Revenue for the six-month period ended June 30, 2014 totaled € 4,176 million down €-82 million or -1.9% on a like-for-like basis compared to the first half of 2013.

Representing 51% of the total Group revenue, Managed Services (including BPO) declined by €-51 million or -2.3% year-on-year. The contribution of new large contracts such as Philips in Benelux & The Nordics, the Post Office in the UK, Deutsche Bank in Germany, Givaudan in Central & Eastern Europe, City of Indianapolis and Benjamin Moore in the US were not sufficient to offset discontinued contracts, committed price decreases combined with lower volumes with Siemens and the impact of large transition and transformation projects completed in the previous year. As a result, the Managed Services activity declined in several geographies: Germany was impacted by the end of large transitions (Bayer and Siemens), Benelux & The Nordics declined following the ramp-down of KPN and Delta, and France was down in Manufacturing, Retail & Transportation following the end of the GEFCO contract. On the opposite, Managed Services revenue in the United Kingdom grew by +3.7%, mainly driven by the strong performance in BPO, both Financial and Medical.

Representing 36% of the total Group revenue in the first semester, Consulting & Systems Integration, including Technology Services, declined by -2.1% year-on-year. Revenue growth in Germany fuelled by the NSN global contract and in the Major Events Business Unit thanks to the ramp-up of several games projects, was more than offset by decreasing activity in most of the other Business Units and particularly in Benelux & The Nordics, North America, and the United Kingdom.

By Business Unit, the revenue performance was fuelled by the United Kingdom +1.9%, benefiting from the growth of BPO, and Major Events. The other main geographies declined: Benelux & The Nordics was affected by the ramp-down of one contract with KPN; Germany was mainly impacted by a lower activity in Managed Services, particularly with Siemens as already mentioned; France was down across several markets, and Central & Eastern Europe was impacted by lower volumes and price reductions with Siemens and by the ramp-down of the ex-SIS contract with AMS BG (Employment Agency) in Austria.

Worldline increased by +0.2% year-on-year (from a standalone perspective, Worldline as a public company increased revenue by +2.2%). Merchant Services & Terminals and Financial Processing & Software Licensing increased respectively by €+2 million and €+6 million while Mobility & e-Transactional Services decreased by €-7 million. The moderate growth of Merchant Services & Terminals hid a strong performance in Commercial Acquiring (+5.7%), in Private Label Cards & Loyalty services (+5.8%) and in Online services (+3.3%) while the Global Business Line was impacted by the postponed availability of the new range of terminals, due to the time required to obtain national certifications at the end of the first half of 2014 materializing into -9.4% decrease in the Terminals segment. In Mobility & e-Transactional Services, e-Ticketing achieved a double-digit growth (+12.1%) while e-Government Collection and e-Consumer & Mobility dropped respectively by €-7 and €-5 million.

Group operating margin increased by +20 basis points year-on-year. Managed Services was down by -120 basis points, while Consulting & Systems Integration progressed by +170 basis points. Corporate costs continued to decrease through the Tier One Program. Operating margin slightly progressed in most of the geographies benefiting from reductions in indirect costs and productivity gains more than compensating lower revenue. UK experienced overruns on the project Transport for Greater Manchester and France was impacted by lower revenue which hit the operating margin despite strong costs reduction measures, more particularly in Managed Services. Finally, the Group continued to invest in Cloud & Enterprise Services with € 16 million expensed during the first half of 2014, an increase by €+6 million compared to the first semester of 2013.

The total order entry reached € 4,360 million, representing a book to bill ratio of 104%, with a strong second quarter at 127%, as expected. During the second quarter, on top of renewals, the Group signed several new large contracts which are going to fuel organic growth as early as the second half of 2014. These include a 10-year mainframe contract with Airbus in Germany, a 5-year infrastructure management contract with a large postal and delivery company in the UK, a 5-year Cloud based full outsourcing contract in France with one of the Big Four accounting firms, a contract with Disclosure Scotland, an executive agency of the Scottish Government, a 3-year infrastructure management contract with a large electronics company in the Benelux, a 5-year Datacenter management contract with a large Dutch technology company, and a 6-year Financial BPO contract with NS&I in the UK which demonstrates the value of the B-to-B strategy with this customer. These seven key contracts totaled more than € 500 million of order entry.

In addition, the Group also extended for 5 years its outsourcing contract with a large bank in Hong Kong, as well as its Application Management contract with Renault Nissan in France over the same period of time. The Group signed a 5-year end-user computing service contract with the Ministry of Justice in the UK, a 3-year extension with Fidelity Information Services in Germany, a Financial Processing & Software Licensing contract with ING for Worldline, and renewed its Managed Services contract with Achmea, both in the Netherlands.

Thanks to its investment and high skills developed in innovative offerings, the Group reached an agreement with Siemens in the area of Data Center security. For this solution Atos and Siemens signed a 3-year extension from 2018 to 2021 as a specific part of the long term IT contract for Managed Services. Finally, as part of the Global Alliance between the two Groups, Siemens and Atos committed to a joint investment plan above € 20 million for Data Analytics.

At the end of June 2014, the full backlog amounted to € 15.3 billion or 1.8 year of revenue, compared to € 15.2 billion at the end of 2013. The full qualified pipeline at the end of the first half was € 5.0 billion, compared to € 5.3 billion as of December 31, 2013.

The total headcount was 76,465 at the end of June 2014. The number of direct employees at the end of June 2014 was 70,892, representing 92.7% of the total headcount, compared to 91.5% at the end of the first half of 2013.

In the first half of 2014, 5,476 new employees were recruited of which 53% in offshore countries. Offshore headcount totaled 16,778 staff and represented 22% of total staff at the end of June 2014, up by +16% compared to one year earlier. 56% of them were located in India, mainly for Systems Integration, and 26% in Central & Eastern Europe, mainly for Managed Services. Attrition during the first half was 9.7% at Group level, and 17.1% in emerging countries.



## C.1.2 Statutory to constant scope and exchange rates reconciliation

<i>In € million</i>	<b>H1 2014</b>	<b>H1 2013</b>	<b>% growth</b>
Statutory revenue	4,176	4,290	-2.7%
Scope effect		5	
Exchange rates effect		-37	
<b>Revenue at constant scope and exchange rates</b>	<b>4,176</b>	<b>4,258</b>	<b>-1.9%</b>
Operating margin	274.6	279.0	-1.6%
Scope impact		1.0	
Exchange rates impact		-6.5	
<b>Operating margin at constant scope and exchange rates</b>	<b>274.6</b>	<b>273.5</b>	<b>+0.4%</b>
<i>as % of revenue</i>	<b>6.6%</b>	<b>6.4%</b>	

### C.1.2.1 Revenue

Revenue in the first semester of 2014 amounted to € 4,176 million, representing an organic change of -1.9% compared to revenue at constant scope and exchange rates of € 4,258 million in the first half of 2013.

The following table presents the effect on H1 2013 revenue of exchange rates, acquisitions and disposals, and internal transfers reflecting the Group's new organization.

<i>In € million</i>	Revenue FY						
	<b>FY 2013 statutory</b>	<b>Internal transfer</b>	<b>Worldline Carve-out</b>	<b>FY 2013 new organization</b>	<b>Scope impact</b>	<b>Exchange rates impact*</b>	<b>FY 2013 at constant scope and FX</b>
Germany	1,659	1		1,661			1,661
UK & Ireland	1,647	0	-127	1,520		51	1,571
France	1,020	1		1,020	0		1,020
Benelux (& The Nordics)	1,083	1		1,085	-3	-1	1,080
Atos Worldline	896		-896	0			0
Central & Eastern Europe	873		-9	865		-21	844
North America	607	2		609		-20	588
Iberia	325		-31	293			293
Other BU's	504	-5	-42	456	7	-36	427
<b>Total IT Services</b>	<b>8,615</b>	<b>0</b>	<b>-1,105</b>	<b>7,510</b>	<b>3</b>	<b>-27</b>	<b>7,485</b>
<b>Worldline</b>			<b>1,105</b>	<b>1,105</b>		<b>-12</b>	<b>1,093</b>
<b>TOTAL GROUP</b>	<b>8,615</b>	<b>0</b>	<b>0</b>	<b>8,615</b>	<b>3</b>	<b>-39</b>	<b>8,579</b>
Managed Services	4,017	390		4,407		-3	4,404
Consulting & Systems Integration	2,278	824		3,103	3	-25	3,081
HTTS & Specialized Businesses	1,706	-601	-1,105	0			0
Consulting & Systems Integration	176	-176		0			0
Technology Services	437	-437		0			0
<b>Total IT Services</b>	<b>8,615</b>	<b>0</b>	<b>-1,105</b>	<b>7,510</b>	<b>3</b>	<b>-27</b>	<b>7,485</b>
<b>Worldline</b>			<b>1,105</b>	<b>1,105</b>		<b>-12</b>	<b>1,093</b>
<b>TOTAL GROUP</b>	<b>8,615</b>	<b>0</b>	<b>0</b>	<b>8,615</b>	<b>3</b>	<b>-39</b>	<b>8,579</b>

\* At June 2014 Exchange rates

Internal transfers between Services Lines included (i) the transfer of Consulting in the United Kingdom & Ireland, Germany, Benelux & The Nordics, France, Iberia, and Latin America to Consulting & Systems Integration (C&SI) for € 87 million, (ii) Technology Services to C&SI for €-227 million and (iii) the carve-out of Worldline. As a consequence of this carve-out, the HTTS & Specialized Business Global Service Line was discontinued and the Specialized Businesses component was merged into C&SI except for BPO that was merged into Managed Services.

At Group level, exchange rates impact was €-37 million in the first semester. It mainly came from the decrease of the Argentine Peso (-36.8%) and the Brazilian Real (-15.8%), the Turkish Lira (-20.1%) and the US Dollar (-4.1%) while the British Pound was in an overall upwards trend (+3.5%) versus the Euro.

Net scope impact was €-5 million on the top line, mainly resulting from the acquisition WindowLogic (Asia-Pacific, July 2013) and the disposal of Atos Formation (France, March 2013) and Metrum (The Netherlands, January 2014).

The adaptation of the organization made in the first semester of 2014 is reflected on the right part of the table above.

### C.1.2.2 Operating margin

Operating margin for the first semester of 2014 amounted to € 274.6 million, representing 6.6% of revenue, an improvement of +20 basis points compared to 6.4% in the first half of 2013 at constant scope and exchange rates.

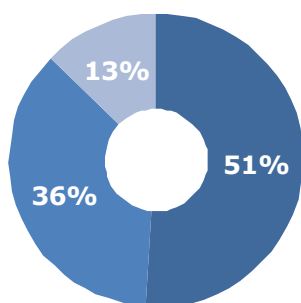
The following table presents the effect on H1 2013 operating margin of exchange rates, acquisitions and disposals, and internal transfers reflecting the adaptation of the Group organization, as explained above for revenue.

	Operating margin						
	H1 2013 statutory	Internal transfer	Worldline Carve-out	H1 2013 new organization	Scope effect	Exchange rates effect*	H1 2013 at constant scope and FX
<i>In € million</i>							
Germany	52.7	-2.4		50.4			50.4
UK & Ireland	64.4		-8.0	56.4		1.9	58.3
France	8.0	0.2		8.2	0.1		8.4
Benelux & The Nordics	49.5	-0.4		49.1	0.1	0.0	49.2
Atos Worldline	76.2		-76.2	0.0			0.0
Central & Eastern Europe	31.6		0.0	31.6		-1.6	30.0
North America	24.5	-2.7		21.8		-1.0	20.8
Iberia	3.5		-0.4	3.1			3.1
Other BU's	22.6	5.4	-2.7	25.4	0.8	-4.9	21.3
Global Structures	-54.2	-0.1	8.9	-45.4			-45.4
<b>Total IT Services</b>	<b>279.0</b>	<b>0.0</b>	<b>-78.5</b>	<b>200.6</b>	<b>1.0</b>	<b>-5.6</b>	<b>196.0</b>
<b>Worldline</b>			<b>78.5</b>	<b>78.5</b>		<b>-0.9</b>	<b>77.5</b>
<b>TOTAL GROUP</b>	<b>279.0</b>	<b>0.0</b>	<b>0.0</b>	<b>279.0</b>	<b>1.0</b>	<b>-6.5</b>	<b>273.5</b>
Managed Services	162.5	5.7		168.1		-2.8	165.4
Consulting & Systems Integration	55.0	23.6		78.6	1.0	-2.8	76.9
HTTS & Specialized Businesses	99.4	-15.4	-84.0				
Consulting	4.3	-4.3					
Technology Services	9.6	-9.6					
Global Structures	-51.8	0.0	5.5	-46.2			-46.2
<b>Total IT Services</b>	<b>279.0</b>	<b>0.0</b>	<b>-78.5</b>	<b>200.6</b>	<b>1.0</b>	<b>-5.6</b>	<b>196.0</b>
<b>Worldline</b>			<b>78.5</b>	<b>78.5</b>		<b>-0.9</b>	<b>77.5</b>
<b>TOTAL GROUP</b>	<b>279.0</b>	<b>0.0</b>	<b>0.0</b>	<b>279.0</b>	<b>1.0</b>	<b>-6.5</b>	<b>273.5</b>

\* At June 2014 Exchange rates

### C.1.3 Revenue profile evolution

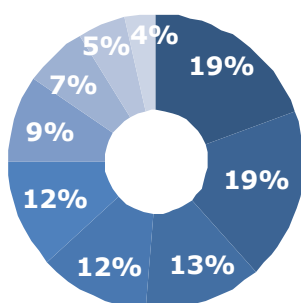
In the first semester of 2014, 74% of the revenue base was generated by multi-year contracts, deriving from multi-year Managed Services contracts (51% of total revenue, including BPO), Worldline revenue (13% of total revenues), Application Management, and Worldgrid contracts included in Consulting & Systems Integration, respectively with 8% and 2% of total revenues.



<i>In € million</i>	<b>H1 2014</b>	<b>H1 2013*</b>
■ Managed Services	2,138	2,190
■ Consulting & Systems Integration	1,503	1,535
■ Worldline	535	534
<b>TOTAL GROUP</b>	<b>4,176</b>	<b>4,258</b>

\* at constant scope and exchange rates

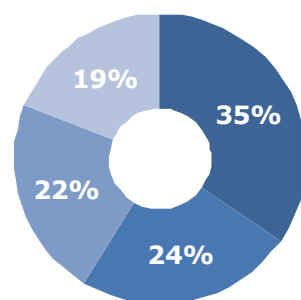
Europe remained the Group's main operational base, generating 87% of total revenue.



<i>In € million</i>	<b>H1 2014</b>	<b>H1 2013*</b>
■ United-Kingdom & Ireland	812	797
■ Germany	784	809
■ Worldline	535	534
■ France	505	516
■ Benelux & The Nordics	500	546
■ Central & Eastern Europe	388	400
■ North America	292	298
■ Other BUs	214	211
■ Iberia	146	148
<b>TOTAL GROUP</b>	<b>4,176</b>	<b>4,258</b>

\* at constant scope and exchange rates

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



<i>In € million</i>	<b>H1 2014</b>	<b>H1 2013*</b>
■ Manufacturing, Retail & Transportation	1,441	1,502
■ Public & Health	1,010	969
■ Telcos, Media & Utilities	936	996
■ Financial Services	789	792
<b>TOTAL GROUP</b>	<b>4,176</b>	<b>4,258</b>

\* at constant scope and exchange rates

## C.1.4 Performance by Service Line

In € million	Revenue			Operating margin		Operating margin %	
	H1 2014	H1 2013*	% growth	H1 2014	H1 2013*	H1 2014	H1 2013*
Managed Services	2,138	2,190	-2.3%	136.1	165.4	6.4%	7.6%
Consulting & Systems Integration	1,503	1,535	-2.1%	100.5	76.9	6.7%	5.0%
Corporate costs**				-42.0	-46.2	-1.2%	-1.2%
<b>Total IT Services</b>	<b>3,641</b>	<b>3,724</b>	<b>-2.2%</b>	<b>194.6</b>	<b>196.0</b>	<b>5.3%</b>	<b>5.3%</b>
<b>Worldline</b>	<b>535</b>	<b>534</b>	<b>+0.2%</b>	<b>80.0</b>	<b>77.5</b>	<b>15.0%</b>	<b>14.5%</b>
<b>TOTAL GROUP</b>	<b>4,176</b>	<b>4,258</b>	<b>-1.9%</b>	<b>274.6</b>	<b>273.5</b>	<b>6.6%</b>	<b>6.4%</b>

\* at constant scope and exchange rates

\*\* Corporate costs exclude Global Delivery Lines costs allocated to the Service Lines

### C.1.4.1 Managed Services

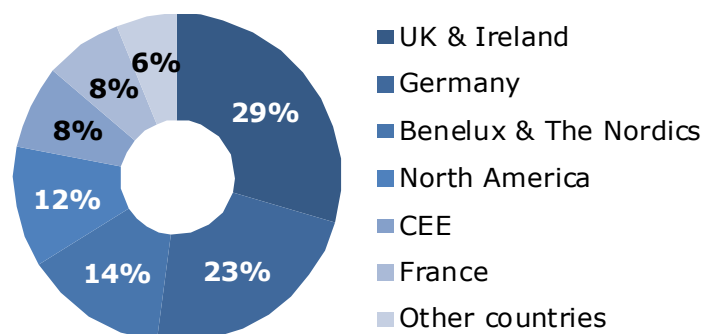
In € million	H1 2014	H1 2013*	% variation
Revenue	2,138	2,190	-2.3%
Operating margin	136.1	165.4	
Operating margin rate	6.4%	7.6%	
Direct headcounts end of June	33,720	33,277	

\* at constant scope and exchange rates

Representing 51% of the Group, Managed Services **revenue**, which includes BPO, was **€ 2,138 million**, down **-2.3%** compared to the first half of 2013.

The pattern was contrasted as growth materialized in the United Kingdom by +3.7%, benefiting from a positive dynamic in the Public Sector, notably with the full ramp-up of DWP PIP contract which over-compensated for the WCA contract and business increase with Department of Health and NS&I. North America grew by +2.0% thanks to the ramp-up of several Cloud contracts in Public and Media sectors. The Service Line also grew in several geographies such as Iberia, Middle East, and India. In Germany, despite new contract ramping-up in Telcos and Financial Services, revenue declined due to the end of the transition period with Bayer and Siemens as well as price reduction with the latter. Revenue contracted in Benelux & The Nordics on the back of contracts ramping-down in Financial Services and Telcos, more particularly one contract KPN, while the new infrastructure outsourcing contract with Philips was successfully delivered and started ramping-up. In Central & Eastern Europe, new contracts started to generate revenue in Switzerland, Italy, Poland, and Croatia. This did not compensate for lower volumes and base effects in Austria and in Slovakia. In France, a Cloud based contract with one large bank did not fully compensate for the ramp-down or scope reductions with customers in Energy and Manufacturing sectors.

### Managed Services revenue profile by geographies



Managed Services **operating margin** decreased compared to previous year to reach **€ 136.1 million**, down by €-29.3 million year-on-year. Managed Services performance was contrasted in the first semester. Three major elements affected the operating margin and were not fully compensated for by operational efficiencies. First, France performance suffered from revenue decrease and one-off transition slippages for a total of € 13 million despite strong actions on indirect costs; second, a base effect of € 10 million due to the pension plan amendment recorded in the first semester of 2013; and finally, the Group decided to increase its operational expenditures from € 10 million to € 16 million, an extra € 6 million to further enhance the Canopy Cloud platform. Nevertheless several Business Units performed well with margin gains such as the United Kingdom, North America and to a lesser extent Asia Pacific, Latin America, and India, Middle-East & Africa (IMEA). More particularly, United Kingdom & Ireland benefited from the ramp-up of several major public contracts.

#### C.1.4.2 Consulting & Systems Integration

<i>In € million</i>	<b>H1 2014</b>	<b>H1 2013*</b>	<b>% variation</b>
Revenue	1,503	1,535	-2.1%
Operating margin	100.5	76.9	
<i>Operating margin rate</i>	6.7%	5.0%	
<i>Direct headcounts end of June</i>	30,413	30,482	

\* at constant scope and exchange rates

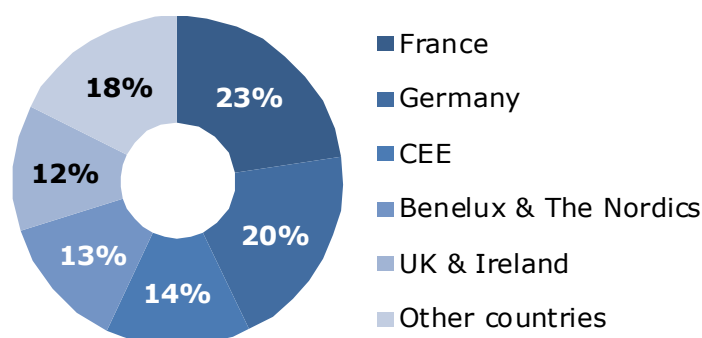
**Consulting & Systems Integration** half-year revenue was **€ 1,503 million**, down **-2.1%** compared to the first half of 2013.

Consulting grew by +12.3% thanks to new contracts won in the United Kingdom, primarily with the Ministry of Defence, British Airways, the Post Office, and several other clients in the private sector. This increased commercial activity absorbed the ramp-down of the Department for International Development Engagement in the UK and reduced revenue with KPN in Benelux and within the Telcos, Media & Utilities market in France.

Systems Integration, including Technology Services, was down by -2.9%. The Service Line posted significant growth in the Public & Health market (+5.5%) led by Germany, Major Events thanks to several International Olympic Committee projects ramp-up, and Iberia. Conversely, revenue was impacted by lower volumes in all the other markets. Revenue in Telcos, Media & Utilities dropped through several accounts among which KPN, contracts termination in Benelux, price decrease in Germany, and also due to an unfavorable comparison basis for AIG in the US. Partial offset came from the ramp-up of the NSN global contract, mostly in Germany. France posted a slight growth over the period.

In Systems Integration, utilization rate increased to 84.8% in 2014 compared to 81.2% in the first half of 2013.

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



At **€ 100.5 million** for the first 6 months of the year, **operating margin** in **Consulting & System Integration** increased by **+170 basis points** versus last year as continuous operational plans for resource management and costs efficiency have been performed to enable profitability improvement.

Consulting progressed significantly compared to last year, mostly driven by new business in the United Kingdom combined with cost efficiencies in Iberia.

Operating margin in Systems Integration including Technology Services was up +150 basis points compared to the first half of 2013. This improvement was primarily driven by productivity gains and SG&A optimization in Germany and France, a successful recovery on several large projects in Central & Eastern Europe, and an overall strong quality improvement in Benelux & The Nordics which more than compensated for the slippage on the Transport for Greater Manchester project.

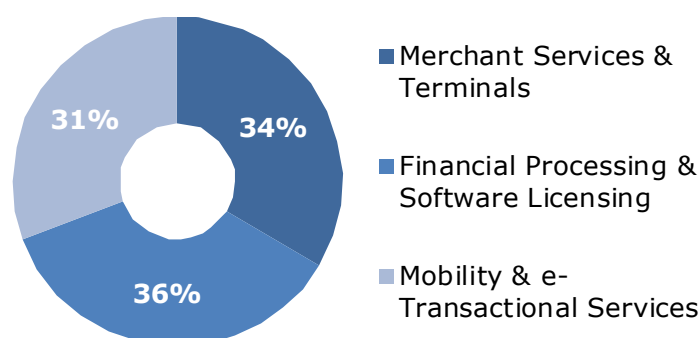
### C.1.4.3 Worldline

<i>In € million</i>	<b>H1 2014</b>	<b>H1 2013*</b>	<b>% variation</b>
Revenue	535	534	+0.2%
Operating margin	80.0	77.5	
<i>Operating margin rate</i>	<i>15.0%</i>	<i>14.5%</i>	
<i>Direct headcounts end of June</i>	<i>6,605</i>	<i>6,623</i>	

\* at constant scope and exchange rates

Worldline **revenue** represented 13% of the Group at **€ 535 million**, up **+0.2%** year-on-year. Financial Processing & Software Licensing was the main contributor to revenue evolution thanks to a good volume dynamic in Issuing processing and additional project revenue from SEPA standard in online banking solutions, mainly in France. Merchant Services & Terminals also contributed to growth with higher volumes in number of transactions, mainly in commercial acquiring in Belgium. Terminals business dropped by 9.4% even if this activity started to recover at the end of the semester. In Mobility & e-Transactional Services, Worldline performed fewer projects in the Public Sector, mainly for its direct customers.

#### Worldline revenue profile by Global Business lines



**Operating margin** was **€ 80.0 million**, representing 15.0% of revenue, compared to 14.5% in the first half of 2013, an improvement in line with full year expectations. Merchant Services & Terminals benefited from transaction volume growth in Commercial Acquiring and from costs optimization in Benelux while margin declined in the Terminals business due to anticipated revenue drop during the first half of the year. Financial Processing & Software Licensing improved mainly in Issuing processing, Online Banking, and Payment Software Licensing. Finally, Mobility & e-Transactional Services was down due to a committed price decrease for one contract in e-Government in the UK.

## C.1.5 Performance by Business Units

In € million	Revenue			Operating margin		Operating margin %	
	H1 2014	H1 2013*	% growth	H1 2014	H1 2013*	H1 2014	H1 2013*
United-Kingdom & Ireland	812	797	+1.9%	54.4	58.3	6.7%	7.3%
Germany	784	809	-3.1%	51.9	50.4	6.6%	6.2%
France	505	516	-2.0%	1.1	8.4	0.2%	1.6%
Benelux & The Nordics	500	546	-8.4%	50.5	49.2	10.1%	9.0%
Central & Eastern Europe	388	400	-3.0%	32.8	30.0	8.4%	7.5%
North America	292	298	-2.2%	22.9	20.8	7.9%	7.0%
Iberia	146	148	-1.5%	3.4	3.1	2.3%	2.1%
Other BUs	214	211	+1.7%	20.2	21.3	9.4%	10.1%
Global structures**				-42.6	-45.4	-1.2%	-1.2%
<b>Total IT Services</b>	<b>3,641</b>	<b>3,724</b>	<b>-2.2%</b>	<b>194.6</b>	<b>196.0</b>	<b>5.3%</b>	<b>5.3%</b>
<b>Worldline</b>	<b>535</b>	<b>534</b>	<b>+0.2%</b>	<b>80.0</b>	<b>77.5</b>	<b>15.0%</b>	<b>14.5%</b>
<b>TOTAL GROUP</b>	<b>4,176</b>	<b>4,258</b>	<b>-1.9%</b>	<b>274.6</b>	<b>273.5</b>	<b>6.6%</b>	<b>6.4%</b>

\* at constant scope and exchange rates

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

By geography, in an economic environment which continued to be slow in Europe, the Group focused on protecting or enhancing its operational profitability by executing Tier One Program new initiatives in order to compensate for revenue decline in several geographies. All the Business Units improved their operating margin with the exception of United Kingdom & Ireland and France. The UK faced a difficult contract with Transport for the Greater Manchester which led to a €-10 million loss recorded in the first half. At the same time, the WCA contract with DWP also impacted operating margin. France was primarily impacted by a lack of revenue in Managed Services partly mitigated by a strong monitoring of indirect costs. Despite a still difficult economic environment and declining revenue, Benelux & The Nordics reached a double digit margin rate. The Group continued to reduce its Global structure costs, both in IT Services and in Worldline.

### C.1.5.1 United Kingdom & Ireland

In € million	H1 2014	H1 2013*	% variation
Revenue	812	797	1.9%
Operating margin	54.4	58.3	
Operating margin rate	6.7%	7.3%	

\* at constant scope and exchange rates

**Revenue** was **€ 812 million**, up **+1.9%**. This growth was primarily driven by the Public & Health market where BPO grew by +12.5%, thanks to the build-up of the DWP PIP contract which more than offset the lower volumes on WCA contract. Managed Services also benefited from additional volumes with the Department of Health, NDA, and a new contract with the Post Office. Consulting activities also contributed thanks to the ramp-up of the Ministry of Defence contract. This more than compensated for reduced volumes or projects with the Welsh Government, in Public Sector and also with EDF, British Telecom and with a large media company in the other markets.

**Operating margin** was **€ 54.4 million**, down by **-63 basis points**. This decrease of profitability came from Systems Integration which recorded a €-10 million loss related to the Transport for Greater Manchester project contract transferred from Worldline, as mentioned in its Registration Document (§ 9.9). Excluding this one-time loss, UK margin improved by 10.3% compared to the first half of 2013. This was partially offset mainly by the fall-out of the growth in Consulting, a contract renegotiation in Managed Services and the positive effect of PIP contract ramp-up in BPO.

### C.1.5.2 Germany

<i>In € million</i>	<b>H1 2014</b>	<b>H1 2013*</b>	<b>% variation</b>
Revenue	784	809	-3.1%
Operating margin	51.9	50.4	
<i>Operating margin rate</i>	6.6%	6.2%	

\* at constant scope and exchange rates

**Revenue** was **€ 784 million**, down **-3.1%** compared to the first half of 2013. In Managed Services, the revenue was affected by the end of the transition phases on Bayer and Siemens, price decrease, mainly with Siemens and KPN, and some contract terminations such as Ferrostaal. A new contract with Coriant and the ramp-up of Deutsche Bank partly compensated for this negative trend. Partial offset came from Consulting & Systems Integration which improved thanks to the NSN contract initiated in 2013, and a new contract with the Ministry of Defense.

**Operating margin** reached **€ 51.9 million** and improved by **+55 basis points** compared to the first half of 2013. Consulting & Systems Integration benefited from increased revenue combined with productivity gains and indirect costs optimization which compensated for price reduction. Managed Services was down due to less volume effect coming from the phase-out of one-time projects with Siemens and Bayer not fully offset by cost reduction performed over the period.

### C.1.5.3 Benelux & The Nordics

<i>In € million</i>	<b>H1 2014</b>	<b>H1 2013*</b>	<b>% variation</b>
Revenue	500	546	-8.4%
Operating margin	50.5	49.2	
<i>Operating margin rate</i>	10.1%	9.0%	

\* at constant scope and exchange rates

In Benelux & The Nordics, **revenue** dropped by **-8.4%**, in a context of still declining demand affecting all Service Lines. Both Managed services and Consulting & Systems Integration were affected by contract lost in 2013 (KPN, Delta, UPM), added to price pressures on Achmea and UVIT contracts and the end of the PostNord transition. This trend has been partially offset by higher activity in the Public Sector driven by contracts with the Dutch National Police and Ministry of Infrastructure, the ramp-up of a Cloud contract with Philips, and upselling at Rabobank.

Despite a negative base effect of €-6 million due to the pensions curtailment performed in the first half of 2013 and a lower revenue in the period, the **operating margin** reached **€ 50.5 million**, and improved by **+110 basis points**. This strong achievement was attributable to a tight control of costs in both Managed Services and Consulting & Systems Integration coupled with an improved utilization rate and one contract settlement in Consulting & Systems Integration while Managed Services was further affected by tariff pressure.

### C.1.5.4 France

<i>In € million</i>	<b>H1 2014</b>	<b>H1 2013*</b>	<b>% variation</b>
Revenue	505	516	-2.0%
Operating margin	1.1	8.4	
<i>Operating margin rate</i>	0.2%	1.6%	

\* at constant scope and exchange rates

At **€ 505 million**, **revenue** was limited at **-2.0% year-on-year**. This slight decrease was primarily driven by Managed Services due to the end of some contracts such as Gefco or GDF Suez. Consulting & Systems Integration revenue remained almost stable as new projects with CNES and fertilization with Renault allowed to offset missing license resales compared to last year and price pressure on the LCH Clearnet contract in the Financial Services market.



The decline in **operating margin** entirely came from Managed Services. This was partially mitigated by the strong improvement of Consulting & Systems Integration thanks to higher utilization rates in Application Management and SAP practices, as well as a better profitability in the smart grid business and a continuous reduction of indirect costs.

#### C.1.5.5 Central & Eastern Europe

<i>In € million</i>	<b>H1 2014</b>	<b>H1 2013*</b>	<b>% variation</b>
Revenue	388	400	-3.0%
Operating margin	32.8	30.0	
<b>Operating margin rate</b>	<b>8.4%</b>	<b>7.5%</b>	

\* at constant scope and exchange rates

The **-3.0%** decrease in **revenue** was entirely driven by Managed Services activities where several projects in the Public Sector in Slovakia and in Austria ended last year, adding to less volumes with Siemens, and despite partial offset from the ramp-up of ePodkarpacie in Poland and Givaudan in Switzerland. Revenue in Consulting & Systems Integration was stable. Growth in the Public Sector, particularly in Slovakia, compensated for the base effect of the Ashgabat phase 1 project completion and the 2013 Mersin Mediterranean Games in Turkey.

The **+100 basis points** increase in **operating margin** derived mainly from lower warranty costs, higher R&D State premiums, and improved project profitability in the Public Sector in Consulting & Systems Integration. Conversely and on top of lower revenue, Managed Services suffered from a bold comparative basis derived from Siemens projects completed last year, together with the end of AMS and AIS contracts.

#### C.1.5.6 North America

<i>In € million</i>	<b>H1 2014</b>	<b>H1 2013*</b>	<b>% variation</b>
Revenue	292	298	-2.2%
Operating margin	22.9	20.8	
<b>Operating margin rate</b>	<b>7.9%</b>	<b>7.0%</b>	

\* at constant scope and exchange rates

First half **revenue** decreased by **-2.2%** versus last year. This stemmed from Consulting & Systems Integration services principally due to the completion of the AIG datacenter migration project in 2013 and lower volume with Zimmer Holding and P&G, partially offset by ramp-ups with Daimler and Hunstmann. Growth of Managed Services was mostly driven by fertilization with McGraw Hill, contracts in the Public Sector such as ACT, City of Indianapolis (including a large portion of Cloud services), and Benjamin Moore in Manufacturing, Retail & Transportation.

**Operating margin** progressed to **7.9%** primarily pulled by growth and delivery cost efficiencies in Managed Services.

#### C.1.5.7 Iberia

<i>In € million</i>	<b>H1 2014</b>	<b>H1 2013*</b>	<b>% variation</b>
Revenue	146	148	-1.5%
Operating margin	3.4	3.1	
<b>Operating margin rate</b>	<b>2.3%</b>	<b>2.1%</b>	

\* at constant scope and exchange rates

**Revenue** was down by **-1.5%** year-on-year, to be compared with the **-6.2%** organic decrease posted for the year ended December 31, 2013 and mainly reflecting lower **Consulting & Systems Integration** activities within Manufacturing, Retail & Transportation and Telcos, Media & Utilities markets and in spite of significant recovery in the Public sector.

Despite revenue decline, the Business Unit manages to increase its **operating margin** through proactive workforce and cost base management combined with further reduction of indirect costs.

### C.1.5.8 Other Business Units

<i>In € million</i>	<b>H1 2014</b>	<b>H1 2013*</b>	<b>% variation</b>
Revenue	214	211	1.7%
Operating margin	20.2	21.3	
<i>Operating margin rate</i>	9.4%	10.1%	

\* at constant scope and exchange rates

#### Major Events

**Revenue** grew by €+6 million thanks to the ramp-up of Rio 2016 Summer Games combined with several regional projects such as VeraCruz 2014 and Baku 2015.

**Operating margin** progressed € **+1.6 million** on higher revenue and improved utilization rate in the former MSL entity.

#### Asia-Pacific

**Revenue** remained stable year-on-year, thanks to increased activities for Siemens and the regional contract with Deutsche Bank, which both compensated for less hardware & software resales in Managed Services.

The **operating margin** improvement of **+130 basis points** on prior year mainly derived from productivity gains in Consulting & Systems Integration and fall-through from higher added value Managed Services revenue in China and Singapore.

#### Latin America

**Revenue** dropped by -8.7% compared to last year due to several contracts phased-out during the period in both Managed Services and Consulting & Systems Integration.

**Operating margin** remained stable versus last year.

#### India, Middle-East & Africa

**Revenue** grew by **+7.6%**, primarily pulled by Managed Services in the Middle East.

**Operating margin** also improved by **+160 basis points** thanks to continuous increase of offshored delivery volumes in India and business growth in the Middle-East.

### C.1.5.9 Global structures costs

Global structures costs decreased by € 2.8 million compared to the first half of 2013 as a result of the continuous optimization of the Group's central functions.

## C.1.6 Revenue by Market

The Group is organized in four industry sectors, as described:

In € million	Revenue		
	H1 2014	H1 2013*	% growth
Manufacturing, Retail & Transportation	1,441	1,502	-4.0%
Public & Health	1,010	969	+4.3%
Telcos, Media & Utilities	936	996	-6.0%
Financial Services	789	792	-0.4%
<b>TOTAL GROUP</b>	<b>4,176</b>	<b>4,258</b>	<b>-1.9%</b>

\* at constant scope and exchange rates

### C.1.6.1 Manufacturing, Retail & Transportation

**Manufacturing, Retail & Transportation** is currently the largest market segment of the Group (35%) and reached **€ 1,441 million** for the six-month period ended June 30, 2014. It was down **-4.0%** compared to the first half of 2013. New contracts contributed to additional revenue: Philips and DCO in the Netherland, Givaudan in Switzerland, Benjamin Moore in North America, Daimler in Germany, and CNES in France. This partially compensated for some decline: Bayer, Peugeot, IPM, Talecris and finally Siemens.

In this Market, 41% of revenues were generated with 10 main customers: Siemens, Renault Nissan, Philips, VOSA (Vehicle Op Standards Agency), EADS (Airbus), Carl-Zeiss, DSK/RAG, Thyssen Krupp, Highways Agency and Coca-Cola.

### C.1.6.2 Public & Health

**Public & Health** revenue in the first half was **€ 1,010 million** and accounted for 24% of the Group revenue. It increased by **+4.3%** compared to the six-month period ended June 30, 2013.

This growth was mainly attributable to contracts located in UK & Ireland: The Department for Work & Pensions where the new PIP contract more than compensated for the ramp-down of the WCA contract, the Department of Health and the Post Office both benefiting from increased volumes. Germany also grew thanks to a new contract with the Federal Ministry of Defence, as well as North America with the ACT ramp-up, and Major Events with the ramp-up of the future games for the International Olympic Committee (IOC), together with new projects signed by the former MSL company acquired in 2012.

The top 10 customers accounted for 38% of this market segment were the Department for Work & Pensions, the UK Ministry of Justice, the European Union Institutions, the French Ministère de l'Ecologie, NHS Scotland, the NDA (Nuclear Decommissioning Authority), SNCF, the UK Border Agency, Bundesagentur für Arbeit, the Department of Health and the International Olympic Committee.

### C.1.6.3 Telcos, Media & Utilities

**Telecom, Media & Utilities** reached **€ 936 million** in the first semester (22% of Group revenue) down **-6%** compared to the six-month period ended June 30, 2013. This performance mainly resulted from the ramp-down of KPN and Delta contracts in Benelux & The Nordics partially compensated for by the NSN global contract signed at the end of 2012. Unfavorable comparison basis resulted from a one-time hardware sale to EDF and a non-recurring project delivered to a large media company.

The first 10 customers accounted for 65% of this market were a large media company, EDF/British Energy, KPN, NSN, McGraw-Hill, Orange, Telecom Italia, Microsoft, GDF Suez and Schlumberger.

#### C.1.6.4 Financial Services

**Financial services** reached **€ 789 million**, down **-0.4%** compared to the first half of 2013, representing 19% of the Group. This resulted from a strong performance in France mainly with a large banking customer and in Worldline with the impact of new businesses. On the other hand, Financial Services growth was adversely impacted by the AIG project completion last year.

52% of the revenue were generated with 10 clients: National Savings & Investments, Deutsche Bank, BNP Paribas, ING, Standard Chartered Bank, Achmea, Credit Agricole, La Poste and Société Générale and Talanx.

#### C.1.7 Portfolio

##### C.1.7.1 Order entry and book to bill

The Group order entry in the first half of 2014 totaled € 4,360 million, representing a book to bill ratio of 104%, of which 127% reached in Q2 as anticipated. Book to bill was 113% in Managed Services in particularly driven by the UK, Benelux & The Nordics, France and Asia Pacific. Book to bill was 99% in Consulting & Systems Integration, mainly led by France. Book to bill was 87% for Worldline. Excluding Siemens (backlog closed in July 2011), the total Book to bill was 107%.

During the second quarter, the Group signed several new large contracts which are going to fuel organic growth as early as the second half of 2014. These includes a 10-year mainframe contract with Airbus in Germany, a 5-year infrastructure management contract with a large letters delivery company in the UK, a 5-year Cloud based full outsourcing contract in France with one of the Big Four accounting firm, a contract with Disclosure Scotland, an executive agency of the Scottish Government, a 3-year infrastructure management contract with NXP Semiconductors in the Benelux, a 5-year Datacenter management contract with a large Dutch technology company, and a 6-year Financial BPO contract with NS&I in the UK which demonstrates the value of the B-to-B strategy with this customer. These seven key contracts totaled circa € 500 million of order entry.

Order entry in the first half-year also included renewal of large contracts such as with a large media company in the UK (Managed Services and Systems Integration), a large Bank in Hong Kong (Managed Services) and Renault Nissan in France (Managed Services and System Integration).

Thanks to its investment and high skills developed in innovative offerings, the Group reached an agreement with Siemens in the area of Data Center security. For this solution Atos and Siemens signed a 3-year extension from 2018 to 2021 as a specific part of the long term IT contract for Managed Services. Finally, as part of the Global Alliance between the two Groups, Siemens and Atos committed to a joint investment plan above € 20 million for Data Analytics.

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

	<b>Order Entry</b>	<b>Book to bill</b>
<i>Book to bill</i>	<b>H1 2014</b>	<b>H1 2014</b>
Manufacturing, Retail & Transportation	1,673	116%
Public & Health	941	93%
Telcos, Media & Utilities	914	98%
Financial Services	832	106%
<b>Total Group</b>	<b>4,360</b>	<b>104%</b>

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

	Order Entry	Book to bill
<i>Book to bill</i>	H1 2014	H1 2014
Manufacturing, Retail & Transportation	1,673	116%
Public & Health	941	93%
Telcos, Media & Utilities	914	98%
Financial Services	832	106%
<b>Total Group</b>	<b>4,360</b>	<b>104%</b>

#### C.1.7.2 Full backlog

The **full backlog** at the end of June 2014 amounted to € **15,314 million** representing **1.8 years** of revenue, an increase by €+151 million. Most of the increase came from Managed Services thanks to major renewals and significant new contracts. As a result, the backlog for the Service Line represented 2.3 years of revenue.

#### C.1.7.3 Full qualified pipeline

The full qualified pipeline amounted to € **5,034 million** at the end of June 2014, stable compared to the prior year. It represented **7.0 months** of revenue. By business, qualified pipeline represented 10.2 months of revenue for Worldline and 6.6 months of revenue for IT Services.

## C.1.8 Human Resources

### C.1.8.1 Headcount evolution

The total headcount was **76,465** at the end of June 2014, up **+145 people** compared to end of last year. During the first half, indirect staff decreased by -4%, as a consequence of the continuing SG&A costs reduction induced by the Tier One Program, while during the same period direct workforce increased by +361. Direct headcount closed at 70,892 at end of June 2014 and represented 92.7% of the Group total headcount, compared to 92.4% six months earlier.

In the first half of 2014, 5,476 new employees were recruited of which 53% in offshore countries. Offshore headcount totaled 16,778 staff and represented 22% of total staff at the end of June 2014, up by +16% compared to one year earlier. 56% of them were located in India, mainly for Systems Integration, and 26% in Central & Eastern Europe, mainly for Managed Services.

Headcount evolution over the first half of 2014 by Services Line and Business Unit is the following:

	Opening January 2014	Adaptation of organization	Adjusted opening	Scope	Hiring	Leavers	Dismissal, restruct. & other	Closing June 2014
Managed Services	33,277	0	33,277	-71	2,911	-1,687	-710	33,720
Consulting & Systems Integration	30,581	-99	30,482	233	2,095	-1,673	-724	30,413
HTTS & Specialized Business	6,524	-6,524	0	0	0	0	0	0
Global Structures	149	0	149	0	6	-7	6	154
<b>IT Services</b>	<b>70,531</b>	<b>-6,623</b>	<b>63,908</b>	<b>162</b>	<b>5,012</b>	<b>-3,367</b>	<b>-1,428</b>	<b>64,287</b>
<b>Worldline</b>	<b>0</b>	<b>6,623</b>	<b>6,623</b>	<b>0</b>	<b>248</b>	<b>-175</b>	<b>-91</b>	<b>6,605</b>
<b>Total Direct</b>	<b>70,531</b>	<b>0</b>	<b>70,531</b>	<b>162</b>	<b>5,260</b>	<b>-3,542</b>	<b>-1,519</b>	<b>70,892</b>
United-Kingdom & Ireland	9,626	-630	8,996	0	670	-495	-44	9,127
Germany	7,883	0	7,883	0	93	-131	-51	7,794
France	9,280	0	9,280	0	190	-223	-210	9,037
Benelux & The Nordics	6,231	0	6,231	-96	100	-283	-68	5,884
Central & Eastern Europe	7,660	-44	7,616	258	1,015	-377	-169	8,343
North America	3,721	0	3,721	0	278	-224	-231	3,544
Iberia	4,886	-460	4,426	0	63	-103	-155	4,231
Other BUs	16,146	-442	15,704	0	2,603	-1,531	-498	16,278
Global Structures	50	1	51	0	0	0	-2	49
<b>IT Services</b>	<b>65,483</b>	<b>-1,575</b>	<b>63,908</b>	<b>162</b>	<b>5,012</b>	<b>-3,367</b>	<b>-1,428</b>	<b>64,287</b>
<b>Worldline</b>	<b>5,048</b>	<b>1,575</b>	<b>6,623</b>	<b>0</b>	<b>248</b>	<b>-175</b>	<b>-91</b>	<b>6,605</b>
<b>Total Direct</b>	<b>70,531</b>	<b>0</b>	<b>70,531</b>	<b>162</b>	<b>5,260</b>	<b>-3,542</b>	<b>-1,519</b>	<b>70,892</b>
<b>Total Indirect</b>	<b>5,789</b>	<b>0</b>	<b>5,789</b>	<b>29</b>	<b>216</b>	<b>-183</b>	<b>-278</b>	<b>5,573</b>
<b>TOTAL GROUP</b>	<b>76,320</b>	<b>0</b>	<b>76,320</b>	<b>191</b>	<b>5,476</b>	<b>-3,725</b>	<b>-1,797</b>	<b>76,465</b>

### C.1.8.2 Changes in scope

The figures presented in this column reflect the disposal of Metrum in Benelux in the first quarter 2014 and the acquisition of Cambridge Technology in Switzerland in the second quarter.

### C.1.8.3 Hiring

The total number of recruitments during the first half of 2014 reached +5,476 and represented 7.2% of the headcount as of January 1, 2014. Those hiring were primarily made in Managed Services (+2,911 people and 55% of the total recruitments of the period) and in Systems Integration (+1,950 recruits or 37% of the total).

By Business Units, the growth of Managed Services offshore in Poland (+488) and Romania (+285) explains largely the +1,015 employees recruited in Central & Eastern Europe. The UK recruited +670 employees to replace leavers and fuel the ramp-up of the DWP PIP contract. The +2,603 hiring reported in Other Business Units reflect the accelerated growth of offshore delivery, primarily in India (+1,767, 33% of the total direct recruitments) and in the Philippines (+106).

#### C.1.8.4 Leavers

Leavers only comprise staff voluntary resignations. The total number of leavers over the first semester 2014 was -3,725 of which -3,542 from the direct workforce, primarily in Managed Services (-1,687 people, 48% of the total direct leavers) and Systems Integration (-1,558 leavers and 44% of the total).

Attrition during the first half was 9.7% at Group level, and 17.1% in emerging countries, stable compared to the first half of 2013.

#### C.1.8.5 Restructuring, Dismissals and other

1,568 staff were dismissed or restructured during the first semester of 2014. Streamlining efforts were mainly concentrated in the UK, North America, Latin America, Asia Pacific and in Benelux & The Nordics. The other flows correspond to net In/Out changes in temporary employees.

#### C.1.8.6 External Subcontractors

The number of external subcontractors at 5,505 full time equivalents (7.4% of productive full time equivalents) at the end of the semester decreased by more than a thousand compared to June 2013, when it represented 8.5%. The objective remains to carefully monitor the level of non-critical subcontractors.

## C.2 2014 Objectives

Further to the first half of the year, and taking into account the perspective of the second semester, the Group confirms all its objectives for 2014 as stated in the February 19, 2014 release, i.e.:

### Revenue

The Group expects to **positively grow** compared to 2013.

### Operating margin

The Group has the objective to continue improving its operating margin rate targeting **7.5% to 8.0%** of revenue.

### Free cash flow

The Group expects to achieve a free cash flow **above 2013** level, in line with 2016 ambition.



## C.3 Financial review

### C.3.1 Income statement

The Group reported a net income (attributable to owners of the parent) of € 76.4 million for the half year 2014, which represented 1.8% of Group revenues of the period. The normalized net income before unusual, abnormal and infrequent items (net of tax) for the period was € 173.5 million, representing 4.2% of Group revenues of the period, up +20bp compared to last year.

(in € million)	<b>6 months ended 30 June 2014</b>	<b>% Margin</b>	<b>6 months ended 30 June 2013</b>	<b>% Margin</b>
<b>Operating margin</b>	<b>274.6</b>	<b>6.6%</b>	<b>279.0</b>	<b>6.5%</b>
Other operating income / (expenses)	(145.2)		(87.4)	
<b>Operating income</b>	<b>129.4</b>	<b>3.1%</b>	<b>191.6</b>	<b>4.5%</b>
Net financial income / (expenses)	(21.0)		(22.5)	
Tax charge	(29.2)		(53.4)	
Non-controlling interests and associates	(2.8)		0.6	
<b>Net income – Attributable to owners of the parent</b>	<b>76.4</b>	<b>1.8%</b>	<b>116.3</b>	<b>2.7%</b>
<b>Normalized net income – Attributable to owners of the parent (*)</b>	<b>173.5</b>	<b>4.2%</b>	<b>173.7</b>	<b>4.0%</b>

(\*) Defined hereafter.

#### C.3.1.1 Operating margin

Operating margin represents the underlying operational performance of the current business and is analyzed in the operational review.

#### C.3.1.2 Other operating income and expenses

Other operating income and expenses relate to income and expenses that are unusual, abnormal and infrequent. They represent a net expense of € 145.2 million in the first half of 2014. The following table presents this amount by nature:

(in € million)	<b>6 months ended 30 June 2014</b>	<b>6 months ended 30 June 2013</b>
Staff reorganization	(81.7)	(48.3)
Rationalization and associated costs	(22.5)	(21.2)
Integration costs and acquisition costs	(7.1)	(10.4)
Customer relationships amortization (PPA) *	(22.1)	(22.0)
Other items	(11.8)	14.5
<b>Total</b>	<b>(145.2)</b>	<b>(87.4)</b>

\* Purchase Price Allocation.

The € 81.7 million **staff reorganization** expense was mainly the consequence of:

- a restructuring plan in Germany agreed with the Unions in June 2014 for the employees located in AIT Frankfurt further to a bundle of economic reasons especially due to the termination of several local contracts at AIT Frankfurt;
- the adaptation of the Group workforce in several countries such as Benelux & The Nordics, Iberia, United Kingdom, and Germany;
- the streamlining of middle management layers, including Global Structures.

The € 22.5 million **rationalization and associated costs** primarily resulted from the closure of office premises and datacenters consolidation, mainly in Germany (€ 5.7 million) and Benelux & The Nordics (€ 2.9 million), linked to restructuring plans. This amount also includes external costs for the implementation of Worldline's TEAM Program (€ 2.4 million).

The € 7.1 million **integration and acquisition costs** represented mainly remaining costs for the migration and the standardization of internal IT platforms.

The € 11.8 million expense in **other items** corresponded mainly to fees related to € 5.5 million of transaction services costs incurred for the unsuccessful Nets acquisition project and additional € 4.5 million provisions for the DWP-MSA contract loss after the settlement signed during the period.

#### C.3.1.3 Net financial expense

Net financial expense amounted to € 21.0 million for the period (compared with € 22.5 million last year) and was composed of a net cost of financial debt of € 6.1 million and non-operational financial costs of € 14.9 million.

Non-operational financial costs amounted to € 14.9 million compared to € 5.1 million in June 2013 and mainly consisted of pension financial related costs (€ 7.0 million compared to € 6.6 million in 2013), net foreign exchange expense (€ 3.7 million compared to a net foreign exchange gain of € 0.9 million in 2013), and other expenses for € 4.0 million (including € 2.2 million for financing of receivables).

The pension financial related costs represent the difference between interest costs on defined benefit obligations and the interest income on plan assets for plans which are funded.

#### C.3.1.4 Corporate tax

The tax charge for the six-month period ended June 30, 2014 was € 29.2 million including the French CVAE tax, with a profit before tax of € 108.4 million. The annualized Effective Tax Rate (ETR) of 26.3% adjusted for tax discrete items led to an ETR of 27.0%.

#### C.3.1.5 Non-controlling interests

Non-controlling interests included shareholdings held by joint venture partners and other associates of the Group. They amounted to € 0.8 million in June 2014 (compared to € -1.4 million in June 2013).

### C.3.1.6 Normalized net income

The normalized net income excluding unusual, abnormal and infrequent items (net of tax) was almost stable at € 173.5 million, representing 4.2% of Group revenues of the period, up +20bp compared to last year.

(in € million)	<b>6 months ended 30 June 2014</b>	<b>6 months ended 30 June 2013</b>
<b>Net income - Attributable to owners of the parent</b>	<b>76.4</b>	<b>116.3</b>
Other operating income and expenses	(145.2)	(87.4)
Tax effect on other operating income and expenses	47.4	27.3
Other unusual items on tax	0.7	2.7
<b>Total unusual items - Net of tax</b>	<b>(97.1)</b>	<b>(57.4)</b>
<b>Normalized net income - Attributable to owners of the parent</b>	<b>173.5</b>	<b>173.7</b>

### C.3.1.7 Half year Earning Per Share

(in € million)	<b>6 months ended 30 June 2014</b>	<b>% Margin</b>	<b>6 months ended 30 June 2013</b>	<b>% Margin</b>
<b>Net income - Attributable to owners of the parent [a]</b>	<b>76.4</b>	<b>1.8%</b>	<b>116.3</b>	<b>2.7%</b>
Impact of dilutive instruments	-		8.1	
<b>Net income restated of dilutive instruments - Attributable to owners of the parent [b]</b>	<b>76.4</b>	<b>1.8%</b>	<b>124.4</b>	<b>2.9%</b>
<b>Normalized net income - Attributable to owners of the parent [c]</b>	<b>173.5</b>	<b>4.2%</b>	<b>173.7</b>	<b>4.0%</b>
Impact of dilutive instruments	-		8.1	
<b>Normalized net income restated of dilutive instruments - Attributable to owners of the parent [d]</b>	<b>173.5</b>	<b>4.2%</b>	<b>181.8</b>	<b>4.2%</b>
Average number of shares [e]	98,809,813		85,741,350	
Impact of dilutive instruments	1,555,170		12,849,350	
Diluted average number of shares [f]	100,364,983		98,590,700	
(In €)				
<b>Basic EPS [a] / [e]</b>	<b>0.77</b>		<b>1.36</b>	
<b>Diluted EPS [b] / [f]</b>	<b>0.76</b>		<b>1.26</b>	
<b>Normalized basic EPS [c] / [e]</b>	<b>1.76</b>		<b>2.03</b>	
<b>Normalized diluted EPS [d] / [f]</b>	<b>1.73</b>		<b>1.84</b>	

Potential dilutive instruments comprised stock subscription (equivalent to 1,555,170 options) and did not generate a restatement of net income used for the diluted EPS calculation.

### C.3.2 Cash Flow and net cash

The Group reported a net cash position of € 216.7 million at the end of June 2014, thus representing a decrease of € 141.9 million compared to June 2013. The net cash position at the end of June 2014 did not include the € 551.2 million cash proceeds net of fees related to the disposal of 16.8% Wordline SA shares by Atos SE and the capital increase of Worldline SA. Such cash proceeds were received on July 1, 2014.

(in € million)	<b>6 months ended 30 June 2014</b>	<b>6 months ended 30 June 2013</b>
<b>Operating Margin before Depreciation and Amortization (OMDA)</b>	<b>400.7</b>	<b>380.9</b>
Capital expenditures	(154.5)	(169.8)
Change in working capital requirement	31.3	63.3
<b>Cash From Operation (CFO)</b>	<b>277.5</b>	<b>274.4</b>
Reorganization in other operating income	(70.8)	(59.8)
Rationalization & associated costs in other operating income	(19.1)	(27.4)
Integration and acquisition costs	(7.1)	(10.4)
Net financial investments *	(1.6)	2.6
Taxes paid	(74.8)	(36.9)
Net cost of financial debt paid	(6.1)	(17.4)
Profit sharing amounts payable transferred to debt	(1.0)	(2.6)
Other changes **	26.8	35.3
<b>Free Cash Flow (FCF)</b>	<b>123.8</b>	<b>157.8</b>
Net (acquisitions) / disposals	(20.1)	-
Restrictive cash for planned Bull acquisition	(628.3)	-
Group share buy-back program	(138.7)	-
Dividends paid to owners of the parent	(38.3)	(17.3)
<b>Change in net cash / (debt)</b>	<b>(701.6)</b>	<b>140.5</b>
<b>Opening net cash / (debt)</b>	<b>905.4</b>	<b>232.1</b>
Change in net cash / (debt)	(701.6)	140.5
Impact of foreign exchange rate fluctuation on net Cash / (Debt)	12.9	(14.0)
<b>Closing net cash / (debt)</b>	<b>216.7</b>	<b>358.6</b>

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

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

**Free cash flow** represented by the change in net cash or net debt, excluding equity changes, dividends paid to shareholders and net acquisitions and disposals, reached € 123.8 million compared with € 157.8 million during the six months ended June 30, 2013.

**Cash From Operations (CFO)** amounted to € 277.5 million and increased by € 3.1 million compared to last year and coming from the following items:

- OMDA (€ +19.8 million),
- Lower capital expenditures (€ +15.3 million),
- Change in working capital requirement (€ -32.0 million).

**OMDA** of € 400.7 million, representing an increase of € +19.8 million compared to June 2013, reached 9.6% of revenues against 8.9% of revenues in June 2013. The breakdown of operating margin to OMDA was as follows:

(in € million)	<b>6 months ended 30 June 2014</b>	<b>6 months ended 30 June 2013</b>
<b>Operating margin</b>	<b>274.6</b>	<b>279.0</b>
+ Depreciation of fixed assets	149.0	165.9
+ Net book value of assets sold / written off	9.1	8.9
+ Charge for equity-based compensation	9.3	5.7
+/- Net charge / (release) of pension provisions	(12.7)	(39.9)
+/- Net charge / (release) of provisions	(28.6)	(38.7)
<b>OMDA</b>	<b>400.7</b>	<b>380.9</b>

**Capital expenditures** amounted to € 154.5 million or 3.7% of revenue slightly below the level of the first half of 2013 at 4.0%. Main changes came from Germany (€ 35.3 million) and the United Kingdom (€ 24.6 million) further to the implementation of large BPO and Management Services contracts, and from Worldline (€ 31.0 million) with a significant portion related to capitalized cost linked to the modernization of current technological platforms.

The positive **change in working capital requirement** was € 31.3 million (compared to € 63.3 million in June 2013). The DSO ratio reached 45 days at the end of June 2014 compared to 44 days at the end of June 2013. DSO has been positively impacted by the implementation of financial arrangements on large customer contracts by 11 days compared to 7 days in June 2013. The DPO was 94 days as of June 2014 compared to 84 days at the end of June 2013 thanks to the global purchasing plan reducing the number of suppliers in exchange of more favorable payments terms.

Cash out related to **taxes paid** reached € 74.8 million and was higher than last year by € 37.9 million. The increase in tax cash out corresponded to deferred tax payments of previous periods which have become due in the first half of 2014 principally in Germany for € 23.8 million and Worldline Belgium for € 8.9 million.

The € 6.1 million **cost of net debt** decreased by € 11.3 million compared to the first half of 2013 including the following elements:

- an average expense rate of 2.45% on the average gross borrowings compared to 4.62% in 2013 (this decrease is mainly due to the conversion of all convertible bonds) and,
- an average income rate of 0.64% on the average net cash compared to 0.55% in 2013.

Cash outflow linked to **reorganization costs** represented € 70.8 million. Main GBUs impacted were France, Benelux & The Nordics, Germany, CEE and United Kingdom & Ireland.

**Rationalization and associated costs** of € 19.1 million result from the closure of premises and datacenters as part of the Group real estate optimization plan. The main GBUs involved were Germany, Benelux & The Nordics, CEE and United Kingdom & Ireland.

**Other changes** of € 26.8 million mainly corresponded to:

- Sale of treasury stock and issuance of common stock following employees exercise of stock options for € 57.2 million;
- Other operating expenses for € -16.4 million of which an expense for € 10.5 million related to DWP-MSA contract loss and € 5.5 million of transaction services costs incurred for the unsuccessful Nets acquisition project;
- Other financial expenses for € -12.8 million; and
- Dividends paid to non-controlling interests for € -1.2 million.

As a result, the **Group free cash flow (FCF)** generated during the first half 2014 was € 123.8 million.

The net debt impact resulting from **net acquisitions/disposals** corresponded to the acquisition of Cambridge Technology Partners in CEE for € 20.1 million (including € 5.8 million of net cash).

The **restrictive cash for the planned Bull acquisition** of 100% of all shares and share based instruments amounts to € 628.3 million.

During the first half of 2014, the Group repurchased Atos' shares for € 138.7 million as part of the **Group share buy-back program** and the liquidity contract.

In the first half of 2014, **dividends paid to owners of the parent** amounted to € 69.1 million (€ 0.70 per share) of which € 38.3 million cashed out and € 30.8 million through the issuance of new shares.

**Foreign exchange rate fluctuation** which is determined on debt or cash exposure by country represented an increase in net cash of € 12.9 million mainly coming from the change of Euro against British Pound for € 10.1 million.

### **C.3.3 Parent company results**

The profit before tax of the parent company amounts to € 60.4 million for the end of June 2014, compared with € 7.0 million for the first semester 2013.

## C.4 Interim condensed consolidated financial statements

### C.4.1 Interim consolidated income statement

(in € million)	Notes	6 months ended 30 June 2014	6 months ended 30 June 2013	12 months ended 31 December 2013
<b>Revenue</b>	<b>Note 2</b>	<b>4,176.3</b>	<b>4,290.0</b>	<b>8,614.6</b>
Personnel expenses	Note 3	(2,215.9)	(2,277.2)	(4,445.9)
Operating expenses	Note 4	(1,685.8)	(1,733.8)	(3,523.5)
<b>Operating margin</b>		<b>274.6</b>	<b>279.0</b>	<b>645.2</b>
<b>% of revenue</b>		<b>6.6%</b>	<b>6.5%</b>	<b>7.5%</b>
Other operating income and expenses	Note 5	(145.2)	(87.4)	(228.5)
<b>Operating income</b>		<b>129.4</b>	<b>191.6</b>	<b>416.7</b>
<b>% of revenue</b>		<b>3.1%</b>	<b>4.5%</b>	<b>4.8%</b>
Net cost of financial debt		(6.1)	(17.4)	(30.9)
Other financial expenses		(54.8)	(26.7)	(68.3)
Other financial income		39.9	21.6	36.5
Net financial income	Note 6	(21.0)	(22.5)	(62.7)
<b>Net income before tax</b>		<b>108.4</b>	<b>169.1</b>	<b>354.0</b>
Tax charge	Note 7	(29.2)	(53.4)	(95.9)
Share of net profit/(loss) of associates		(2.0)	(0.8)	1.5
<b>Net income</b>		<b>77.2</b>	<b>114.9</b>	<b>259.6</b>
Of which:				
- attributable to owners of the parent		<b>76.4</b>	<b>116.3</b>	<b>261.6</b>
- non-controlling interests		0.8	(1.4)	(2.0)

(in € and number of shares)

<b>Net income - Attributable to owners of the parent</b>	<b>Note 8</b>			
Weighted average number of shares		98,809,813	85,741,350	87,805,661
<b>Basic earnings per share</b>		<b>0.77</b>	<b>1.36</b>	<b>2.98</b>
Diluted weighted average number of shares		100,364,983	98,590,700	99,336,179
<b>Diluted earnings per share</b>		<b>0.76</b>	<b>1.26</b>	<b>2.77</b>

## C.4.2 Interim consolidated statement of comprehensive income

(in € million)	<b>6 months ended 30 June 2014</b>	<b>6 months ended 30 June 2013</b>	<b>12 months ended 31 December 2013</b>
<b>Net income</b>	<b>77.2</b>	<b>114.9</b>	<b>259.6</b>
<b>Other comprehensive income</b>			
<b>- to be reclassified subsequently to   profit or loss (recyclable):</b>	<b>43.5</b>	<b>(44.0)</b>	<b>(68.3)</b>
Cash flow hedging	10.8	(3.1)	(0.1)
Exchange differences on translation of foreign operations	35.4	(43.6)	(69.8)
Deferred tax on items recyclable recognized directly on equity	(2.7)	2.7	1.6
<b>- not reclassified to profit or loss (non-   recyclable):</b>	<b>(62.6)</b>	<b>(2.5)</b>	<b>(92.1)</b>
Actuarial gains and losses generated in the period on defined benefit plan	(88.5)	(3.2)	(108.8)
Deferred tax on items non-recyclable recognized directly on equity	25.9	0.7	16.7
<b>Total other comprehensive income</b>	<b>(19.1)</b>	<b>(46.5)</b>	<b>(160.4)</b>
<b>Total comprehensive income for the period</b>	<b>58.1</b>	<b>68.4</b>	<b>99.2</b>
Of which:			
- <b>attributable to owners of the parent</b>	<b>57.3</b>	<b>69.8</b>	<b>101.2</b>
- non-controlling interests	0.8	(1.4)	(2.0)



### C.4.3 Interim consolidated statement of financial position

(in € million)	Notes	30 June 2014	31 December 2013	30 June 2013
<b>ASSETS</b>				
Goodwill	Note 9	1,960.4	1,915.7	1,917.8
Intangible assets		436.1	445.4	450.4
Tangible assets		622.6	619.0	634.8
Non-current financial assets	Note 10	1,098.4	376.5	409.4
Non-current financial instruments		1.6	0.3	1.9
Deferred tax assets		428.1	336.5	411.1
<b>Total non-current assets</b>		<b>4,547.2</b>	<b>3,693.4</b>	<b>3,825.4</b>
Trade accounts and notes receivables	Note 11	1,751.4	1,722.5	1,865.8
Current taxes		118.4	23.7	67.0
Other current assets	Note 12	1,117.6	437.3	482.2
Current financial instruments		7.9	19.1	7.0
Cash and cash equivalents	Note 13	922.2	1,306.2	1,230.8
<b>Total current assets</b>		<b>3,917.5</b>	<b>3,508.8</b>	<b>3,652.8</b>
<b>Total assets</b>		<b>8,464.7</b>	<b>7,202.2</b>	<b>7,478.2</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
Common stock		100.2	98.1	87.1
Additional paid-in capital		2,471.1	2,385.1	1,899.0
Consolidated retained earnings		869.9	350.1	478.1
Translation adjustments		(150.3)	(185.7)	(159.6)
Net income attributable to the owners of the parent		76.4	261.6	116.3
Equity attributable to the owners of the parent		3,367.3	2,909.2	2,420.9
Non-controlling interests		181.8	30.0	23.5
<b>Total shareholders' equity</b>		<b>3,549.1</b>	<b>2,939.2</b>	<b>2,444.4</b>
Provisions for pensions and similar benefits	Note 14	795.0	723.1	743.3
Non-current provisions	Note 15	80.0	108.9	125.1
Borrowings		606.0	307.3	763.1
Deferred tax liabilities		217.0	147.5	244.7
Non-current financial instruments		5.7	6.8	10.0
Other non-current liabilities		8.9	9.5	10.1
<b>Total non-current liabilities</b>		<b>1,712.6</b>	<b>1,303.1</b>	<b>1,896.3</b>
Trade accounts and notes payables	Note 17	1,233.2	1,055.6	1,112.1
Current taxes		136.9	80.2	142.6
Current provisions	Note 15	199.7	193.5	175.3
Current financial instruments		0.5	25.9	13.0
Current portion of borrowings		99.5	93.5	109.0
Other current liabilities		1,533.2	1,511.2	1,585.5
<b>Total current liabilities</b>		<b>3,203.0</b>	<b>2,959.9</b>	<b>3,137.5</b>
<b>Total liabilities and shareholders' equity</b>		<b>8,464.7</b>	<b>7,202.2</b>	<b>7,478.2</b>

#### C.4.4 Interim consolidated cash flow statement

(in € million)	Notes	6 months ended 30 June 2014	6 months ended 30 June 2013	12 months ended 31 December 2013
<b>Profit before tax</b>		<b>108.4</b>	<b>169.1</b>	<b>354.0</b>
Depreciation of assets	Note 4	149.0	165.9	329.1
Net charge / (release) to operating provisions		(41.4)	(78.5)	(145.1)
Net charge / (release) to financial provisions		7.6	6.9	16.9
Net charge / (release) to other operating provisions		9.3	(18.5)	(38.0)
Customer relationships amortization (PPA)		22.1	22.0	44.3
Losses / (gains) on disposals of fixed assets		6.9	(13.1)	(12.7)
Net charge for equity-based compensation		9.3	5.7	16.7
Losses / (gains) on financial instruments		(5.3)	(0.1)	2.5
Net cost of financial debt	Note 6	6.1	17.4	30.9
<b>Cash from operating activities before change in working capital requirement, financial interest and taxes</b>		<b>272.0</b>	<b>276.8</b>	<b>598.6</b>
Taxes paid		(74.8)	(36.9)	(96.7)
Change in working capital requirement		31.3	63.3	111.2
<b>Net cash from/ (used in) operating activities</b>		<b>228.5</b>	<b>303.2</b>	<b>613.1</b>
Payment for tangible and intangible assets		(154.5)	(169.8)	(340.0)
Proceeds from disposals of tangible and intangible assets		2.6	23.8	34.5
<b>Net operating investments</b>		<b>(151.9)</b>	<b>(146.0)</b>	<b>(305.5)</b>
Amounts paid / received for acquisitions and long-term investments		(669.1)	(4.7)	(28.0)
Cash and cash equivalents of companies purchased during the period		5.8	-	2.5
Proceeds from disposals of financial investments		18.2	7.3	7.3
Dividend received from entities consolidated by equity method		-	-	2.4
<b>Net long-term investments</b>	Note 18	<b>(645.1)</b>	<b>2.6</b>	<b>(15.8)</b>
<b>Net cash from/ (used in) investing activities</b>		<b>(797.0)</b>	<b>(143.4)</b>	<b>(321.3)</b>
Common stock issues on the exercise of equity-based compensation		57.2	23.8	98.1
Capital increase subscribed by non-controlling interests		-	-	13.0
Portion of convertible bonds		-	-	(2.0)
Purchase and sale of treasury stock		(138.7)	-	(115.8)
Dividends paid to owners of the parent		(38.3)	(17.3)	(17.3)
Dividends paid to non-controlling interest		(1.2)	(5.7)	(6.0)
Payment for acquisition of non controlling interests		-	-	(1.6)
New borrowings	Note 16	305.2	12.8	8.2
New finance lease	Note 16	(0.1)	1.9	2.2
Repayment of long and medium-term borrowings	Note 16	(4.1)	(6.9)	(37.8)
Net cost of financial debt paid		(6.1)	(15.1)	(19.9)
Other flows related to financing activities		(4.6)	(56.6)	(58.6)
<b>Net cash from/ (used in) financing activities</b>		<b>169.3</b>	<b>(63.1)</b>	<b>(137.5)</b>
<b>Increase/ (decrease) in net cash and cash equivalents</b>		<b>(399.2)</b>	<b>96.7</b>	<b>154.3</b>
<b>Opening net cash and cash equivalents</b>		<b>1,238.3</b>	<b>1,109.6</b>	<b>1,109.6</b>
Increase/ (decrease) in net cash and cash equivalents	Note 16	(399.2)	96.7	154.3
Impact of exchange rate fluctuations on cash and cash equivalents		16.5	(17.4)	(25.6)
<b>Closing net cash and cash equivalents</b>	<b>Note 18</b>	<b>855.6</b>	<b>1,188.9</b>	<b>1,238.3</b>

## C.4.5 Interim consolidated statement of changes in shareholders' equity

(in € million)	Number of shares at period-end (thousands)	Common Stock	Additional paid-in capital	Consolidated retained earnings	Translation adjustments	Items recognized directly in equity	Net income	Total	Non controlling interests	Total shareholder's equity
<b>At January 1, 2013</b>	<b>85,703</b>	<b>85.7</b>	<b>1,842.5</b>	<b>312.8</b>	<b>(116.0)</b>	<b>(10.1)</b>	<b>223.8</b>	<b>2,338.7</b>	<b>30.8</b>	<b>2,369.5</b>
* Common stock issued	1,408	1.4	56.5	(34.1)				23.8		23.8
* Appropriation of prior period net income				223.8			(223.8)	-		-
* Dividends paid to non-controlling interests				(17.3)				(17.3)	(5.7)	(23.0)
* Equity-based compensation				5.7				5.7		5.7
* Other				0.2				0.2	(0.2)	-
Transactions with owners	1,408	1.4	56.5	178.3	-	-	(223.8)	12.4	(5.9)	6.5
* Net income							116.3	116.3	(1.4)	114.9
* Other Comprehensive income				(2.5)	(43.6)	(0.4)		(46.5)		(46.5)
Total comprehensive income for the period				(2.5)	(43.6)	(0.4)	116.3	69.8	(1.4)	68.4
<b>At June 30, 2013</b>	<b>87,111</b>	<b>87.1</b>	<b>1,899.0</b>	<b>488.6</b>	<b>(159.6)</b>	<b>(10.5)</b>	<b>116.3</b>	<b>2,420.9</b>	<b>23.5</b>	<b>2,444.4</b>
* Common stock issued	11,055	11.0	486.1	0.1				497.2		497.2
* Dividends paid to non-controlling interests				-				-	(0.3)	(0.3)
* Equity-based compensation				11.0				11.0		11.0
* Changes in auto-control shares				(33.9)				(33.9)		(33.9)
* Equity portion of compound instrument				(23.8)				(23.8)		(23.8)
* Other				6.3				6.3	7.5	13.8
Transactions with owners	11,055.0	11.0	486.1	(40.3)	-	-	-	456.8	7.2	464.0
* Net income							145.3	145.3	(0.6)	144.7
* Other Comprehensive income				(89.6)	(26.1)	1.9		(113.8)	(0.1)	(113.9)
Total comprehensive income for the period				(89.6)	(26.1)	1.9	145.3	31.5	(0.7)	30.8
<b>At December 31, 2013</b>	<b>98,166</b>	<b>98.1</b>	<b>2,385.1</b>	<b>358.7</b>	<b>(185.7)</b>	<b>(8.6)</b>	<b>261.6</b>	<b>2,909.2</b>	<b>30.0</b>	<b>2,939.2</b>
* Common stock issued	2,097	2.1	86.0	(30.8)				57.3		57.3
* Appropriation of prior period net income				261.6			(261.6)	-		-
* Dividends paid to non-controlling interests				(38.3)				(38.3)	(1.2)	(39.5)
* Equity-based compensation				9.3				9.3		9.3
* Changes in auto-control shares and treasury stock				(25.7)				(25.7)		(25.7)
* Worldline IPO impact				398.6				398.6	152.2	550.8
* Other				(0.4)				(0.4)		(0.4)
Transactions with owners	2,097	2.1	86.0	574.3	-	-	(261.6)	400.8	151.0	551.8
* Net income							76.4	76.4	0.8	77.2
* Other Comprehensive income				(62.6)	35.4	8.1		(19.1)		(19.1)
Total comprehensive income for the period				(62.6)	35.4	8.1	76.4	57.3	0.8	58.1
<b>At June 30, 2014</b>	<b>100,263</b>	<b>100.2</b>	<b>2,471.1</b>	<b>870.4</b>	<b>(150.3)</b>	<b>(0.5)</b>	<b>76.4</b>	<b>3,367.3</b>	<b>181.8</b>	<b>3,549.1</b>

## C.4.6 Appendices to the interim condensed consolidated financial statements

### C.4.6.1 Basis of preparation

The 2014 interim consolidated financial statements have been prepared in accordance with the applicable international accounting standards, as endorsed by the European Union and of mandatory application as at June 30, 2014.

The international standards comprise the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the International Accounting Standards (IAS), the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

Those standards and interpretations can be found at:  
[http://ec.europa.eu/internal\\_market/accounting/ias/index\\_en.htm](http://ec.europa.eu/internal_market/accounting/ias/index_en.htm)

The accounting policies, presentation and methods of computation that have been followed in these interim consolidated financial statements are in line with those that were applied in the preparation of the December 31, 2013 financial statements and disclosed in the Group's 2013 Reference Document.

The interim consolidated financial statements for the six months ended June 30, 2014 have been prepared in accordance with the standard IAS 34 - Interim Financial Reporting. As such these financial statements do not include all of the information required for annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended December 31, 2013.

The following standards, interpretations and amendments to existing standards that have been published are mandatory for the Group's accounting period beginning on or after January 1, 2014:

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

The impact of those changes in standards and interpretations on the Group's consolidated financial statements is limited.

The consolidated financial statements do not take into account:

- Draft standards that are still at the exposure draft stage at the International Accounting Standards Board (IASB);
- New standards, interpretations and amendments to existing standards and interpretations not yet approved by the European Union. This notably concerns:
  - IFRS 9 - Financial Instruments (replacement of IAS 39);
  - IFRIC 21 - Levies;
  - Annual improvements - 2010-2012 cycle;
  - Annual improvements - 2011-2013 cycle;
  - Amendments IAS 19 - Defined benefit plans: employee contributions;
  - IFRS 14- Regulatory Deferral Accounts;
  - Amendments IFRS 11 - Accounting for acquisitions of interests in joint operations;
  - Amendments IAS 16 and IAS 38 - clarification of acceptable methods of depreciation and amortization.

The potential impact of these standards, amendments and interpretations on the consolidated financial statements is currently being assessed.

These consolidated financial statements are presented in euro, which is the Group's functional currency. All figures are presented in € millions with one decimal.

The policies set out below have been applied in consistency with all years presented.

#### C.4.6.2 Significant accounting policies

In addition to the accounting principles as disclosed in the annual accounts, the following accounting principles are relevant for the interim accounts:

##### **Impairment of assets**

Goodwill and assets that are subject to amortization are tested for impairment whenever events or circumstances indicate that the carrying amount could not be recoverable. If necessary, an impairment loss is recognized for the amount by which the asset's carrying value exceeds its recoverable value.

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.

##### **Pensions and similar benefits**

The remeasurement principle for pension liabilities and assets at interim periods is the following: actuarial remeasurements are only triggered if there are significant moves in the discount rate to be used under IAS19 revised, and limited to the Group's most significant pension plans. For less significant plans or if there are no significant evolutions in discount rates to be used, actuarial projections are used.

Benefit plans costs are recognized in the Group's operating income, except for net interest on the net defined benefit liability (asset) which is recognized in "other financial income and expenses".

##### **Corporate income tax**

The income tax charge includes current and deferred tax expenses. For the purposes of the interim condensed consolidated financial statements, consolidated income tax expense is determined by applying the estimated effective tax rate for the full year to the "half-year net income before tax". The estimated effective tax rate for the full-year is determined on the basis of forecasted current and deferred tax expense for the year in the light of full-year earnings projections.

#### C.4.6.3 Notes to the half-year condensed consolidated financial statements

##### **Note 1 Changes of scope of consolidation**

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

The gross proceeds from the French public offering and the international offering amount to a total of € 574.7 million (before any exercise of the over-allotment option), including € 255.0 million of new shares (i.e. 15,548,780 new shares) and € 319.7 million of existing shares (i.e. 19,492,013 existing shares) sold by Atos SE. Worldline's shares started to be traded on June 27, 2014 and the delivery occurred only on July 1.

The six-month ended June 30, 2014 financial statements of Atos reflect the consequences of the IPO except for the over-allotment option.

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

Equity impacts are summarized as follows:

(in € million)	<b>30 June 2014</b>
Sale price of shares sold by Atos SE	319.7
Accumulated reserves	53.9
<b>Proceeds from the sales of existing shares</b>	<b>265.8</b>
IPO transaction costs	(8.1)
Proceeds from the sales of new shares	184.2
Dilution loss	(31.6)
<b>Result in Equity</b>	<b>410.3</b>
Tax impact	(11.7)
<b>Net result in Equity</b>	<b>398.6</b>

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

Secondly, Worldline issued 15,548,780 of new shares in June at € 16.4 generating proceeds net of fees of € 251.0 million and recorded minority interests for € 66.8 million.

Finally, a € -31.6 million loss due to a dilution of 9.8% in Worldline was also recorded in equity.

Since January 1, 2014, there has been no significant change of scope other than the dilution in Worldline.

## **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 reorganize as per the operating segments detailed here below:

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

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

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

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

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

As of June 2013, the carve-out of the **Worldline** business was not completed. As it would have been impracticable to reflect such carve-out in the six-month period ended June 30, 2013 consolidated financial statements of Atos, the segment information hereafter for this period presents the old scope of Worldline.

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

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

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



The operating segment information for the periods is as follows:

(in € million)	United Kingdom and Ireland	Germany	BTN	France	Central and Eastern Europe	North America	Iberia	Other countries	Worldline	Total Operating segments	Other Corporate	Elimination	Total Group
<b>6 months ended 30 June 2014</b>													
<b>External revenue by segment</b>	<b>812.4</b>	<b>784.0</b>	<b>499.9</b>	<b>505.0</b>	<b>388.3</b>	<b>291.7</b>	<b>145.7</b>	<b>214.1</b>	<b>535.2</b>	<b>4,176.3</b>			<b>4,176.3</b>
%	19.5%	18.8%	12.0%	12.1%	9.3%	7.0%	3.5%	5.1%	12.8%	100.0%			100.0%
Inter-segment revenue	35.8	96.2	49.5	36.3	69.9	13.6	11.6	119.3	21.2	453.4		(453.4)	-
Total revenue	848.2	880.2	549.4	541.3	458.2	305.3	157.3	333.4	556.4	4,629.7	-	(453.4)	4,176.3
<b>Segment operating margin</b>	<b>54.4</b>	<b>52.0</b>	<b>50.5</b>	<b>1.1</b>	<b>32.8</b>	<b>22.9</b>	<b>3.4</b>	<b>20.1</b>	<b>80.0</b>	<b>317.2</b>	<b>(42.6)</b>		<b>274.6</b>
%	6.7%	6.6%	10.1%	0.2%	8.4%	7.9%	2.3%	9.4%	14.9%	7.6%			6.6%
<b>Total segment assets</b>	<b>939.7</b>	<b>838.0</b>	<b>927.8</b>	<b>601.5</b>	<b>507.2</b>	<b>189.7</b>	<b>201.9</b>	<b>514.5</b>	<b>1,196.8</b>	<b>5,917.1</b>	<b>1,078.9</b>		<b>6,996.0</b>
<b>6 months ended 30 June 2013</b>													
<b>External revenue by segment</b>	<b>833.4</b>	<b>809.0</b>	<b>548.0</b>	<b>537.6</b>	<b>419.6</b>	<b>311.8</b>	<b>163.6</b>	<b>251.0</b>	<b>416.0</b>	<b>4,290.0</b>			<b>4,290.0</b>
%	19.4%	18.9%	12.8%	12.5%	9.8%	7.3%	3.8%	5.9%	9.7%	100.0%			100.0%
Inter-segment revenue	16.4	86.4	42.7	33.6	60.9	12.2	6.6	112.5	13.6	385.0	56.7	(441.7)	-
Total revenue	849.8	895.4	590.7	571.2	480.5	324.0	170.2	363.5	429.7	4,675.0	56.7	(441.7)	4,290.0
<b>Segment operating margin</b>	<b>64.4</b>	<b>52.7</b>	<b>49.5</b>	<b>11.8</b>	<b>31.6</b>	<b>24.5</b>	<b>3.5</b>	<b>22.6</b>	<b>72.6</b>	<b>333.3</b>	<b>(54.3)</b>		<b>279.0</b>
%	7.7%	6.5%	9.0%	2.2%	7.5%	7.9%	2.1%	9.0%	17.5%	7.8%			6.5%
<b>Total segment assets</b>	<b>1,012.2</b>	<b>894.0</b>	<b>917.7</b>	<b>656.5</b>	<b>550.5</b>	<b>212.5</b>	<b>210.5</b>	<b>508.6</b>	<b>706.6</b>	<b>5,669.2</b>	<b>100.1</b>		<b>5,769.3</b>

The reportable assets are reconciled to total assets as follows:

(in € million)	<b>30 June 2014</b>	<b>30 June 2013</b>
<b>Total segment assets</b>	<b>6,996.0</b>	<b>5,769.3</b>
Current & deferred tax Assets	546.5	478.1
Cash & Cash Equivalents	922.2	1,230.8
<b>Total Assets</b>	<b>8,464.7</b>	<b>7,478.2</b>

### Note 3 Personnel expenses

(in € million)	<b>6 months ended 30 June 2014</b>	<b>% Revenue</b>	<b>6 months ended 30 June 2013</b>	<b>% Revenue</b>
Wages and salaries	(1,739.8)	41.7%	(1,803.0)	42.0%
Social security charges	(461.0)	11.0%	(476.0)	11.1%
Tax, training, profit-sharing	(17.3)	0.4%	(30.4)	0.7%
Equity-based compensation	(9.3)	0.2%	(5.7)	0.1%
Net (charge) /release to provisions for staff expenses	(1.3)	0.0%	(2.0)	0.0%
Difference between pension contributions and net pension expense (*)	12.8	-0.3%	39.9	-0.9%
<b>Total</b>	<b>(2,215.9)</b>	<b>53.1%</b>	<b>(2,277.2)</b>	<b>53.1%</b>

(\*) Difference between total cash contributions made to the pension funds and the net pension expense under IAS19R.

#### Note 4 Operating expenses

(in € million)	6 months ended 30 June 2014	% Revenue	6 months ended 30 June 2013	% Revenue
Subcontracting costs direct	(587.1)	14.1%	(641.5)	15.0%
Purchase hardware and software	(226.3)	5.4%	(206.2)	4.8%
Maintenance costs	(200.5)	4.8%	(194.9)	4.5%
Rent & Lease expenses	(141.5)	3.4%	(149.8)	3.5%
Telecom costs	(143.7)	3.4%	(142.9)	3.3%
Travelling expenses	(73.1)	1.8%	(84.9)	2.0%
Company cars	(45.8)	1.1%	(50.4)	1.2%
Professional fees	(73.0)	1.7%	(83.6)	1.9%
Taxes & Similar expenses	(17.9)	0.4%	(17.6)	0.4%
Others expenses	(71.3)	1.7%	(62.9)	1.5%
<b>Subtotal expenses</b>	<b>(1,580.3)</b>	<b>37.8%</b>	<b>(1,634.7)</b>	<b>38.1%</b>
Depreciation of fixed assets	(149.0)	3.6%	(165.9)	3.9%
Net (charge) / release to provisions	29.9	-0.7%	40.6	-0.9%
Gains / (Losses) on disposal of assets	(6.5)	0.2%	(6.1)	0.1%
Trade Receivables write-off	(11.4)	0.3%	(4.2)	0.1%
Capitalized Production	31.5	-0.8%	36.5	-0.9%
<b>Subtotal other expenses</b>	<b>(105.5)</b>	<b>2.5%</b>	<b>(99.1)</b>	<b>2.3%</b>
<b>Total</b>	<b>(1,685.8)</b>	<b>40.4%</b>	<b>(1,733.8)</b>	<b>40.4%</b>

#### Note 5 Other operating income and expenses

(in € million)	6 months ended 30 June 2014	6 months ended 30 June 2013
Staff reorganization	(81.7)	(48.3)
Rationalization and associated costs	(22.5)	(21.2)
Integration costs and acquisition costs	(7.1)	(10.4)
Customer relationships amortization (PPA) *	(22.1)	(22.0)
Other items	(11.8)	14.5
<b>Total</b>	<b>(145.2)</b>	<b>(87.4)</b>

\* Purchase Price Allocation.

The € 81.7 million **staff reorganization** expense was mainly the consequence of:

- a restructuring plan in Germany agreed with the Unions in June 2014 for the employees located in AIT Frankfurt further to a bundle of economic reasons especially due to the termination of several local contracts at AIT Frankfurt;
- the adaptation of the Group workforce in several countries such as Benelux & The Nordics, Iberia, United Kingdom, and Germany;
- the streamlining of middle management layers, including Global Structures.

The € 22.5 million **rationalization and associated costs** primarily resulted from the closure of office premises and datacenters consolidation, mainly in Germany (€ 5.7 million) and Benelux & The Nordics (€ 2.9 million), linked to restructuring plans. This amount also includes external costs for the implementation of Worldline's TEAM Program (€ 2.4 million).

The € 7.1 million **integration and acquisition costs** represented mainly remaining costs for the migration and the standardization of internal IT platforms.

The € 11.8 million expense in **other items** corresponded mainly to fees related to € 5.5 million of transaction services costs incurred for the unsuccessful Nets acquisition project and additional € 4.5 million provisions for the DWP-MSA contract loss after the settlement signed during the period.

## Note 6 Net financial income

Net financial expense amounted to € 21.0 million for the period (compared with € 22.5 million last year) and was composed of a net cost of financial debt of € 6.1 million and non-operational financial costs of € 14.9 million.

### Net cost of financial debt

(in € million)	6 months ended 30 June 2014	6 months ended 30 June 2013
<b>Net interest expenses</b>	<b>(4.1)</b>	<b>(15.1)</b>
Interest on obligations under finance leases	(0.3)	(0.4)
Gain/(loss) on disposal of cash equivalents	0.1	-
Gain/(loss) on interest rate hedges of financial debt	(1.8)	(1.9)
<b>Net cost of financial debt</b>	<b>(6.1)</b>	<b>(17.4)</b>

The **cost of net debt** of € 6.1 million decreased by € 11.3 million compared to the first half of 2013 including the following elements:

- an average expense rate of 2.45% on the average gross borrowings compared to 4.62% in 2013 (this decrease is mainly due to the reimbursements of the convertible bonds) and,
- an average income rate of 0.64% on the average net cash compared to 0.55% in 2013.

### Other financial income and expenses

(in € million)	6 months ended 30 June 2014	6 months ended 30 June 2013
Foreign exchange income / (expenses)	(5.9)	0.2
Fair value gain/(loss) on forward exchange contracts held for trading	2.3	1.2
Discounting financial income / (expenses)	(0.5)	-
Other income / (expenses)	(10.8)	(6.5)
<b>Other financial income and expenses</b>	<b>(14.9)</b>	<b>(5.1)</b>
Of which:		
- other financial expenses	(54.8)	(26.7)
- other financial income	39.9	21.6

Non-operational financial costs amounted to € 14.9 million compared to € 5.1 million in June 2013 and mainly consisted of pension financial related costs (€ 7.0 million compared to € 6.6 million in 2013), net foreign exchange expense (€ 3.7 million compared to a net foreign exchange gain of € 0.9 million in 2013), and other expenses for € 4.0 million (including € 2.2 million for financing of receivables).

The pension financial related costs represent the difference between interest costs on defined benefit obligations and the interest income on plan assets for plans which are funded.

## Note 7 Income tax expenses

The tax charge for the six-month period ended June 30, 2014 was € 29.2 million including the French CVAE tax, with a profit before tax of € 108.4 million. The annualized Effective Tax Rate (ETR) of 26.3% adjusted for tax discrete items led to an ETR of 27.0%.

## Note 8 Earnings per share

Potential dilutive instruments comprised stock subscription (equivalent to 1,555,170 options) and did not generate a restatement of net income used for the diluted EPS calculation.

The average number of stock options not exercised in June 2014 amounted to 3,178,504 shares.

(in € million and shares)	6 months ended 30 June 2014	6 months ended 30 June 2013
<b>Net income - Attributable to owners of the parent [a]</b>	<b>76.4</b>	<b>116.3</b>
Impact of dilutive instruments	-	8.1
<b>Net income restated of dilutive instruments - Attributable to owners of the parent [b]</b>	<b>76.4</b>	<b>124.4</b>
Average number of shares outstanding [c]	98,809,813	85,741,350
Impact of dilutive instruments [d]	1,555,170	12,849,350
Diluted average number of shares [e]=[c]+[d]	100,364,983	98,590,700
<b>Earnings per share in € [a]/[c]</b>	<b>0.77</b>	<b>1.36</b>
Diluted earnings per share in € [b]/[e]	0.76	1.26

## Note 9 Goodwill

(in € million)	31 December 2013	Impact of business combi- nation	Exchange rate fluctuations	30 June 2014
Gross value	2,486.7	19.5	37.4	<b>2,543.6</b>
Impairment loss	(571.0)	-	(12.2)	<b>(583.2)</b>
<b>Carrying amount</b>	<b>1,915.7</b>	<b>19.5</b>	<b>25.2</b>	<b>1,960.4</b>

During the semester, the Group has not recorded any impairment for any CGUs as there was not any triggering event, even on the CGUs considered "sensitive" as of June 30, 2014.

## Note 10 Non-current financial assets

(in € million)		30 June 2014	31 December 2013
Pension prepayments	Note 14	419.0	325.0
Restrictive cash for planned Bull acquisition		628.3	-
Other (*)		51.1	51.5
<b>Total</b>		<b>1,098.4</b>	<b>376.5</b>

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

## Note 11 Trade accounts and notes receivable

(in € million)	<b>30 June 2014</b>	<b>31 December 2013</b>
Gross value	1,849.5	1,820.2
Transition costs	6.0	8.4
Provision for doubtful debts	(104.1)	(106.1)
<b>Net asset value</b>	<b>1,751.4</b>	<b>1,722.5</b>
Prepayments	(48.0)	(67.3)
Deferred income and upfront payments received	(361.6)	(368.3)
<b>Net accounts receivable</b>	<b>1,341.8</b>	<b>1,286.9</b>
<b>Number of days' sales outstanding (DSO)</b>	<b>45</b>	<b>40</b>

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

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

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

As of June 30, 2014, the Group has sold:

- In the compartment "ON" € 309.6 million receivables for which € 10.0 million were received in cash. The sale is with recourse, thus re-consolidated in the balance sheet;
- In the compartment "OFF" € 41.1 million receivables which qualify for de-recognition as substantially all risks and rewards associated with the receivables were transferred.

## Note 12 Other current assets

(in € million)	<b>30 June 2014</b>	<b>31 December 2013</b>
Inventories	16.1	17.3
State - VAT receivables	110.4	98.3
Prepaid expenses	215.3	154.8
Other receivables & current assets	771.6	155.6
Advance payment	4.2	11.3
<b>Total</b>	<b>1,117.6</b>	<b>437.3</b>

Other assets at the end of June 2014 included the € 551.2 million expected cash proceeds net of fees for:

- € 300.2 million from the disposal of 16.8% Worldline SA shares by Atos SE;
- € 251.0 million from the Worldline SA capital increase net of fees that took place in June 27, 2014.

Such proceeds were cashed in on July 1, 2014.

## Note 13 Cash and cash equivalents

(in € million)	30 June 2014	31 December 2013
Cash in hand and short-term bank deposit	596.7	553.0
Money market funds	325.5	753.2
<b>Total</b>	<b>922.2</b>	<b>1,306.2</b>

Depending on market conditions and short-term cash flow expectation, Atos may from time to time invest in Money Market Funds for a maturity not exceeding three months.

## Note 14 Pensions

The net total amount recognized in the balance sheet in Group accounts in respect of pension plans and other long term employee benefits is € 376.0 million.

The measurement of the liabilities is highly sensitive to long term interest rates, which are the basis of the discount rate to be used under IAS19R. Reference discount rates for the Eurozone and Switzerland have changed significantly since December 31, 2013, therefore plan liabilities and plan assets for major plans in these regions have been remeasured per June 30. The following discount rates have been used:

	30 June 2014	31 December 2013
Euro zone (long duration plans)	3.10%	3.70%
Euro Zone (other plans)	2.70%	3.30%
United Kingdom	4.60%	4.60%

The development of pension provisions over the half year is therefore as follows:

(in € million)	30 June 2014	31 December 2013
<b>Amounts recognized in financial statements consist of :</b>		
Prepaid pension asset – post employment plans	419.0	325.0
Accrued liability post-employment plans and other long term benefit plans	(795.0)	(723.1)
<b>Net amount recognized – Total</b>	<b>(376.0)</b>	<b>(398.1)</b>

The net impact of defined benefits plans on Group profit and loss can be summarized as follows:

(in € million)	6 months ended 30 June 2014	6 months ended 30 June 2013
Operating margin	(28.3)	(22.4)
Other operating items	(1.0)	0.3
Financial result	(7.0)	(6.6)
<b>Total (expense)/profit</b>	<b>(36.3)</b>	<b>(28.7)</b>

Opening and closing positions reconcile as follows:

(in € million)	<b>30 June 2014</b>
<b>Net amount recognized at the beginning of period:</b>	<b>(398.1)</b>
Net periodic pension cost	(36.3)
Benefits paid / Employer contributions	154.4
Business combinations / (disposals)	(1.8)
Amounts recognized in Other Comprehensive Income	(88.5)
Exchange rate impact and other	(5.7)
<b>Net amount recognized at the end of period</b>	<b>(376.0)</b>

#### Note 15 Provisions

(in € million)	<b>31 December 2013</b>	<b>Charge</b>	<b>Release used</b>	<b>Release unused</b>	<b>Other (* )</b>	<b>30 June 2014</b>	<b>Current</b>	<b>Non- current</b>
Reorganization	58.0	45.8	(31.2)	(3.3)	-	69.3	67.9	1.4
Rationalization	42.3	2.5	(7.1)	(1.0)	3.4	40.1	13.4	26.7
Project commitments	117.8	27.0	(35.6)	(14.3)	1.2	96.1	76.6	19.5
Litigations and contingencies	84.3	7.0	(2.9)	(12.9)	(1.3)	74.2	41.8	32.4
<b>Total provisions</b>	<b>302.4</b>	<b>82.3</b>	<b>(76.8)</b>	<b>(31.5)</b>	<b>3.3</b>	<b>279.7</b>	<b>199.7</b>	<b>80.0</b>

(\* ) Other movements mainly consist of the currency translation adjustments and impacts of changes in scope of consolidation.



## Note 16 Borrowings

### Change in net debt over the period

(in € million)	30 June 2014
<b>Opening net cash / (debt)</b>	<b>905.4</b>
New borrowings	(305.2)
Repayment of long and medium-term borrowings	4.1
Variance in net cash and cash equivalents	(399.2)
New finance leases	0.1
Long and medium-term debt of companies acquired during the period	(4.9)
Impact of exchange rate fluctuations on net long and medium-term debt	12.9
Profit-sharing amounts payable to French employees transferred to debt	(1.0)
Other flows related to financing activities	4.5
<b>Closing net cash / (debt)</b>	<b>216.7</b>

Tangible assets held under finance leases had a net carrying value of € 5.5 million.

## Note 17 Trade accounts and notes payable

(in € million)	30 June 2014	31 December 2013
Trade payables and notes payable	1,232.5	1,054.8
Amounts payable on tangible assets	0.7	0.8
<b>Trade payables and notes payable</b>	<b>1,233.2</b>	<b>1,055.6</b>
Net advance payments	(4.2)	(11.3)
Prepaid expenses	(215.3)	(154.8)
<b>Net accounts payable</b>	<b>1,013.7</b>	<b>889.5</b>
<b>Number of days' payable outstanding (DPO)</b>	<b>94</b>	<b>82</b>

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

## Note 18 Cash flow statements

### Net long-term investments

(in € million)	6 months ended 30 June 2014	6 months ended 30 June 2013	12 months ended 31 December 2013
<b>Amounts paid for acquisitions and long-term investments :</b>			
Bull (restrictive cash for planned acquisition)	(628.3)	-	-
Cambridge Technology Partners (CEE)	(21.0)	-	-
WindowLogic (APAC)	-	-	(18.2)
Deposit	(16.0)	(3.8)	(4.1)
Other	(3.8)	(0.9)	(5.7)
<b>Total amounts paid for acquisitions and long-term investments</b>	<b>(669.1)</b>	<b>(4.7)</b>	<b>(28.0)</b>
<b>Cash and cash equivalents of companies purchased during the period:</b>			
Cambridge Technology Partners (CEE)	5.8	-	-
WindowLogic (APAC)	-	-	2.5
<b>Total cash and cash equivalents of companies purchased during the period</b>	<b>5.8</b>	<b>0.0</b>	<b>2.5</b>
<b>Proceeds from disposals of financial investments:</b>			
Deposit	16.8	6.8	6.8
Other	1.4	0.5	0.5
<b>Total proceeds from disposals of financial investments</b>	<b>18.2</b>	<b>7.3</b>	<b>7.3</b>
<b>Dividend received from entities consolidated by equity method:</b>			
Dividend received from entities consolidated by equity method	-	-	2.4
<b>Total dividend received from entities consolidated by equity method</b>	<b>-</b>	<b>-</b>	<b>2.4</b>
<b>Net long-term investments</b>	<b>(645.1)</b>	<b>2.6</b>	<b>(15.8)</b>

### Net cash and cash equivalents

(in € million)	30 June 2014	31 December 2013
Cash and cash equivalents	922.2	1,306.2
Overdrafts	(66.6)	(67.9)
<b>Total net cash and cash equivalents</b>	<b>855.6</b>	<b>1,238.3</b>

## Note 19 Approval of interim financial statements

The interim financial statements were approved by the Board of Directors on July 28, 2014.

## Note 20 Subsequent event

### Over-allotment option

The over-allotment option that had been exercised early July ended on July 25 and resulted in the sale of an additional 3,923,452 Worldline shares at a unit price of € 16.4. At the term of this option, Atos had a remaining percentage of interest in Worldline of 70.4%.

### Bull

Following the announcement of Atos intention to acquire Bull on May 26, 2014, Atos launched a public offer targeting all of Bull's outstanding shares and instruments. This € 4.90 cash offer values Bull's share capital at c. € 620 million on a fully diluted basis.

The offer's success is subject to reaching a 50% + 1 share threshold of Bull's share capital and voting rights.

The public offering will close on July 31, 2014 and the final results will be communicated on August 18. In case of success, the offer will reopen for 10 days from September 9 to 22, 2014. As a consequence, the final percentage of interest will only be known mid-September.

Atos reserves the right to implement a mandatory squeeze-out of the shares and Oceane at the closing of the offer if necessary requirements are met (95% Bull's share capital). Should this not be the case, Atos is considering other courses of action to be implemented within 12 months of its takeover, such as a subsequent merger or other contribution transactions, the terms of which are still being considered.

## **C.5 Statutory Auditors' report on the half-year financial information for the period ended June 30, 2014**

*This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the Shareholders,

In compliance with the assignment entrusted to us by the General Meetings and in accordance with the requirements of article L. 451-1-2 III of the Monetary and Financial Code ("*Code monétaire et financier*"), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of Atos S.E., for the period from January 1 to June 30, 2014,
- the verification of the information contained in the interim management report.

These condensed half-year consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

### **I - Conclusion on the financial statements**

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

### **II - Specific verification**

We have also verified the information given in the interim management report commenting the condensed half-year consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

**Neuilly-sur-Seine and Paris, July 28, 2014**

#### **The Statutory Auditors**

Deloitte & Associés

Grant Thornton  
French member of  
Grant Thornton International

Christophe Patrier

Victor Amselem

## D CORPORATE GOVERNANCE

### D.1 Office renewals and appointment of directors

The Company's Combined General Meeting held on May 27, 2014 approved all the proposed renewals of terms of office of directors which it was submitted. In particular, it renewed the term of office of Directors Ms. Colette Neuville (French citizen) and Messrs. Nicolas Bazire (French citizen), Roland Busch (German citizen) and Michel Paris (French citizen).

### D.2 Composition of the Board of Directors

As of the date of this Update of the Registration Document, the Board of Directors, comprised of 12 persons including 8 independent directors, was the following:

<b>Name of the Director</b>	<b>Date of first appointment or latest renewal</b>	<b>Date of the expiry of the mandate</b>
Mr Thierry BRETON	May 30 2012	AGM 2015
Mr Nicolas BAZIRE*	May 27 2014	AGM 2017
Mr Jean-Paul BECHAT*	May 30 2012	AGM 2015
Mr Roland BUSCH	May 27 2014	AGM 2017
Ms Jean FLEMING	May 29 2013	AGM 2017
Mr Bertrand MEUNIER*	May 30 2012	AGM 2015
Ms Colette NEUVILLE*	May 27 2014	AGM 2017
Ms Aminata NIANE*	May 29 2013	AGM 2016
Mr Michel PARIS	May 27 2014	AGM 2017
Ms Lynn SHARP PAINE*	May 29 2013	AGM 2016
Mr Pasquale PISTORIO*	May 30 2012	AGM 2015
Mr Vernon SANKEY*	May 29 2013	AGM 2016

\* *Independent Director*

### D.3 Executive compensation and stock ownership

#### D.3.1 Performance shares allocation plan decided on July 28, 2014

In connection with the authorization granted, for thirty-eight months, by the Combined General Meeting of May 29, 2013 (fifteenth resolution), the Board of Directors, during its meeting held on July 28, 2014, and upon the recommendation of the Nomination and Remuneration Committee, decided to proceed with the allocation of 691,000 ordinary performance shares of the Company, to be issued in favor of the first managerial lines of Atos, including the Chairman and Chief Executive Officer.

Performance conditions to be achieved over two consecutive years 2014 and 2015 of the new plan relate to yearly internal financial criteria linked to profitability and free cash flow, identical to those of the previous plan of July 24, 2013, but strengthened by adding a revenue growth criteria. As for the July 24, 2013 plan, the plan also provides for an external condition linked to the social and environmental performance of the company.

The features of the performance share allocation plan are as follows:

**1. Condition of attendance:** Subject to certain exceptions provided for in the plan, the allocation of performance shares is conditioned on the preservation of employee or corporate officer status by the beneficiary during the vesting period;

**2. Performance condition:** The allocation of performance shares is also subject to the achievement of the following internal and external performance conditions, calculated for the consecutive years 2014 and 2015:

Internal performance conditions

For each of the years 2014 and 2015:

- the **Group free cash flow** before dividend and acquisition/sales results for the year in question is at least equal to one of the following amounts:
  - (i) **85%** of the amount of the Group free cash flow, before dividends and acquisition/sales results, as mentioned in the Company's budget for the year in question, or
  - (ii) the amount of the Group free cash flow before dividends and acquisition/sales results for the previous year **with a 10% increase**;
- the **Group operating margin** for the year in question is at least equal to one of the following amounts:
  - (i) **85%** of the amount of the Group's operating margin as mentioned in the Company's budget for the year in question, or
  - (ii) the amount of the Group operating margin from the previous year **with a 10% increase**;
- **Revenue growth** for the relevant year is at least equal to one of the two following amounts:
  - (i) Revenue Growth rate as mentioned in the Company's budget for the year in question -1.2% or
  - (ii) 0% for 2014 and 1% for 2015 per reference to the Group Growth targets communicated in the framework of the 3 year Plan (2014-2016).

It being specified that for each year, at least 2 of 3 internal performance criteria must be met, and if one criterion is not met, this criteria becomes compulsory for the following year.

External performance condition

- For 2014, Atos must achieve at least the rating of GRI A (or equivalent); or become part of the European Dow Jones Sustainability Index 2014 (Europe or World); and
- For 2015, Atos must achieve at least the rating of GRI A (or equivalent); or become part of the European Dow Jones Sustainability Index 2015 (Europe or World)

External performance criteria should be met every year.

### 3. Acquisition and conservation periods:

The allocation of performance shares decided by the Board of Directors of Atos SE dated July 28, 2014 consists of two plans (France and International). Either plan applies depending on whether the beneficiary is an employee of a group entity located in France or abroad.

**Plan France:** Beneficiaries of performance shares will definitively acquire the performance shares allocated to them on the second anniversary of the allocation date, it being stipulated that these will further be subject to the aforementioned condition of attendance, subject to certain exceptions stated in the plan; the beneficiaries will also be required to retain the shares thus acquired for a period of two years following this date. The Chairman and Chief Executive Officer is a Plan France beneficiary.

**Plan International:** Beneficiaries of performance shares who are employees of companies of the Atos Group with registered office outside France will definitively acquire the performance shares allocated to them on the fourth anniversary of the allocation date, subject to achieving the performance conditions and the aforementioned condition of attendance. The shares thus acquired will not be subject to any conservation obligation and will be immediately available for sale by their beneficiaries.

### 4. Specific supplementary provisions applicable to the Chairman and Chief Executive Officer:

The Board of Directors allocated 46,000 performance shares to the Chairman and Chief Executive Officer. This amount takes into account the recommendations of the AFEP-MEDEF Corporate Governance Code with respect to the Chairman and Chief Executive Officer, as well as his compensation over 3 years as set in the Board of Director's decision of May 30, 2012.

In its analysis, the Board of Directors, upon the recommendation of the Nomination and Remuneration Committee, considered the following elements:

- the allocation of 46,000 performance shares to the Chairman and Chief Executive Officer represents around 6.7% of the total number of allocated shares;
- the number of shares allocated to the Chairman and Chief Executive Officer represents a security based compensation of around 45% of his total compensation;
- the conservation obligation, for the duration of his duties, of 15% of performance shares allocated to him will also apply to the Chairman and Chief Executive Officer.

#### D.3.2 Performance shares that have become available since January 1, 2014 for the Chairman and CEO – AMF Table 7

Since January 1, 2014, performance shares granted on December 22<sup>nd</sup>, 2011, became definitively acquired by their beneficiaries, according to the France Plan Rules. The performance conditions of this Tranche were related to 2013 (Tranche 2). The Atos Chairman and CEO is a beneficiary of this plan. Acquisition terms are described in the 2013 Registration Document in part G.4.3.1. Furthermore, beneficiaries are required to remain owner of their acquired shares for an additional period of two years; the shares will become available for possible sale on March 17, 2016.

	Plan Date	Number of Shares definitively acquired Since 01/01/2014	Vesting Date	number of shares available during the Since 01/01/2014	Availability Date
Chairman and CEO	Dec-22-11 Tranche 2	32 500	March-17-14	0	March-17-16

### D.3.3 Subscription or purchase options exercised since January 1, 2014 by the Chairman and CEO – AMF Table 5

<b>Name of the Executive</b>	<b>Plan Date (Grant Date)</b>	<b>Number of options exercised since 01/01/2014</b>	<b>Exercise price in euros</b>
<b>Thierry Breton</b> Chairman and CEO	PLAN 23.12.08 Tranche 1	230,044	18.40
	PLAN 23.12.08 Tranche 2	230,043	22.00
	PLAN 23.12.08 Tranche 3	29,913	26.40
<b>TOTAL</b>		<b>490,000</b>	

Further to these operations, the Chairman and CEO holds 336,914 shares resulting from the exercise of options. In addition, he possesses 65,000 performance shares (Performance shares plan granted on December 22, 2011) that will become available for possible sale on December 22, 2015 for 50% and March 17, 2016 for the remaining 50%, and 5,000 shares acquired personally.



## E COMMON STOCK EVOLUTION

### E.1 Basic data

Atos SE shares are traded on the Paris Euronext Market under code ISIN FR0000051732. The shares have been listed in Paris since 1995. The shares are not listed on any other stock exchange.

#### E.1.1 Information on stock

Number of shares	: 100,261,670
Sector classification	: Information Technology
Main index	: CAC AllShares
Other indices	: CAC IT, CAC IT20, CAC Next20, Euronext 100, SBF120
Market	: Euronext Paris 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	ATO FR
Bloomberg	ATO FP		

The Euronext sector classification is as follows:

#### **Euronext: sector classification Industry Classification Benchmark (ICB)**

9000 AEX Technology  
9530 AEX Software and Computer services  
9533 Computer Services

The shares are also components of the following indices:

Index	Type	Code ISIN	Market Place
Euronext (Compartment A)	Global Europe		Paris-Amsterdam-Brussels-Lisbon
Euronext CAC 70	Global Europe		Paris-Amsterdam-Brussels-Lisbon
Euronext 100	Global Europe	FR0003502079	Paris-Amsterdam-Brussels-Lisbon
SBF 80	Global	FR0003999473	Paris PX8
SBF 120	Global	FR0003999481	Paris PX4
SBF 250	Global	FR0003999499	Paris PX5
CAC IT20	Sector	QS0010989091	Paris CIT20
CAC IT	Sector	FR0003501980	Paris PXT
DJ Euro Stoxx Techno	Sector	EUR0009658541	Germany-Xetra SX8E
CAC Technology	Sector	QS0011017827	Paris
CAC Software & Computer Services	Sector	FR0000051732	Paris
Sustainable Development: ASPI Eurozone, FTSE4Good, Europa EMP 100 Europa CAP 100, ECPI Ethical Index Euro			

### E.1.2 Free Float

The free-float of the Group shares exclude stakes held by the reference shareholders, namely the two main shareholders, Financière Daunou 17 (PAI Partners) holding 9.5% of the share capital as at June 30, 2014, and Siemens AG holding a stake of 12.5% of the share capital which it committed to keep until June 30, 2016. No other reference shareholder has announced its will to maintain a strategic shareholding in the Group's share capital. Stakes owned by the employees are also excluded from the free float.

<i>As at June 30, 2014</i>	<b>Shares</b>	<b>% of share capital</b>	<b>% of voting rights</b>
Treasury stock	162,905	0.2%	0.0%
PAI Partners	9,502,125	9.5%	9.5%
Siemens	12,483,153	12.5%	12.5%
Board of Directors	417,450	0.4%	0.4%
Employees	2,101,493	2.1%	2.1%
Free float	75,594,544	75.4%	75.5%
<b>Total</b>	<b>100,261,670</b>	<b>100.0%</b>	<b>100.0%</b>

### E.2 Dividend policy

On a proposal from the Board of directors, the Combined General Meeting held on May 27, 2014, approved the payment in 2014 of a dividend of 0.70 euro per share on the 2013 results as well as the option for the payment of the dividend in shares.

During the past three fiscal periods, Atos SE paid the following dividends:

<b>Fiscal period</b>	<b>Dividend paid per share (in €)</b>
2013	€ 0.70
2012	€ 0.60
2011	€ 0.50

### E.3 Financial calendar

November 7, 2014      Third quarter 2014 Revenue

### E.4 Contacts

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

**Gilles Arditti, Group Senior Vice President Mergers & Acquisitions and Strategy  
Investor Relations, Financial Communication**

Tel: +33 (0) 1 73 26 00 66

[gilles.arditti@atos.net](mailto:gilles.arditti@atos.net)

Requests for information can also be sent by email to [investors@atos.net](mailto:investors@atos.net)

## **E.5 Common stock**

### **E.5.1 At June 30, 2014**

As at June 30, 2014, the Group's issued common stock amounted to € 100,261,670 divided into 100,261,670 fully paid-up shares of € 1.00 par value each.

Since December 31, 2013, the share capital was increased by 2,096,224 euros, corresponding to the issuance of 2,096,224 new shares, split as follows:

- 1,528,650 new shares resulting from the exercise of stock options, issuance premiums amounting to € 55,746,340.5 in the aggregate,
- 567,574 new shares resulting from the payment of the 2013 dividend in shares, issuance premiums amounting to € 30,325,478.82 in the aggregate.

### **E.5.2 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.

On the occasion of the acquisition by the Company from Siemens of Siemens' former subsidiary SIS, the Siemens group committed to keep its shareholding in the Company, amounting to 12,483,153 shares, until June 30, 2016.

To the Company's knowledge, there is no other agreement capable of having a material effect, in case of public offer on the share capital of the Company.

### **E.5.3 Treasury stock**

#### **E.5.3.1 Legal Framework**

The 13th resolution of the Combined General Meeting of May 27, 2014 renewed in favor of the Board of Directors, the authorization to trade in the Group's shares, in connection with the implementation of a share buyback program. The number of shares purchased may not exceed 10% of the share capital of the Company, at any moment in time, such percentage applying to a capital adjusted in accordance with the operations which shall have an effect on the share capital subsequently to this general meeting, it being specified that in the case of shares purchased within a liquidity contract, the number of shares taken into account to determine the 10% limit shall correspond to the number of shares purchased from which shall be deducted the number of shares resold during the duration of the authorization.

These purchases may be carried out by virtue of any allocation permitted by law, with the aims of this share repurchasing program being:

- to keep them and subsequently use them for payment or exchange in relation to possible external growth operations, in accordance with market practices accepted by the Autorité des Marchés Financiers (French Financial Market Authority), it being specified that the maximum amount of shares acquired by the Company to this end shall not exceed 5 % of the share capital,
- to ensure liquidity and an active market of the Company's shares through an investment service provider acting independently pursuant to a liquidity contract, in accordance with the professional conduct charter accepted by the Autorité des Marchés Financiers (French Financial Market Authority),
- to attribute or sell these shares to the executive officers and directors or to the employees of the Company and/or to the current or future affiliated companies, under the conditions and according to the terms set by applicable legal and regulatory provisions in particular in connection with (i) profit-sharing plans, (ii) the share purchase option regime laid down under articles L. 225-177 et seq. of the Commercial Code, and (iii) the free share issuance regime established by articles L. 225-197-1 et seq. of the Commercial Code and (iv) a company savings plan, as well as to carry out all hedging operations relating to these operations, under the terms and conditions laid down by market authorities and at such times as the board of directors or the person acting upon its delegation so decides,
- to remit the shares acquired upon the exercise of rights attached to securities giving the right, whether immediate or deferred, by reimbursement, conversion, exchange, presentation of a warrant or any other way, to the attribution of shares of the Company, as well as to carry out all hedging operations in relation to the issuance of such securities, under the terms and conditions laid down by market authorities and at such times as the Board of Directors or the person acting upon its delegation so decides,
- to cancel them as a whole or in part through a reduction of the share capital pursuant to the fourteenth resolution of the Combined General Meeting held on May 27, 2014, or
- to transfer them to the Dutch Employee pension fund, called Stichting Pensioenfonds Atos, which the registered office is located to Utrecht, Nederland, in the context of the settlement agreement (Run-off and Settlement Agreement) concluded with the Company and its subsidiary Atos Nederland B.V., either via Atos Nederland B.V. or directly, it being specified that in this latter case, the payment shall be made by the Company on behalf of its subsidiary Atos Nederland B.V. pursuant to a delegation of payment or any other mechanism.

The maximum purchase price per share may not exceed € 97 (fees excluded).

The Board of Directors may adjust the aforementioned purchase price in the event of incorporation of premiums, reserves or profits, giving rise either to an increase in the nominal value of the shares or to the creation and attribution of free shares, as well as in the event of division of the nominal value of the share or regrouping of the shares to take account of the effect of these operations on the value of the share.

As a result, the maximum amount of funds assigned to the share repurchasing program amounts to 952,204,826.2 euros as calculated on the basis of the share capital as at December 31, 2013, this maximum amount may be adjusted to take in account the amount of the capital on the day of the General Meeting.

This authorization was granted for a period of eighteen months as from May 27, 2014.

#### E.5.3.2 Treasury Stock

As at June 30, 2014, the Company owned 162,905 shares which amounted to 0.2% of the share capital with a portfolio value of € 9,911,140.2, based on June 30, 2014 market price, and with book value of € 10,309,636.61. Out of this amount, 50,000 shares were held through the liquidity contract entered into by the Company with Rothschild & Cie Banque, the outstanding amount being assigned to the allocation of shares to employees or executive officers and directors of the Company or its group, and corresponding to the hedging of its undertakings under the LTI and MIP plans.

## E.5.4 Potential common stock

### E.5.4.1 Potential dilution

Based on 100,261,670 shares in issue, the common stock of the Group could be increased, as at June 30, 2014 by 4,390,844 new shares, representing 4.2% of the common stock after dilution. This dilution could occur with the exercise of all stock subscription options granted to employees or through the acquisition of performance shares granted in 2011, 2012 and 2013 as follows:

<i>In shares</i>	<b>June 30, 2014</b>	<b>December 31, 2013</b>	<b>Change</b>	<b>% dilution</b>
<b>Number of shares outstanding</b>	<b>100,261,670</b>	<b>98,165,446</b>	<b>2,096,224</b>	
From stock subscription options	3 178 504	5,015,053	-1,836,549	3.0%
Performance shares	1,212,340	1,212,490	-150	1.1%
Potential dilution	4,390,844	6,227,543	-1,836,699	4.2%
Total potential common stock	104,652,514	104,392,989	259,525	

### Stock options evolution

<b>Number of stock subscription options at December 31, 2013</b>	<b>5,015,053</b>
Stock subscription options granted during the first semester of 2014	0
Stock subscription options exercised during the first semester of 2014	-1,528,650
Stock subscription options cancelled during the first semester of 2014	0
Stock subscription options expired during the first semester of 2014	-307,899
<b>Number of stock subscription options at June 30, 2014</b>	<b>3,178,504</b>

### E.5.4.2 Current authorizations to issue shares and other securities

Pursuant to the resolution adopted by the General Meeting of May 27, 2014, the following authorizations to modify the share capital, and to issue shares and other securities are in force as of the date of this document:

Authorization (euros)	Authorization amount (par value)	Use of the authorizations (par value)	Unused balance (par value)	Authorization expiration date
E.G.M. 27 May 2014 13 <sup>th</sup> resolution Authorization to buyback the Company shares	10% of the share capital adjusted at any moment	76,500	Around 9.92% of the share capital	11/27/2015 (18 months)
E.G.M. 27 May 2014 14 <sup>th</sup> resolution Share capital decrease	10% of the share capital adjusted as at the day of the decrease	0	10% of the share capital adjusted as at the day of the decrease	11/27/2015 (18 months)
E.G.M. 27 May 2014 15 <sup>th</sup> resolution Share capital increase with preferential subscription right	29,878,460	0	29,878,460	07/27/2016 (26 months)
E.G.M. 27 May 2014 16 <sup>th</sup> resolution Share capital increase without preferential subscription right by public offer (*) (**)	9,959,486	0	9,959,486	07/27/2016 (26 months)
E.G.M. 27 May 2014 17 <sup>th</sup> resolution Share capital increase without preferential subscription right by private placement (*) (**)	9,959,486	0	9,959,486	07/27/2016 (26 months)
E.G.M. 27 May 2014 18 <sup>th</sup> resolution Share capital increase without preferential subscription right to remunerate contribution in kind (*) (**)	9,959,486	0	9,959,486	07/27/2016 (26 months)
E.G.M. 27 May 2014 19 <sup>th</sup> resolution Increase of the number of securities in case of share capital increase with or without subscription right (*) (**)	Extension de 15% maximum de l'émission initiale	0	Extension de 15% maximum de l'émission initiale	07/27/2016 (26 months)
E.G.M. 27 May 2014 20 <sup>th</sup> resolution Share capital increase through incorporation of premiums, reserves, benefits or other (*)	29,878,460	0	29,878,460	07/27/2016 (26 months)
A.G.E. 27 mai 2014 21 <sup>st</sup> resolution Share capital increase reserved to the employees (*)	1,991,897		1,991,897	07/27/2016 (26 months)

E.G.M. 27 May 2014				
22 <sup>nd</sup> resolution				07/27/2017 (38 months)
Grant of performance shares to employees and executive officers	995,948		995,948	
E.G.M. 29 May 2013				
15 <sup>th</sup> resolution				07/29/2016 (38 months)
Grant of performance shares to employees and executive officers	1,002,616	691,000	311,616	

(\*) Any share capital increase pursuant to the 16<sup>th</sup>, 17<sup>th</sup>, 18<sup>th</sup>, 19<sup>th</sup>, 20<sup>th</sup> and 21<sup>st</sup> resolutions shall be deducted from the cap set by the 15<sup>th</sup> resolution.

(\*\*) The share capital increases without preferential subscription right carried out pursuant to the 16<sup>th</sup>, 17<sup>th</sup>, 18<sup>th</sup> and 19<sup>th</sup> resolutions are subject to an aggregate sub-cap corresponding to 10% of the share capital of the Company on the day of the Combined General Meeting of May 27, 2014 (i.e. 9,959,486 euros). Any share capital increase pursuant to these resolutions shall be deducted from this aggregate sub-cap.

(\*\*\*) The additional issuance shall be deducted from (i) the cap of the resolution pursuant to which the initial issuance was decided, (ii) the aggregate cap set by the 15<sup>th</sup> resolution, and (iii) in case of share capital increase without preferential subscription rights, the amount of the sub-cap mentioned at (\*\*) here above.

The number of new authorized shares that may be issued pursuant to the above-mentioned delegation of authority (the nineteenth resolution of the General Meeting of May 27, 2014 being set aside) amounts to 31,877,025.08, representing 31.79% of the share capital updated on June 30, 2014.

## E.5.5 First half of 2014 and subsequent key trading dates

### February 19

Atos announced its 2013 annual results and inform its ambition to complete IPO of Worldline. With revenue at € 8,615 million, nearly stable compared to 2012 at constant scope and exchange rates, the Group strongly improved its operating margin to € 645.2 million, an increase of € 78.3 million to reach 7.5% of revenue, completely in line with the 7% to 8% target announced in December 2010 as part of the three-year plan. Net cash position was € 905 million at the end of 2013. The Group generated in 2013 € 365 million of free cash flow also in line with the € 350 to € 400 million target of the three-year plan 2011-2013. Order entry was € 8.8 billion. Book to bill ratio was 105% (excluding Siemens).

### April 17

Atos published its revenue for the first quarter of 2014. Revenue was € 2,064 million, representing an organic evolution of -1.8% compared to the first quarter of 2013. Order entry was € 1,671 million leading to a book to bill ratio of 81%. Net cash position stood at € 830 million at the end of March 2014. All 2014 objectives were confirmed. Atos announced that Worldline is fully mobilized to complete its IPO on schedule. Atos also confirmed that the group has held friendly discussions with key stakeholders of Steria over the last few months, including with its CEO and its Chairman. Atos has indicated that, should Steria wish to reinstate the industrial project to join the Atos group, the Atos Board of Directors was ready to maintain the terms of its friendly offer, at € 22 in cash per Steria share, to remain valid until the Sopra EGM on June 27, 2014.

### May 26

Atos and Bull together announced the intended public offer in cash by Atos for all the issued and outstanding shares in the capital of Bull. Atos offer was set at € 4.90 per Bull's share in cash, representing a 22% premium over the Bull's closing price (€ 4.01) on Friday May 23, 2014, the last trading day before May 26, and a 30% premium with respect to the 3 month volume weighted average share price (€ 3.77). The offer was also targeting the outstanding Bull's OCEANes at € 5.55 per OCEANes. The offer valued the fully diluted share capital of Bull Group at approximately € 620 million. The offer was subject to reaching a minimum 50% + 1 share of Bull's share capital acceptance level, and Atos intended to ultimately delist the Bull shares by way of squeeze-out or a subsequent merger between the two companies.

### **May 27**

Atos SE's held its Annual General Meeting chaired by Mr. Thierry Breton, Chairman and Chief Executive Officer of the Company. All resolutions submitted by the Board of Directors were approved by a large majority. In particular, the General Meeting approved the dividend payment of € 0.70 per share, as well as the option for payment of the dividend in either shares or cash. The General Meeting also renewed the terms of office of Directors Ms. Colette Neuville and Mr. Nicolas Bazire, Roland Busch and Michel Paris. Finally, in accordance with the recommendations of the AFEP-MEDEF Code, the General Meeting delivered with 94.26% support a favorable opinion on elements of compensation due or allocated for the financial year ending December 31, 2013 to Mr. Thierry BRETON, Chairman and Chief Executive Officer.

### **June 6**

Atos declared the filing with the Autorité des Marchés Financiers (AMF) of a draft public offer targeting all of Bull's outstanding shares and instruments having support of Crescendo Industries, Pothar Investments, Orange group and the BPI representing a total amount of 35.5% of Bull's share capital to Atos' public offer, comprising the tender agreements.

### **June 11**

Atos announced it has acquired Cambridge Technology Partners, a leading IT consulting firm in the Swiss market. With 300 employees, Cambridge reported revenues of CHF 40 million in 2013 (€ 35 million). In a very competitive market, Cambridge has developed a strong reputation in the areas of digital marketing, Identity & Access Management (IAM) and Digital Work Place, in addition to traditional business and technology consulting.

### **June 26**

Atos announced the success of Worldline initial public offering on the regulated market of Euronext Paris. Worldline is an Atos SE subsidiary, one of Europe's leading providers of electronic payment and transactional services and one of the largest such providers worldwide. Set at 16.40 euros per share, the global offering raised a total of approximately € 575 million, consisting of a capital increase of approximately € 255 million and the sale of approximately € 320 million of existing shares by Atos SE.

### **July 29**

Atos today announced its results for the first half of 2014 and confirmed all its objectives for 2014. Revenue was € 4,176 million, representing an organic evolution of -1.9% compared to the first half of 2013. Operating margin was € 274.6 million, representing 6.6% of revenue, an improvement of +20bps compared to the same period last year. The Group generated € 124 million of free cash flow in the first half of 2014. Net cash position was € 845 million at the end of June 2014 including € 628 million restricted cash for the Bull acquisition (excluding € 639 million from the Worldline IPO received in July). Order entry was € 4,360 million, representing a book to bill ratio of 104% for the first half of the year, with € 500 million of new significant contracts won in June 2014. Net income Group share was € 76 million.



## **F CLAIMS AND LITIGATION**

The Atos Group is a global business operating in some 52 countries. In many of the countries where the Group operates there are no claims, and in others there are only a very small number of claims or actions made involving the Group. Having regards to the Group' size and revenue, the level of claims and litigation remains 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 issues. All potential and active claims and disputes are carefully monitored, reported and managed in an appropriate manner.

During the first half-year of 2014 some significant claims made against the Group were successfully resolved in terms favorable to the Group.

Group Management considers that sufficient provisions have been made.

The total amount of the provisions for litigation risks, in the consolidated accounts closed as of June 30, 2014, to cover for the identified claims and litigations, added up to € 87.33 million (including tax and social contribution claims but excluding labor claims).

### **F.1 Tax and Social Contribution claims**

The Group is involved in a number of routine tax & social contribution claims, audits and litigations. Such claims are usually solved through administrative non-contentious proceedings.

A number of the tax & social contribution claims are in Brazil, where Atos is a defendant in some cases and a plaintiff in others. Such claims are typical for companies operating in this region. Proceedings in this country usually take a long time to be processed. In other jurisdictions, such matters are normally resolved by simple non-contentious administrative procedures.

Following the decision in a reported test case in the UK, there is substantial ongoing court claim against the UK tax authorities for a tax (Stamp Duty) re-imbusement of an amount over € 9 million.

The total provision for tax & social contribution claims, as inscribed in the consolidated accounts closed as at June 30, 2014, was €13.15 million.

### **F.2 Commercial claims**

There is a small number of commercial claims across the Group.

Some claims were made from 2006 by a company for services allegedly supplied to the Group in the past. After a thorough investigation, the Group concluded that the claims were not legitimate. These claims were thus rejected, no payment was made by the Group and, consequently, several judicial proceedings were made. These proceedings are still pending before the courts.

The group is facing a very small number of IP cases of a highly speculative nature in which the claims are heavily inflated and without merit.

There were a number of significant on-going commercial cases in various jurisdictions that the group acquired through the acquisition of Siemens IT Solutions and Services. Some of these cases involve claims on behalf of the group and in 2014 a number were successfully resolved.

The total provision for commercial claim risks, as inscribed in the consolidated accounts closed as at June 30, 2014, was €74.17 million.

### **F.3 Labor claims**

There are over 76,000 employees in the Group and relatively few labor claims. In most jurisdictions there are no or very few claims. Latin America is the only area where there is a significant number of claims but such claims are often of low value and typical for companies operating in this region.

The Group is a respondent in a few labor claims of higher value in 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 25 claims against the Group which exceed € 200,000. The provision for these claims, as inscribed in the consolidated accounts closed as at June 30, 2014 was € 3.06 million.

### **F.4 Representation & Warranty claims**

The Group is a party to a very small number of representation & warranty claims arising out of acquisitions/dispositions.

### **F.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 semester on the Company's and the Group's financial situation or profitability.

## G IMPLANTATIONS

### Global Headquarters

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

### Andorra

**Atos**  
Doctor Vilanova, 9 Edificio Thais  
2ºA  
AD-500 Andorra la Vella  
Tel.: +376 82 54 47

### Argentina

**Atos**  
C1430CRG  
Cnel. Manuel Arias 3751, 18<sup>th</sup> floor  
Cdad. Aut. de Buenos Aires  
Tel.: +54 11 6315 8800

### Worldline

Ruta 8 Km.  
18 - Calle 122 N° 4785  
ex. Gral. Roca - B1653JUK  
Villa Ballester  
Tel.: +54 11 5193 5800

### Australia

**Atos**  
885 Mountain Highway  
Bayswater  
Victoria 3153  
Tel.: +61 3 9721 6400

### Austria

**Atos & Worldline**  
Siemensstrasse 92  
A-1210  
Vienna  
Tel.: +43 51707 0

### Belgium

**Atos**  
Da Vincilaan 5  
B-1935 Zaventem  
Tel.: +32 2 690 28 00

### Worldline

Chaussée de Haecht 1442  
Haachtsesteenweg  
1130 Brussels  
Tel.: +32 2 727 61 11

### Brazil

**Atos**  
Rua Werner Siemens 111  
05069-900 Sao Paulo, SP  
Tel: +55 11 3550 2000

### Bulgaria

**Atos**  
Serdika Offices  
48, Sitnyakovo Blvd.  
1505 Sofia  
Tel.: +359 2 402 23 00

### Canada

**Atos**  
6375 Shawson Drive  
Mississauga, ON L5T 1S7  
Tel.: +905 461 3535

### Chile

**Atos & Worldline**  
Av. Providencia 1760 - Piso 17 -  
Oficina 1702  
7500498 Santiago de Chile  
Tel.: +56 2 477 1313

### China

**Atos & Worldline**  
Building B  
No.7, Wangjing Zhonghuan Nan  
Rd, Chaoyang District  
Beijing 100102, PRC  
Tel.: +86 10 6911 5888

### Colombia

**Atos**  
Autopista Norte N° 108-27, Of.  
1505 Torre 2  
Edificio Paralelo  
Bogota  
Tel.: +57 1 519 0233

### Croatia

**Atos**  
Heinzlova 69  
10000 Zagreb  
Tel.: +385 1 286 7000

### Czech Republic

**Atos**  
Doudlebska 1699/5  
140 00 Prague  
Tel.: +420 233 034 211

### Denmark

**Atos**  
Dybendalsvaenget 3  
2630 Tasstrup  
Tel.: +45 4331 1400

### Egypt

**Atos**  
50 Abbass El Akkad Street  
Nasr City  
11757 Cairo  
Tel.: +202 26708806

### Estonia

**Atos**  
Vaike-Paala 1  
11415 Tallinn  
Tel.: +372 6 308 649

### Finland

**Atos**  
Kalkkipellontie 6  
02650 Espoo  
Tel.: +358 10 688 5000

### France

**Worldline**  
River Ouest  
80, quai Voltaire  
95 877 Bezons Cedex  
Tel.: +33 1 34 34 95 95

### Atos Worldgrid

28 rue Gustave Eiffel  
38027 Grenoble Cedex 1  
Tel.: +33 4 38 12 50 00

### Atos Consulting & Technology Services

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

### Germany

**Atos**  
Otto-Hahn-Ring 6  
D-81379 München  
Tel.: +49 211 399 0

### Atos Consulting & Technology Services

Bruchstr. 5  
D-45883 Gelsenkirchen  
Tel.: +49 209 9456 7555

### Worldline

Hahnstraße 25  
D-60528 Frankfurt/Main  
Tel.: +49 69 66 57 10

### Hong Kong

**Atos & Worldline**  
8/F, Octa Tower  
8 Lam Chak Street  
Kowloon Bay  
Tel.: +852 2280 6008

### Hungary

**Atos**  
Gizella ut 51-57  
H-1143 Budapest  
Tel.: +36 30 743 0

### India

**Atos**  
Prism Towers, "A" wing, 6th Floor,  
Mindspace Ob  
Link Road, Goregaon West  
Mumbai, 400 062  
Tel.: +91 22 66 45 25 00

### Worldline

701, Interface 11  
Malad (West)  
Mumbai, 400 064  
Tel.: +91 22 40 42 40 00

### Indonesia

**Worldline**  
Wisma Keiai Prince, #1707  
JI. Jend. Sudirman Kav.3  
Jakarta 10220  
Tel.: +62 21 572 4373

### Ireland

**Atos**  
Fitzwilliam Court  
Leeson Close, Dublin 2  
Tel.: +353 1 216 2000

### Italy

**Atos**  
Via Vipiteno, 4  
20128 Milano  
Tel.: +39 02 2431

## Japan

### Atos

Level 20, Shinjuku Park Tower  
3-7-1 Nishi-Shinjuku, Shinjuku-ku  
Tokyo 163-1020  
Tel.: +81 3 3344 6631

## Luxembourg

### Atos

Rue Nicolas Bové 2a  
L-1253 Luxembourg  
Tel.: +352 31 36 37 1

## Malaysia

### Atos

Suite F01, 1<sup>st</sup> Floor  
2310 Century Square, Jalan  
Usahawan  
63000 Cyberjaya - Selangor  
Tel.: +60 3 8316 0288

## Worldline

Suite19.01 Level 19  
Centrepoint South Mid Valley City  
Lingkaram Syed Putra  
59200 Kuala Lumpur  
Tel.: +603 2084 5418

## Mexico

### Atos

Corporativo Santa Fe  
Av. Santa Fe No. 505 piso 9  
Col. Santa Cruz Manca Santa Fe  
Deleg. Cuajimalpa de Morelos  
05349, Mexico, D.F.  
Tel.: +52 55 5081 4600

## Morocco

### Atos

Casablanca Nearshore Park –  
Shore 7  
1100, boulevard El Qods -  
Quartier Sidi, Maârouf  
Casablanca  
Tel.: +212 (0)5 29 04 45 29

## New Zealand

### Atos

Level 1  
326 Lambton  
Wellington, 6011  
Tel.: +64 4 978 1745

## Philippines

### Atos

23/F Cyber One Building  
11 Eastwood Ave., Bagumbayan,  
Quezon City, 1110  
Tel.: +63 2 982 9600

## Poland

### Atos

Ul. Postępu 18  
02-676 Warsaw  
Tel.: +48 22 444 65 00

## Portugal

### Atos

Edifício Europa  
Av. José Malhoa, 16, 7.º andar B2  
1070-159 Lisboa  
Tel.: + (351) 21 097 14 00

## Qatar

### Atos

3<sup>rd</sup> Floor, QFIB Building, Suhaim  
Bin Hamad Street  
Al Sadd Area, Zone #38, Building  
no. 89858, P.O.Box. 202378  
Doha  
Tel.: +974 444 78183

## Romania

### Atos

Strada Preciziei, N24, Corp H3  
Bucharest 062204  
Tel.: +40 21 3058603

## Russia

### Atos

1st Kozhevnichesky per., 6/1  
115114 Moscow  
Tel.: +7 495 7372599

## Saudi Arabia

### Atos

Olayan H.O  
Tower B, 1st level  
Al Malaz Area, Al Ehssa Street  
P.O.Box. 8772  
Riyadh 11492  
Tel.: +966 14749000

## Serbia

### Atos

Pariske komune 22  
11070 Belgrade  
Tel.: +381 11 3012200

## Singapore

### Atos & Worldline

620A Lorong 1 Toa Payoh  
TP4 Building Level 5  
Singapore 319762  
Tel.: +65 6496 3888

## Slovakia

### Atos

Einsteinova 11  
851 01 Bratislava  
Tel.: +421 2 68526801

## South Africa

### Atos

Woodlands Office Park, Ground  
Floor, Building 32  
Woodlands Drive, Woodmead  
Johannesburg  
Tel.: +27 87 310 2867

## Spain

### Atos & Worldline

Albarracín, 25  
28037 Madrid  
Tel.: +34 91 440 8800

## Atos Consulting & Technology Services

Albasanz 16, 4ª planta  
28037 Madrid  
Tel.: +34 91 214 9500

## Sweden

### Atos

Johanneslundsvägen 12-14  
19487 Upplands Väsby  
Tel.: +46 87306500

## Switzerland

### Atos

Freilagerstrasse 28  
8047 Zürich  
Tel.: +41 58 702 11 11

## Taiwan

### Atos & Worldline

5FNo.100, Sec 3  
Min Sheng East Road  
Taipei 10596  
Tel.: +886 2 2514 2500

## Thailand

### Atos

2922/339 Charn Issara Tower II,  
36<sup>th</sup> floor  
New Petchaburi Road, Bangkok,  
Huaykwang  
10310 Bangkok  
Tel.: +66 2787-9000

## The Netherlands

### Atos, Atos Consulting & Technology Services

Papendorpseweg 93  
3528 BJ Utrecht  
Tel.: +31 (0) 88 265 5555

## Worldline

Wolweverstraat 18  
2924 CD Ridderkerk  
Tel.: +31 180 442 442

## Turkey

### Atos

Yakacik Cad. No: 111  
43870 Kartal Istanbul  
Tel.: +90 216 459 20 10

## United Arab Emirates

### Atos

The Galleries, Level 2, Building 2,  
Downtown Jebel Ali  
Sheikh Zayed Rd  
PO Box500437  
Dubai  
Tel.: +9714 4402300

## United Kingdom

### Atos & Worldline

4 Triton Square  
Regent's Place  
London NW1 3HG  
Tel.: +44 20 7830 4444

## USA

### Atos

2500 Westchester Avenue  
Purchase, NY 10577  
Tel.: +1 914 881 3000

## H FULL INDEX

Contents.....	2
A Persons responsible .....	3
A.1 For the Update of the Registration Document .....	3
A.2 For the accuracy of the Update of the Registration Document .....	3
A.3 For the audit.....	4
B Atos in the first half of 2014 .....	5
C Finance .....	7
C.1 Operational review .....	7
C.1.1 Executive Summary .....	7
C.1.2 Statutory to constant scope and exchange rates reconciliation .....	9
C.1.2.1 Revenue.....	9
C.1.2.2 Operating margin .....	10
C.1.3 Revenue profile evolution .....	11
C.1.4 Performance by Service Line.....	12
C.1.4.1 Managed Services.....	12
C.1.4.2 Consulting & Systems Integration.....	13
C.1.4.3 Worldline.....	14
C.1.5 Performance by Business Units .....	15
C.1.5.1 United Kingdom & Ireland.....	15
C.1.5.2 Germany .....	16
C.1.5.3 Benelux & The Nordics .....	16
C.1.5.4 France.....	16
C.1.5.5 Central & Eastern Europe.....	17
C.1.5.6 North America.....	17
C.1.5.7 Iberia.....	17
C.1.5.8 Other Business Units.....	18
C.1.5.9 Global structures costs .....	18
C.1.6 Revenue by Market.....	19
C.1.6.1 Manufacturing, Retail & Transportation.....	19
C.1.6.2 Public & Health.....	19
C.1.6.3 Telcos, Media & Utilities.....	19
C.1.6.4 Financial Services .....	20
C.1.7 Portfolio .....	20
C.1.7.1 Order entry and book to bill .....	20
C.1.7.2 Full backlog .....	21
C.1.7.3 Full qualified pipeline .....	21

C.1.8	Human Resources.....	22
C.1.8.1	Headcount evolution .....	22
C.1.8.2	Changes in scope .....	22
C.1.8.3	Hiring.....	22
C.1.8.4	Leavers .....	23
C.1.8.5	Restructuring, Dismissals and other .....	23
C.1.8.6	External Subcontractors .....	23
C.2	2014 Objectives.....	24
C.3	Financial review .....	25
C.3.1	Income statement .....	25
C.3.1.1	Operating margin .....	25
C.3.1.2	Other operating income and expenses.....	25
C.3.1.3	Net financial expense .....	26
C.3.1.4	Corporate tax.....	26
C.3.1.5	Non-controlling interests .....	26
C.3.1.6	Normalized net income.....	27
C.3.1.7	Half year Earning Per Share .....	27
C.3.2	Cash Flow and net cash.....	28
C.3.3	Parent company results.....	30
C.4	Interim condensed consolidated financial statements.....	31
C.4.1	Interim consolidated income statement.....	31
C.4.2	Interim consolidated statement of comprehensive income .....	32
C.4.3	Interim consolidated statement of financial position.....	33
C.4.4	Interim consolidated cash flow statement.....	34
C.4.5	Interim consolidated statement of changes in shareholders' equity .....	35
C.4.6	Appendices to the interim condensed consolidated financial statements .....	36
C.4.6.1	Basis of preparation .....	36
C.4.6.2	Significant accounting policies .....	37
C.4.6.3	Notes to the half-year condensed consolidated financial statements.....	37
C.5	Statutory Auditors' report on the half-year financial information for the period ended June 30, 2014 .....	52
D	Corporate governance .....	53
D.1	Office renewals and appointment of directors.....	53
D.2	Composition of the Board of Directors.....	53
D.3	Executive compensation and stock ownership .....	53
D.3.1	Performance shares allocation plan decided on July 28, 2014.....	53
D.3.2	Performance shares that have become available since January 1, 2014 for the Chairman and CEO – AMF Table 7 .....	55
D.3.3	Subscription or purchase options exercised since January 1, 2014 by the Chairman and CEO – AMF Table 5 .....	56

E	Common stock evolution .....	57
E.1	Basic data .....	57
E.1.1	Information on stock.....	57
E.1.2	Free Float.....	58
E.2	Dividend policy .....	58
E.3	Financial calendar .....	58
E.4	Contacts .....	58
E.5	Common stock.....	59
E.5.1	At June 30, 2014.....	59
E.5.2	Shareholders' agreements .....	59
E.5.3	Treasury stock .....	59
E.5.3.1	Legal Framework.....	59
E.5.3.2	Treasury Stock.....	60
E.5.4	Potential common stock .....	61
E.5.4.1	Potential dilution .....	61
E.5.4.2	Current authorizations to issue shares and other securities .....	62
E.5.5	First half of 2014 and subsequent key trading dates .....	63
F	Claims and litigation .....	65
F.1	Tax and Social Contribution claims .....	65
F.2	Commercial claims .....	65
F.3	Labor claims.....	66
F.4	Representation & Warranty claims.....	66
F.5	Miscellaneous .....	66
G	Implantations.....	67
H	Full index .....	69