
First half 2013 results

Wednesday, July 24th 2013

- ▶ This document contains further forward-looking statements that involve risks and uncertainties concerning the Group's expected growth and profitability in the future. Actual events or results may differ from those described in this document due to a number of risks and uncertainties that are described within the 2012 Reference Document filed with the Autorité des Marchés Financiers (AMF) on April 3rd, 2013 under the registration number: D13-0271.
- ▶ Business Units include **Germany, France, United Kingdom & Ireland, Benelux** & The Nordics (The Netherlands, Belgium, Luxembourg, Denmark, Finland, and Sweden), **Atos Worldline** (French, German, Belgian, Asian, and Indian subsidiaries), **Central & Eastern Europe** (CEE: Austria, Bulgaria, Croatia, Serbia, Poland, Czech Republic, Russia, Romania, Slovakia, Switzerland, Italy, and Turkey), **North America** (USA and Canada), **Iberia** (Spain and Portugal), and **Other Business Units** including Major Events (including MSL), Latin America (Brazil, Argentina, Mexico, Colombia and Chile), Asia Pacific (Japan, China, Hong Kong, Singapore, Malaysia, Indonesia, Philippines, Taiwan, Thailand and Australia), India, Middle East, Morocco, South Africa, New Business Ventures (blueKiwi, Yunano and Canopy).
- ▶ Revenue organic growth is presented at constant scope and exchange rates. 2013 objectives have to be considered with exchange rates as of 31 December 2012.
- ▶ Adjusted (non diluted) Earnings Per Share (EPS) represents the net income adjusted of restructuring, rationalization and customer relationship amortization, net of tax, divided by the weighted average number of shares during the year.
- ▶ Worldline figures are best estimates made by the company during the carve-out process and are unaudited.

1. H1 2013 - Highlights
2. H1 2013 - Financial performance
3. H1 2013 - Commercial performance
4. Update on carve-out of **worldline**
5. Tier One Program follow-up
6. **canopy** = the Atos Cloud Services entity
7. Conclusion
8. Q&A session

Thierry Breton, Chairman & CEO

H1 2013 - Highlights

Highlights

1/3

**First Half
2013**

July 24th, 2013

	H1 2013	H1 2012
Revenue (EUR m)	4,290	4,316
Operating margin (in % and EUR m)	6.5% EUR 279 m	5.6% EUR 244 m
Free cash flow (EUR m)	158	127
Net cash (EUR m)	359	101

Revenue and operating margin at constant scope and exchange rates

Highlights

2/3

**First Half
2013**

July 24th, 2013

	H1 2013	H1 2012
Net income Group share (EUR m)	116	102
Book to bill	106%	113%
Backlog (EUR b)	15.5 1.8 years of revenue	14.9 1.7 years of revenue
Total number of employees	77,105	75,329

Highlights

3/3

First Half
2013

July 24th, 2013

► **Carve-out** of Atos Payment and Merchant Transactional activities completed

► **Adaptation of the organization:**

- Group Business Units
- Service Lines
- Global Markets

► Atos brings innovative IT solutions to BtoB markets through **global strategic cooperation** with **Samsung**

► Major BPO **contract renewal** in the UK with **NS&I**



Management team and geographical presence of Worldline

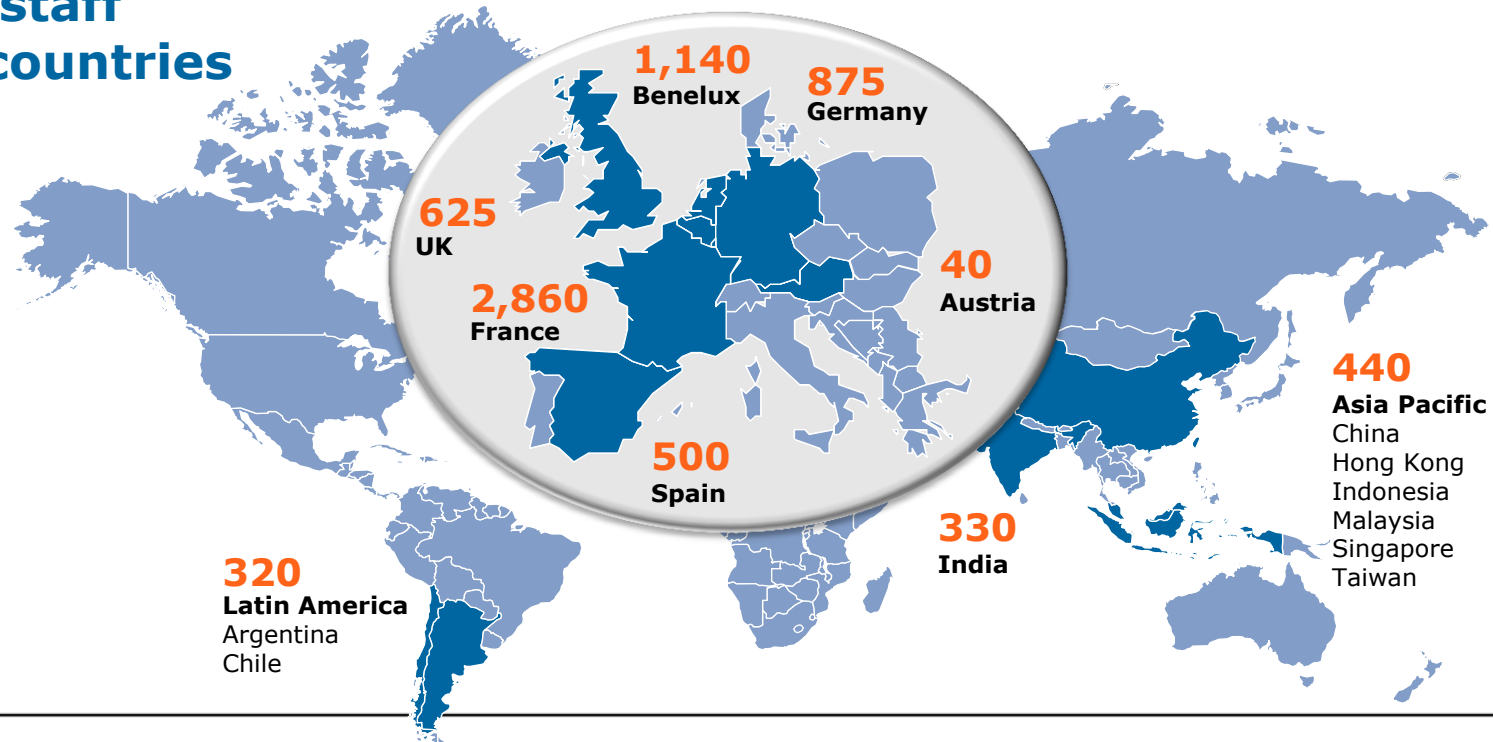
**First Half
2013**

July 24th, 2013

Top management

- ▶ **Thierry BRETON**: Atos Chairman and CEO, Worldline Chairman;
- ▶ **Gilles GRAPINET**: Atos SEVP Global Functions, Worldline CEO;
- ▶ **Marc-Henri DESPORTES**: Worldline General Manager, Atos Executive Committee member;
- ▶ **Christophe DUQUENNE**: Worldline Chief Operating Officer, Atos Executive Committee member;

**7,100 staff
in 17 countries**



2013

The Group confirms all its objectives for 2013 as stated in the February 21st, 2013 release, i.e.:

► Revenue

- The Group expects to **continue to slightly grow** compared to 2012.

► Operating margin

- The Group has the objective to improve its operating margin rate to **around 7.5 percent** of revenue compared to 6.6 percent in 2012.

► Free Cash Flow

- The Group has the ambition to achieve a free cash flow above **EUR 350 million**.

► Earnings per share (EPS)

- The Group ambitions an EPS (adjusted, non diluted) representing an increase of **+50 percent** compared to 2011 statutory (up +25 percent compared to 2012).

Michel-Alain Proch,
Executive Vice President and Group CFO

H1 2013 - Financial performance

Constant Scope and exchange rate figures reconciliation

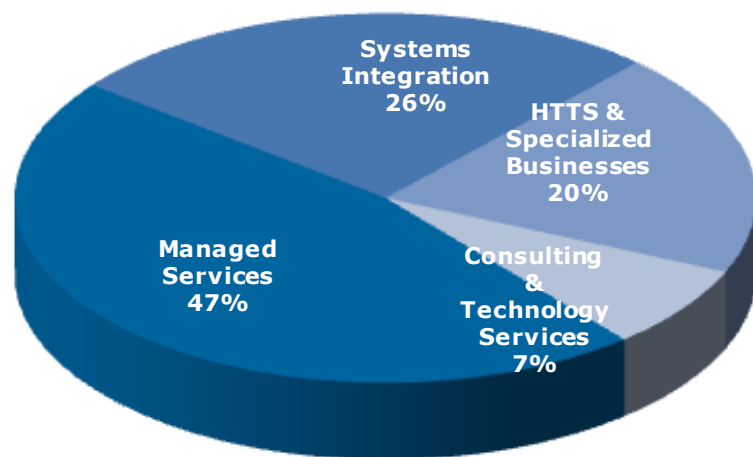
**First Half
2013**
July 24th, 2013

<i>In EUR million</i>	H1 2013	H1 2012	% growth
Statutory revenue	4,290	4,366	-1.7%
Scope impact		-5	
Exchange rates impact		-45	
Revenue at constant scope and exchange rates	4,290	4,316	-0.6%
Operating margin	279.0	248.8	+12.2%
Scope impact		-2.2	
Exchange rates impact		-2.9	
Operating margin at constant scope and exchange rates	279.0	243.6	+14.5%
<i>as % of revenue</i>	<i>6.5%</i>	<i>5.6%</i>	

- ▶ **Scope effect from 2012: acquisitions of Daesa, MSL, Quality Equipment and disposal of SYNSiS**
- ▶ **Exchange rates effect: Euro versus GBP, ARS, BRL**

Performance by Service line

**First Half
2013**
July 24th, 2013



- ▶ Activity overall stable
- ▶ Accelerating growth in HTTS
- ▶ Strong operating margin increase in Managed Services and in Systems Integration

	Revenue			Operating Margin		Operating Margin %	
<i>In EUR million</i>	H1 2013	H1 2012*	% growth	H1 2013	H1 2012*	H1 2013	H1 2012*
Managed Services	1,998	1,997	+0.0%	162.5	143.5	8.1%	7.2%
Systems Integration	1,133	1,142	-0.8%	55.0	37.2	4.9%	3.3%
HTTS & Specialized Businesses	844	833	+1.4%	99.4	104.9	11.8%	12.6%
<i>of which HTTS</i>	592	561	+5.6%	93.8	87.8	15.8%	15.7%
Consulting & Technology Services	314	343	-8.5%	13.9	14.2	4.4%	4.1%
Corporate costs**				-51.8	-56.1	-1.2%	-1.3%
Total Group	4,290	4,316	-0.6%	279.0	243.6	6.5%	5.6%

* Constant scope and exchange rates

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

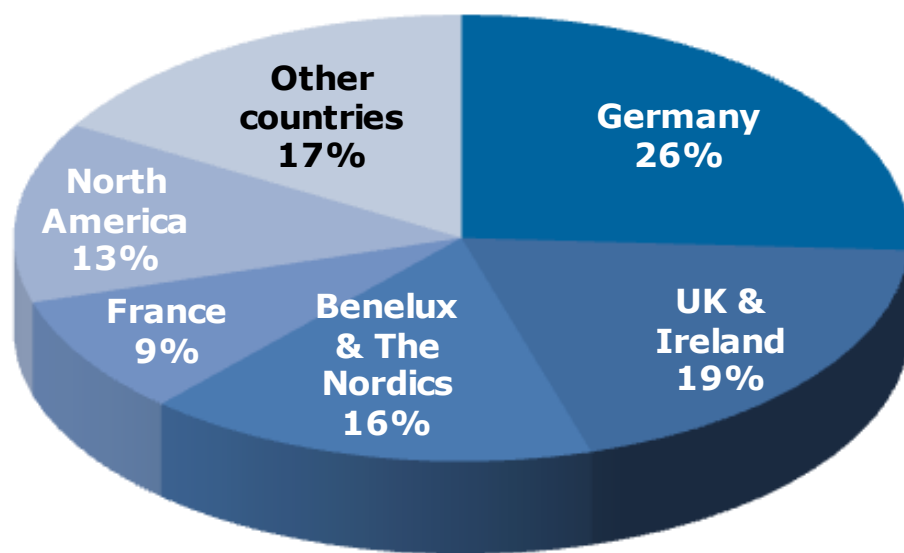
Managed Services

**First Half
2013**

July 24th, 2013

<i>In EUR million</i>	H1 2013	H1 2012*	<i>change</i>
Revenue	1,998	1,997	+0.0%
Operating margin	162.5	143.5	+13.2%
<i>Operating margin rate</i>	8.1%	7.2%	+95bp

**constant scope and exchange rates*



- ▶ **Positive dynamic in the US and the UK thanks to large contracts signed in 2012**
- ▶ **Operating margin +95 bp thanks to the execution of the transformation program**
- ▶ **Headcount at June 30th, 2013 was 29,288**

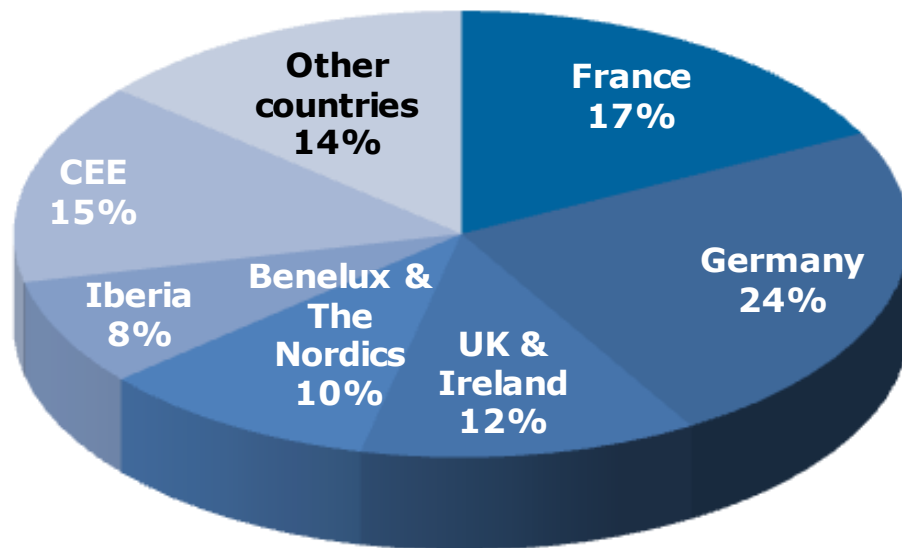
Integration Systems

**First Half
2013**

July 24th, 2013

<i>In EUR million</i>	H1 2013	H1 2012*	<i>change</i>
Revenue	1,133	1,142	-0.8%
Operating margin	55.0	37.2	+47.9%
<i>Operating margin rate</i>	4.9%	3.3%	+160bp

**constant scope and exchange rates*



- ▶ **Revenue grew in Germany, Central & Eastern Europe, and the UK**
- ▶ **Continuing weak demand in Europe**
- ▶ **Operating margin +160 bp driven by increased volume in offshore delivery**
- ▶ **Headcount at June 30th, 2013 was 23,459**

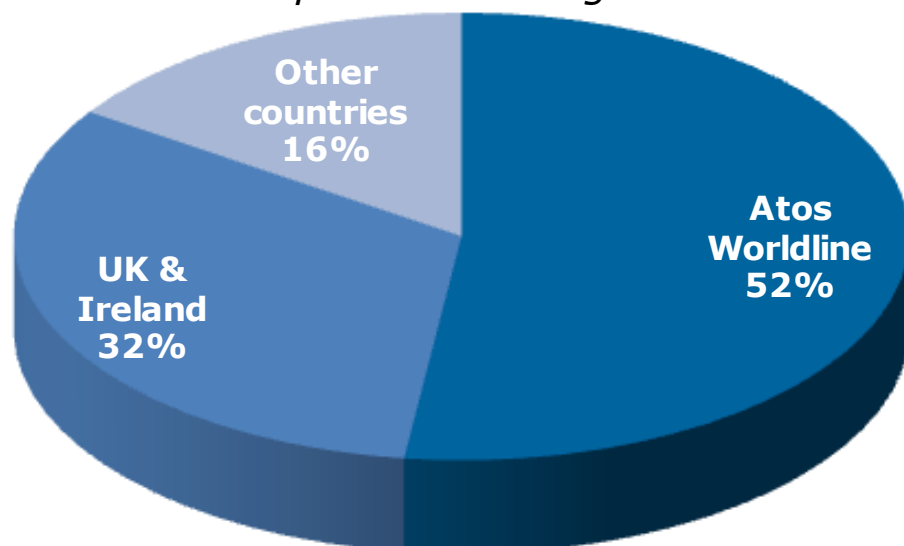
HTTS & Specialized Businesses

**First Half
2013**

July 24th, 2013

<i>In EUR million</i>	H1 2013	H1 2012*	<i>change</i>
Revenue	844	833	+1.4%
<i>of which HTTS</i>	592	561	+5.6%
Operating margin	99.4	104.9	-5.2%
<i>of which HTTS</i>	93.8	87.8	+6.8%
Operating margin rate	11.8%	12.6%	-82bp
<i>of which HTTS</i>	15.8%	15.7%	+19bp

**constant scope and exchange rates*



- ▶ **HTTS driving the growth with strong eCS business**
- ▶ **Headcount at June 30th, 2013 was 10,935**

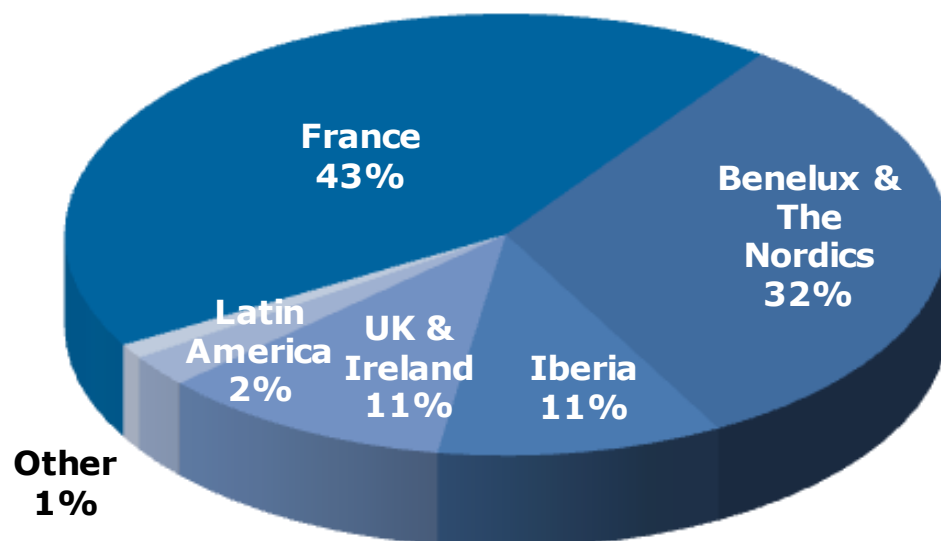
Consulting & Technology Services

**First Half
2013**

July 24th, 2013

<i>In EUR million</i>	H1 2013	H1 2012*	<i>change</i>
Revenue	314	343	-8.5%
Operating margin	13.9	14.2	-2.1%
<i>Operating margin rate</i>	4.4%	4.1%	+29bp

**constant scope and exchange rates*



- ▶ **Operating margin improvement with enhanced workforce management and costs base optimization**
- ▶ **Headcount at June 30th, 2013 was 7,138**

Performance by Business unit

**First Half
2013**
July 24th, 2013

- ▶ Revenue performance driven by North America and the UK
- ▶ Continued increase of Atos Worldline, accelerating in Q2
- ▶ Germany almost flat excluding base effect from the Siemens

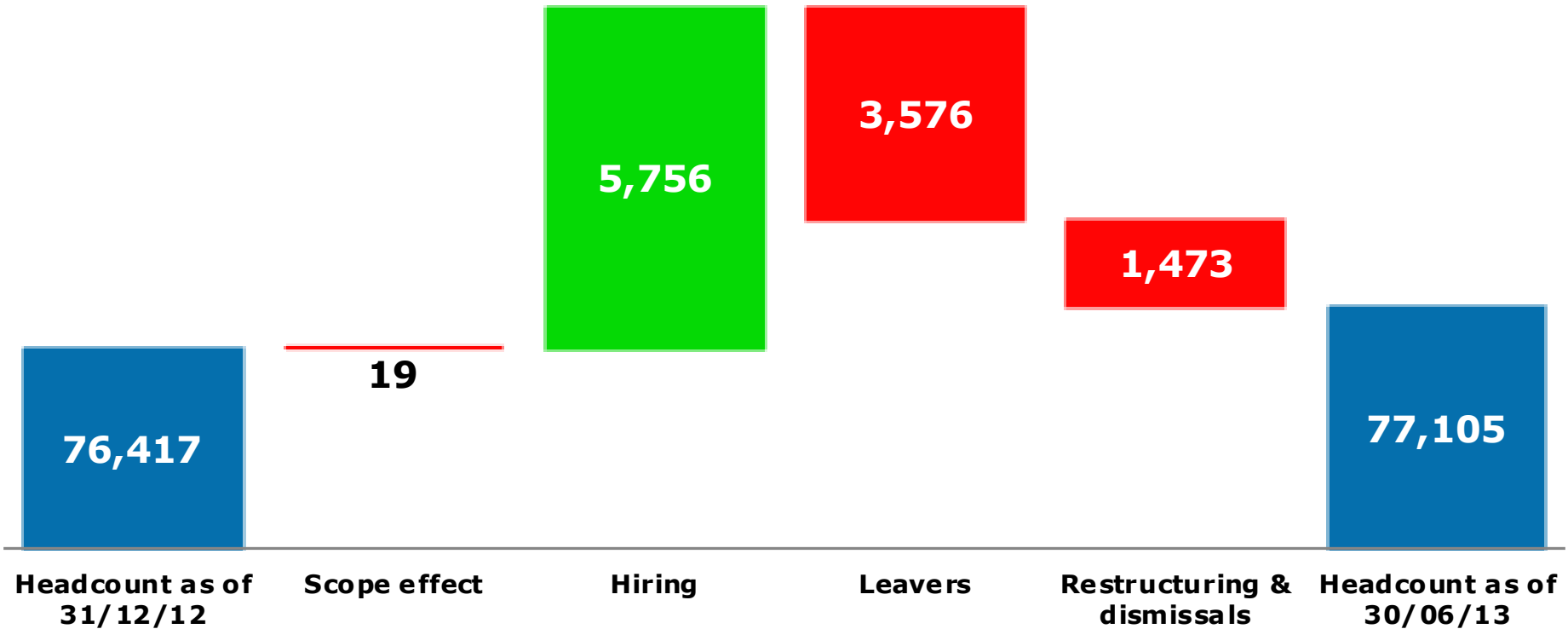
<i>In EUR million</i>	Revenue			Operating Margin		Operating Margin %	
	H1 2013	H1 2012*	% growth	H1 2013	H1 2012*	H1 2013	H1 2012*
United-Kingdom & Ireland	833	786	+6.0%	64.4	53.9	7.7%	6.9%
Germany	809	850	-4.9%	52.7	68.0	6.5%	8.0%
Benelux & The Nordics	548	566	-3.1%	49.5	37.6	9.0%	6.6%
France	514	568	-9.5%	8.0	-4.1	1.6%	-0.7%
Atos Worldline	440	423	+3.9%	76.2	76.3	17.3%	18.0%
Central & Eastern Europe	420	418	+0.3%	31.6	38.2	7.5%	9.1%
North America	312	272	+14.6%	24.5	23.0	7.9%	8.5%
Iberia	164	181	-9.7%	3.5	3.6	2.1%	2.0%
Other BUs	251	251	+0.0%	22.6	16.8	9.0%	6.7%
Global structures**				-54.2	-69.5	-1.3%	-1.6%
Total Group	4,290	4,316	-0.6%	279.0	243.6	6.5%	5.6%

* Constant scope and exchange rates

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

Group Headcount evolution

**First Half
2013**
July 24th, 2013



- ▶ **Direct staff representing 92.1 percent of the total headcount**
- ▶ **Group offshore capability +8% compared to the end of 2012**
- ▶ **Continued reduction of the number of external subcontractors**

H1 2013 – Income Statement

**First Half
2013**
July 24th, 2013

<i>In EUR million</i>	H1 2013	H1 2012
Revenue	4,290	4,366
Operating Margin	279.0	248.8
<i>% revenue</i>	<i>6.5%</i>	<i>5.7%</i>
Staff reorganization	-48.3	-27.6
Rationalization and associated costs	-21.2	-10.7
Integration & acquisition costs	-10.4	-25.8
Customer relationships amortization (PPA)	-22.0	-20.2
Others	14.5	5.9
Operating income	191.6	170.4
Net financial expenses	-22.5	-19.7
Tax charge	-53.4	-47.7
Non-controlling interests and associates	0.6	-1.2
Net income Group Share	116.3	101.8

H1 2013 – Cash flow statement

**First Half
2013**
July 24th, 2013

<i>In EUR million</i>	H1 2013	H1 2012
OMDA*	380.9	345.4
Capital Expenditures	-169.8	-155.3
Change in working capital requirement	63.3	58.4
Cash from operations	274.4	248.5
Taxes paid	-36.9	-30.8
Net costs of financial debt paid	-17.4	-16.5
Reorganisation	-59.8	-25.4
Rationalisation & associated costs	-27.4	-24.9
Integration & acquisition costs	-10.4	-28.5
Net financial investments	2.6	-4.9
Profit sharing amounts payable transferred to debt	-2.6	-2.5
Other changes	35.3	12.1
Free cash flow	157.8	127.1
Net material (acquisitions) / disposals	-	103.0
Capital increase / (decrease)	-	10.0
Dividends paid to owners of the parents	-17.3	-
Change in net cash	140.5	240.1
Impact of foreign exchange rate fluctuation	-14.0	2.3
Opening net cash / debt	232.1	-141.8
Closing net cash	358.6	100.6

* Operating Margin before Depreciation and Amortization

Gilles Grapinet,
Senior Executive Vice President, Global Functions

H1 2013 - Commercial performance

H1 2013 commercial activity

**First Half
2013**
July 24th, 2013

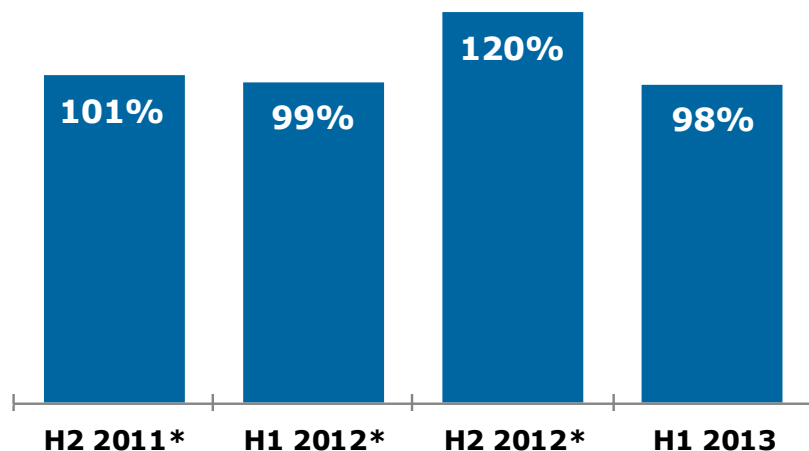
► Book to bill

	H1 2013	H1 2012*
Cyclical activities	98%	99%
Recurring businesses	110%	121%
Total Group	106%	113%

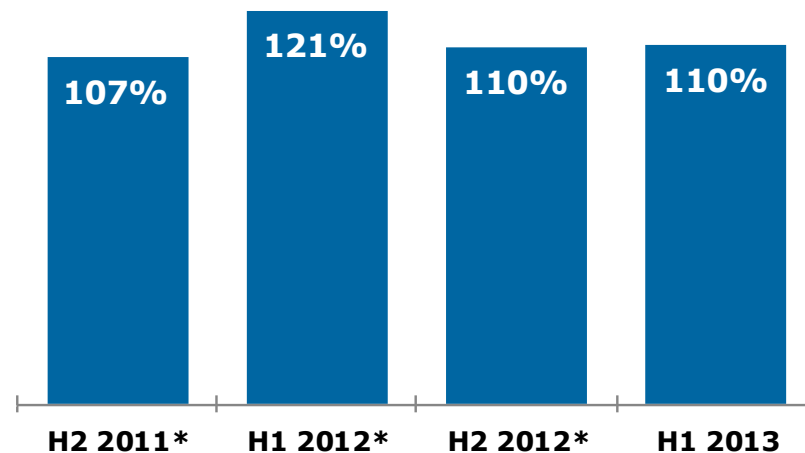
► Pipeline

**Weighted pipeline was
at EUR 5.0 billion**

► Cyclical activities



► Recurring businesses



■ Book to bill (in %)

* Statutory figures

Q2 2013 main wins

First Half
2013

July 24th, 2013

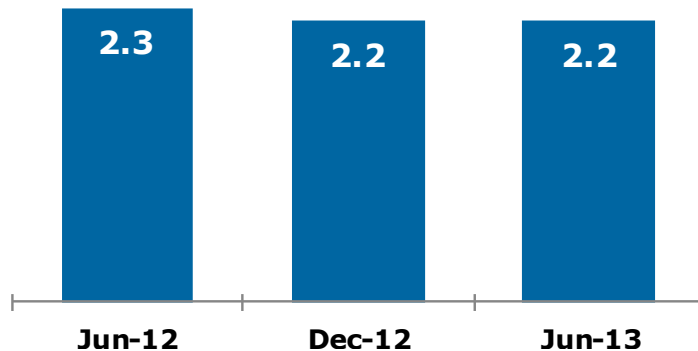
- ▶ Renewal in BPO of a major contract with **NS&I** (Financial Services) in the UK
- ▶ New Managed Services contracts with **a large European consumer electronics company** in the Netherlands, **Givaudan** in Switzerland, and **American College Testing** and **City of Indianapolis** in the US
- ▶ Renewal in Managed Services with **Microsoft** and a **Global Asset Manager** in the US
- ▶ New Systems Integration contract with **a multinational document management corporation** in the UK
- ▶ New contract with **Nederlandse Gasunie** for Technology Services
- ▶ New HTTS contract with **Rail Safety & Standards Board** in the UK

Backlog to revenue evolution by Service Line

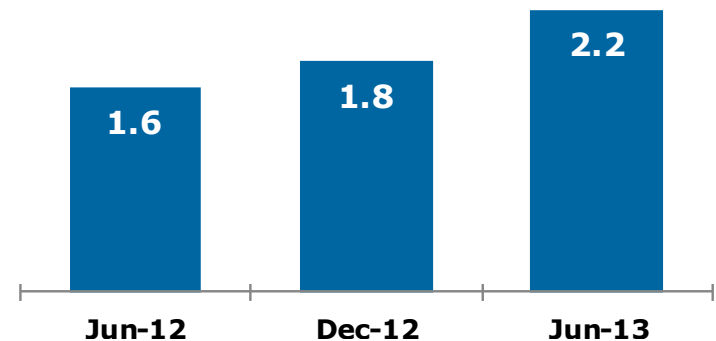
**First Half
2013**
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► Total backlog at EUR 15.5 billion at the end of June 2013

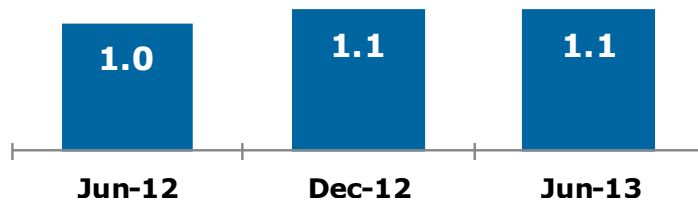
► Managed Services



► HTTS & Specialized Businesses



► Systems Integration



► Consulting & Technology Services



■ Backlog to revenue* (in number of year)

* Figures reported to 2012 revenue at June 2013 exchange rates

Gilles Grapinet,
Atos Senior Executive Vice President, Global Functions
Chief Executive Officer of Worldline



an atos company



leading European player in e-payment services

**GLOBAL
INTEGRATION**

**BRAND
RECOGNITION**

**EFFICIENT
OPERATION**

**GROWTH
ACCELERATION**

Worldline is up and running

Carve-out is completed

**First Half
2013**

July 24th, 2013

Live from July 1st, 2013

Legal entities created by countries

- 4 entities created
- 2 intermediate holdings are in legal scheme
- 4 entities formerly completed in Q3 2013

Social process completed

- Positive opinion received in May from Work Councils (European, countries)
- Detailed organization delivered and communicated with new managers

New organization and governance live in all geographies

- New organization communicated within Atos Group
- Team mobilized and Managers appointed
- First management meetings performed in each Worldline geography

Sales forces ready to leverage new opportunities

- Sales staff trained on the positioning of Worldline
- New commissioning plan in place
- Key Client meetings organized

Portfolio reshuffled

- All offers repackaged by Global Business Line and communicated
- Marketing collaterals and campaigns ready

New branding communication launched

- New branding decided: Branding communication launched
- Internal communication performed and Change management launched
- Business com in progress: Towards Clients, Industry analysts, Partners

Financials available to support the business

- All financial KPIs available
- Management dashboard in place
- Budget H2 2013 done

Key figures

**First Half
2013**

July 24th, 2013

H1 2013 revenue

€548m

**H1 2013 revenue
organic growth**

+5.4%

**H1 2013
operating margin
rate**

14.6%

14.2% in H1 2012

**H1 2013 free
cash flow**

€62m

EUR €50m in H1 2012

Total headcounts

c. 7,100

**Geographical
footprint**

17

countries

A client-centric e-Payment company built around 3 Global Business Lines

**First Half
2013**
July 24th, 2013

e-payment services
for merchants



TOSHIBA TEC CORPORATION



e-payment and
transaction services
for governments,
transportations,...



City of
Buenos Aires



DIRECTION GÉNÉRALE DES
FINANCES PUBLIQUES



e-payment
for banking
institutions



BNP PARIBAS



Rabobank



VISA

Allianz



Merchant Services & Terminals

**First Half
2013**

July 24th, 2013

Main activities & offerings

- ▶ **Commercial acquiring and acceptance services**
- ▶ **Online services**
- ▶ **Private label cards and loyalty services**
- ▶ **Payment terminals**

Customers

- ▶ **Merchants (SMBs)**
- ▶ **Large retail organizations**
- ▶ **Online merchants**

H1 2013 performance*

EUR 178 million revenue
+3.7% organic growth
18.3% operating margin

Growth drivers

- ▶ **International expansion of commercial acquiring**
- ▶ **Structural development of electronic payment and**
- ▶ **Acceleration of e/m payment**
- ▶ **Value-added acceptance services and cross channel commerce**
- ▶ **Strategic alliances development**

** Best estimates made by the company during the carve-out process*



Mobility & e-Transactional Services

**First Half
2013**

July 24th, 2013

Main activities & offerings

- ▶ **e-Government services (tolling systems, fine processing centers,...)**
- ▶ **e-Ticketing solutions and services**
- ▶ **e-Consumer and mobility services**

Customers

- ▶ **Public entities**
- ▶ **Transport companies**
- ▶ **Healthcare organizations**
- ▶ **Telecom and media**

H1 2013 performance*

EUR 182 million revenue

+10.0% organic growth

11.4% operating margin

Growth drivers

- ▶ **Strong demand in public sector for e-Tolling and e-Fines services**
- ▶ **Integration of payment solutions in digital services**
- ▶ **Structural shifts from paper based ticketing systems to electronic ticketing processing platforms**

** Best estimates made by the company during the carve-out process*



Financial Processing & Software Licensing

**First Half
2013**

July 24th, 2013

Main activities & offerings

- ▶ Issuing processing services
- ▶ Acquiring processing services
- ▶ Online banking platforms
- ▶ Payment software licensing

Customers

- ▶ Banks
- ▶ Financial institutions

H1 2013 performance*

EUR 189 million revenue
+2.8% organic growth
18.5% operating margin

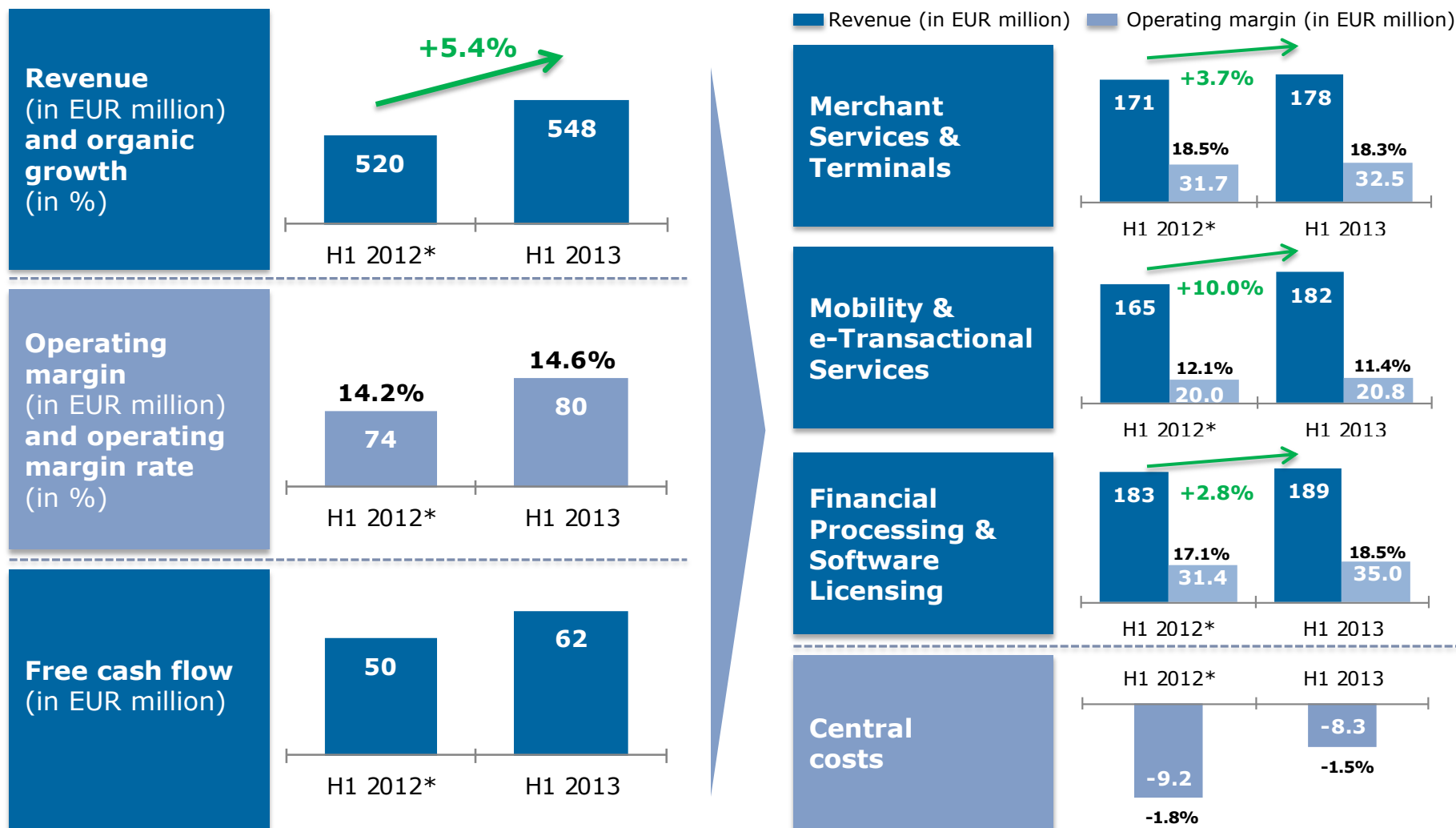
Growth drivers

- ▶ Structural growth of cards based payments
- ▶ Strong demand of financial institutions for individualized and value-added cards payment services
- ▶ Adaptation of existing cards services to e-commerce and m-commerce
- ▶ Payment regulatory shifts driving project activities

** Best estimates made by the company during the carve-out process*

H1 2013 Worldline performance

**First Half
2013**
July 24th, 2013



* Pro forma, at constant scope and exchange rates

A European leading multi-channel transactional specialist focused on value added services

**First Half
2013**

July 24th, 2013



**Payment
transactions
volumes in 2012**

- 2.2 billion of acquiring transactions
- 51 million of credit and debit cards
- 568 million of remote payment
- Over 1 million terminals

worldline
e-payment services

A leading position

N° 1 Commercial acquirer in Benelux
N° 1 e-Commerce payment provider in France
N° 1 POS acceptance platform in Germany
N° 1 Issuing processing in Germany
N° 1 POS Terminal provider in the Netherlands
N° 1 DCC acquiring provider in India
Leading Issuing solution provider in Asia



**Digital
transactions
volumes in 2012**

- 2.2 billion calls (IRV & contact centers)
- 3 billion SMS (Short Message Services), +85 percent growth compared to 2011
- 68 million email boxes

Charles Dehelly,
Senior Executive Vice President of Global Operations

Tier One Program

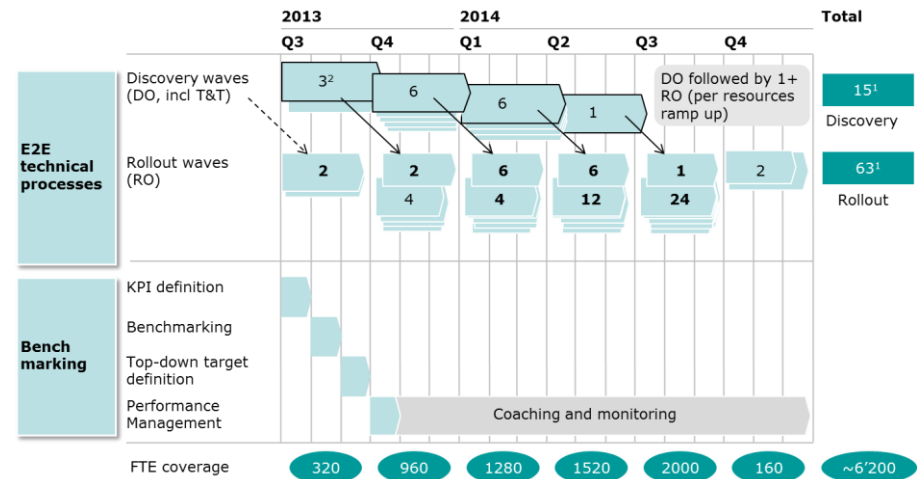
New end-to-end transformations covering all Atos processes.

H1 2013 pilot confirmed initial targets in terms of quality and impact:

- ▶ Accelerated roll-out starting with key processes
- ▶ Scope extended to cover ~6,200 headcounts by end 2014
- ▶ EUR 150 million run-rate impact expected

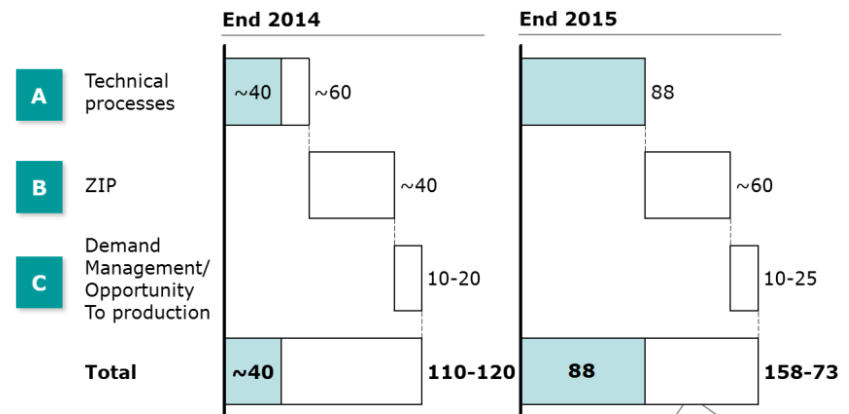
Leveraging TOP assets:
Strong governance/Solid methodology/Robust savings tracking/Experimented TOP leaders.

Managed Services example:



Impact plan of E2E waves
Projected run-rate savings, m€ (Workload and other quality savings)

■ In initial plans



Includes portion of impact on Quality

Continue existing program, on top the new end-to-end program, to offset additional competition pressure.

**Competitors fight for
growth**

- ▶ Price concessions
- ▶ Salary increases
- +
- ▶ Continued competitiveness

**+ New end-to-end
transformations program**

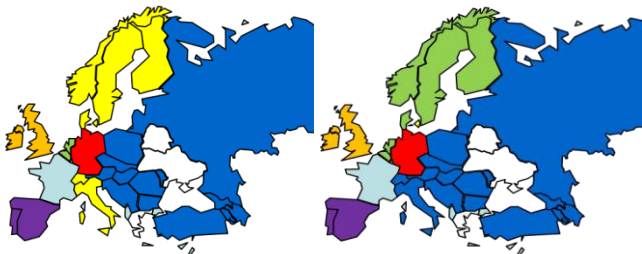
- ▶ Offshore
- ▶ Workforce management
- ▶ Purchasing
- ▶ Lean Management
- ▶ Tooling/automation

**Continued
actions**



**Delivering additional SG&A economies of scale thanks to past processes, IT tools
and offering standardization. Securing c. 10% SG&A as committed (ID oct. 2011).**

From 7 to 6 GBUs in Europe



From 5 to 4 Global Markets



Latin America

From multi
countries to a
global shared
services centers
organization



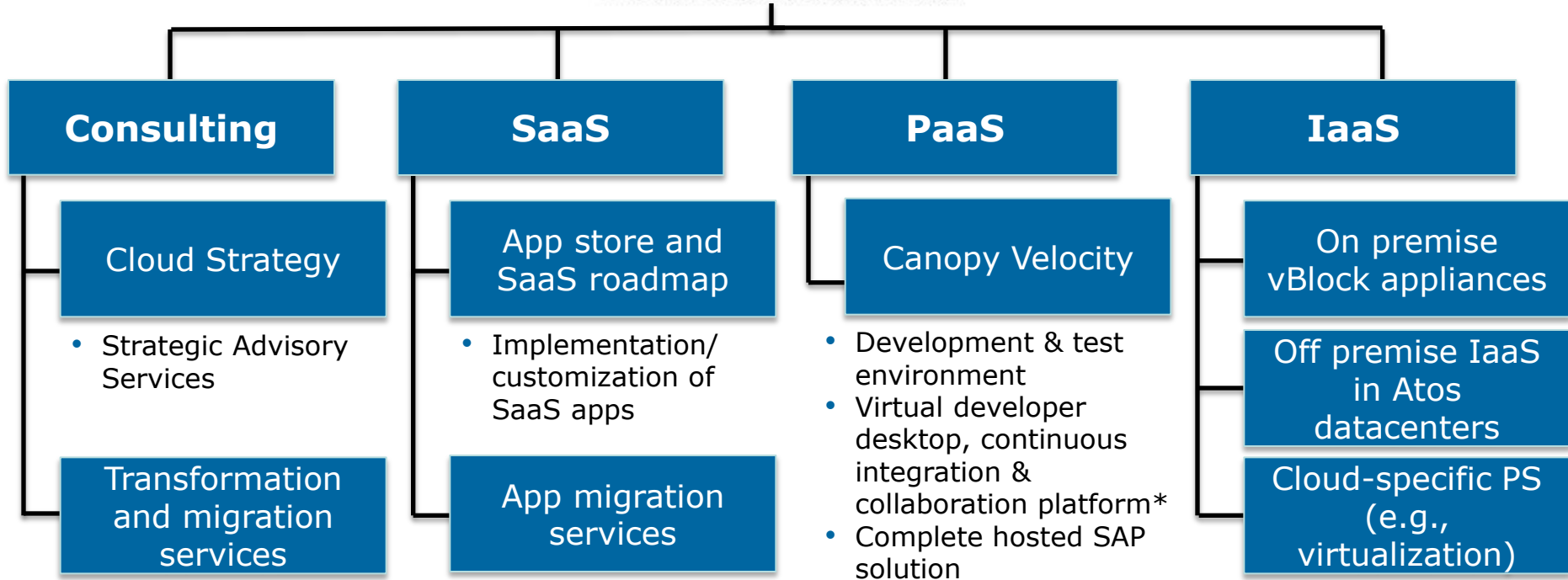
Charles Dehelly,
Senior Executive Vice President of Global Operations



THE ATOS CLOUD SERVICES ENTITY

A global end to end offering focused on large enterprises and administrations

**First Half
2013**
July 24th, 2013



► **Global presence with Cloud data-centers on 3 continents**

A global Cloud and Enterprise software service line to manage all Atos activities related to cloud

**First Half
2013**
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Cloud and Enterprise software service line:

canopy

Atos/EMC/VMware
Joint venture

EMC² **vmware[®]**

MS-SI-C&TS Cloud
related activities
and technologies



yunano[™]
A JOINT VENTURE OF ATOS AND UFIDA FOR CLOUD SOLUTIONS

bluekiwi
An Atos Company

Ambition:

- ▶ EUR 200+ million revenue in 2013
- ▶ Double digit annual growth rate
- ▶ A 15%+ EBITDA

Ambition to be among the leading Cloud Services companies worldwide

Thierry Breton, Chairman & CEO

Conclusion

Atos as a global leader in corporate & social responsibility

**First Half
2013**
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	2010	2011	2012	2013
CSR report	 Global Reporting Initiative™	 Global Reporting Initiative™	 Global Reporting Initiative™	 Global Reporting Initiative™
Extra-financial Rating			 FTSE4Good	Awaiting results Member 2012/13  FTSE4Good VERDANTIX
Supply chain	 Score: 6/10	 Score: 6/10	 Score: 7/10	Score 2013 available in Q4
GPTW				 
Other awards				 

H1 2013 Performance

- ▶ H1 2013 performance as expected, in line with FY 2013 guidance
- ▶ Strong commercial activity in Q2 with large renewals
- ▶ Cyclical business not yet restarted in Europe

Group optimization

- ▶ Adaptation of the Group organization (Service Line/GBU/Global Market)
- ▶ Remaining large room for operational performance improvement : Tier One Program set-up on gross margin to reach best in class KPIs
- ▶ France in a recovery mode with new management to deliver margin improvement plan

Atos strategy is in motion, leveraging on its two engines, European leaders in their respective markets

- ▶ Worldline carve-out completed and the new entity is up and running
- ▶ Continuous investment in innovation: Payment, Cloud,...
- ▶ After completion of SIS integration and Worldline carve-out, the Group is ready for its next journeys

Management team

Q&A session

**First Half
2013**

July 24th, 2013

From Questions to Answers



**powering
progress
Atos**

Thank you

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