Third quarter 2015 revenue

November 03, 2015

Bezons
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Revenue organic growth is presented at constant scope and exchange rates.

Business Units include Germany, France, United-Kingdom & Ireland, Benelux & The Nordics (BTN: The Netherlands, Belgium, Luxembourg, Denmark, Finland, Sweden, and Estonia), Worldline, North America (USA and Canada), and Other Business Units including Central & Eastern Europe (CEE: Austria, Bulgaria, Croatia, Cyprus, Czech Republic, Greece, Hungary, Italy, Lithuania, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Switzerland and Turkey), Iberia (Spain, Portugal, and Andorra), Asia-Pacific (Australia, China, Hong Kong, Indonesia, Japan, Korea, Malaysia, New Zealand, Philippines, Singapore, Taiwan and Thailand), Latin America (Brazil, Argentina, Mexico, Colombia, Chile, Guatemala, Jamaica, Peru, and Uruguay), India, Middle East & Africa (IMEA: Algeria, Benin, Burkina Faso, Egypt, Gabon, Israel, India, Ivory Coast, Lebanon, Madagascar, Mali, Mauritius, Morocco, Qatar, Saudi Arabia, Senegal, South Africa and UAE), Major Events, and Cloud & Enterprise Software.
Agenda

1. Q3 2015 key figures

2. Key outcomes of the Atos-Siemens strategic review: Alliance strengthened

3. Worldline and Equens contemplated transaction

4. Operational performance

5. Commercial activity

6. Update on North America

7. Contemplated acquisition of Unify

8. Conclusion and Q&A session
Q3 2015 key figures

Thierry Breton
Chairman & CEO
Q3 2015: revenue trend improvement confirmed

**Q3 2015 revenue**

€2,708m +22.6% year-on-year
+0.5% organic growth
Positive organic growth for the 4th quarter in a row

**Innovative digital offerings***

Representing 10% of Q3 2015 Group revenue
+18% organic growth

**Q3 2015 order entry**

€2,531m
93% book to bill

**Supported by:**

Increasing focus on digital offerings

New sales organization launched mid-2014

* Cloud, Big Data & Analytics, Cyber-security, and Mobility. Company estimates, unaudited figures.
The Group confirms all its objectives for 2015 as raised in the H1 release in July, i.e.:

### 2015 objectives*

**Revenue:**
The Group targets a positive revenue organic growth

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

**Free cash flow:**
The Group expects to generate a free cash flow of **circa € 420 million**

* including Xerox ITO contribution as of July 1st, 2015
Key outcomes of the Atos-Siemens strategic review:
Alliance strengthened

Thierry Breton
Chairman & CEO
Siemens and Atos strategic review

**Siemens and Atos**
strategic review
July 16, 2015

Assessment of the past successes

Exploration of future opportunities

**Siemens and Atos**
strategic announcement
November 3, 2015
The success story of a unique partnership in the IT services market

Over the last 4 years, the success of the partnership relied on:

**Global IT contract**
- Accompanying Siemens in the achievement of its operational targets by managing their IT backbone

**Global Alliance**
- Joint development of innovative offerings
- Extensive business cooperation through early engagements and complementary offerings

**Strategic shareholding**
- One seat at Atos Board of Director
- Enterprise size x>2
- From net debt €-0.2bn to net cash €+0.4bn
- Stock price x>2
- Market capitalization x>3
The realization of an ambitious industrial project: to become the European leader in digitization

December 14, 2010 announcement: “Atos and Siemens announce their intention to form a global strategic partnership to create a European IT champion”

Announced ambition was:

1. **to operate “the IT backbone of Siemens” best-in-class**
   - Successfully performed with increasing volumes
   - Digitization of Siemens operations with innovative solutions

2. **“to create a leading IT services company”**
   - Atos: a leader in all major Industry analyst ranking (Forrester Wave, Gartner Magic Quadrant, Everest’s assessment, HfS Blueprint, IDC MarketScapes...)

3. **“to shape the future of IT”**
   - Joint development of innovative solutions in connectivity, Industrial Data analytics, ...
   - Atos #1 preferred European player* for digital services in Cloud Services, Big Data, Social, and Mobility

4. **“to create value for Atos shareholders, including Siemens”**
   - Enterprise size $x>2$
   - From net debt €-0.2bn to net cash €+0.4bn
   - Stock price $x>2$
   - Market capitalization $x>3$

A success story to be continued

* IT decision makers survey conducted by a Tier 1 equity research team in October 2015
A special relationship with Siemens built over the last 4 years

Joe Kaeser
Chief Executive Officer of Siemens AG

« I am pleased with the technological journey, the extensive business cooperation, and the shareholder value creation that Atos has performed since the start of our Global Partnership, which is a benchmark in the IT-Industry. Based on these achievements, I am pleased to announce that Atos will extend its support to Siemens in the IT services area and in the implementation of our digitalization agenda. Since with this, I see an even greater value creation potential, we have decided to remain shareholder of Atos for the next five years. »
Global Partnership extended for the next 5 years

The strategic review main outcomes are:

Global IT contract

- **IT contract extended until December 2021**
- **Committed minimum volumes increased from €5.5bn to €8.73bn**
- **Scope extended beyond Siemens IT infrastructure to businesses digitization of its divisions**

Global Alliance

- **Joint collaborations expansion to new fields:**
  - Industry 4.0
  - Advanced data analytics
  - Cyber-security
  - Device connectivity
- **Joint R&D investments increased from €100m to €150m**

A new opportunity: acquisition of Unify

- **#3 world leader of integrated communication solutions**
  - Enhancing social collaboration, digital transformation, and business performance
  - **€340m cash consideration**
- **Strong value creation from €130m cost savings through fully funded restructuring**
  - **> +15% EPS accretion by 2017**

Siemens shareholding lock-up agreement extended until September 30, 2020

Third quarter 2015
November 03, 2015
Worldline and Equens contemplated transaction*

Thierry Breton
Chairman & CEO

* subject to work councils’ information and consultation processes, banking regulatory authorities and antitrust authorities’ approvals
A major transaction* between Worldline and Equens, structured in two components

**Merger of financial processing activities**
- "Equens Worldline Company"
  - 63.6% owned by Worldline
  - c. €700m 2016e revenue
  - c. €120m 2016e OMDA

**Acquisition of Equens’ merchant acquiring activities**
- PaySquare for €72m in cash
  - 12x 2015e OMDA

**Worldline 2015 pro forma revenue increasing by circa €310m to exceed €1.5bn**

*subject to work councils’ information and consultation processes, banking regulatory authorities and antitrust authorities’ approvals*
Worldline structure post transaction

- **Merchant Services & Terminals**
  - PaySquare
  - 100%

- **Financial Processing & Software Licensing**
  - Equens
  - 63.6%
  - Equens Worldline Company
  - 100%
  - FPL Benelux/FR/DE
  - FPL APAC/India & Spain
  - 100%

- **Mobility & eTransaction Services**
  - 100%

*Estimated figure*
To summarize the transaction...

- Project to create the largest pan-European financial processor with a unique geographical reach and innovation capacities
- Significant step up for Worldline Commercial acquiring
  Industrial combination with massive synergies generation and strong acceleration of OMDA growth profile
- Worldline owns call options to acquire 100% of “Equens Worldline” in 2019
- Limited cash-out preserving the Worldline’s financial flexibility to keep acting as a consolidator of the European payment landscape
Operational performance

Elie Girard
Group CFO
Constant scope and exchange rates reconciliation

**Third quarter 2015**

November 03, 2015

Scope effect was related to the acquisitions of Bull (France, August 11th, 2014) and Xerox ITO (North America, June 30th, 2015) combined with the outsourcing of on-site services activities in France (France, March 1st, 2015) and the early termination of the Work Capability Assessment BPO contract with the Department for Work and Pensions (United Kingdom, March 1st, 2015).

Exchange rates effect mainly resulted from the British pound and the US dollar strengthening versus the euro.
## Q3 2015 revenue by Service Line

<table>
<thead>
<tr>
<th></th>
<th>Q3 2015</th>
<th>Q3 2014*</th>
<th>% organic</th>
<th>% yoy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managed Services</td>
<td>1,527</td>
<td>1,514</td>
<td>+0.8%</td>
<td>+35.9%</td>
</tr>
<tr>
<td>Consulting &amp; Systems Integration</td>
<td>774</td>
<td>794</td>
<td>-2.6%</td>
<td>+1.2%</td>
</tr>
<tr>
<td>Big Data &amp; Cyber-security</td>
<td>113</td>
<td>109</td>
<td>+4.0%</td>
<td>+129.9%</td>
</tr>
<tr>
<td><strong>Total IT Services</strong></td>
<td>2,413</td>
<td>2,417</td>
<td>-0.2%</td>
<td>+24.6%</td>
</tr>
<tr>
<td>Worldline**</td>
<td>294</td>
<td>278</td>
<td>+6.0%</td>
<td>+8.4%</td>
</tr>
<tr>
<td><strong>TOTAL GROUP</strong></td>
<td>2,708</td>
<td>2,695</td>
<td>+0.5%</td>
<td>+22.6%</td>
</tr>
</tbody>
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* at constant scope and exchange rates

** Worldline reported +5.0% organic growth on a stand alone basis
### Q3 2015 revenue by Business Unit

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<th>% yoy</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>489</td>
<td>495</td>
<td>-1.1%</td>
<td>+232.3%</td>
</tr>
<tr>
<td>United-Kingdom &amp; Ireland</td>
<td>458</td>
<td>448</td>
<td>+2.2%</td>
<td>+8.1%</td>
</tr>
<tr>
<td>Germany</td>
<td>389</td>
<td>399</td>
<td>-2.6%</td>
<td>-0.1%</td>
</tr>
<tr>
<td>France</td>
<td>363</td>
<td>354</td>
<td>+2.5%</td>
<td>+21.7%</td>
</tr>
<tr>
<td>Benelux &amp; The Nordics</td>
<td>253</td>
<td>263</td>
<td>-3.8%</td>
<td>+0.3%</td>
</tr>
<tr>
<td>Other Business Units</td>
<td>462</td>
<td>458</td>
<td>+0.8%</td>
<td>+8.2%</td>
</tr>
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* at constant scope and exchange rates

** Worldline reported +5.0% organic growth on a stand alone basis
Q3 2015 headcount evolution

Headcount as of 30/06/15: 83,602
Scope effect: +9,349
Hiring: +3,057
Leavers, restructuring & dismissals: -3,824
Closing headcount as of 30/09/15: 92,184
Commercial activity

Patrick Adiba
Executive Vice President & Chief Commercial Officer
Commercial activity dashboard

Order entry

€2,531m
+14% year-on-year

Backlog

€18.7bn
1.7 years of revenue

Book to bill ratio

93%

Qualified pipeline

€5.9bn
6.3 months of revenue
Key wins in Q3 2015

- **German bank**
  - Extension of scope

- **Scandinavian utility**
  - New logo

- **Global healthcare leader**
  - Extension of scope

- **Global Entertainment**
  - Renewal

- **German airport**
  - New logo

- **EEAS**
  - Extension of scope

- **vivo**
  - Renewal
Materialization of the fertilization strategy

Third quarter 2015
November 03, 2015

Fertilization as % of Group order entry:

<table>
<thead>
<tr>
<th></th>
<th>Q3 2013</th>
<th>Q3 2015</th>
<th>9M 2013</th>
<th>9M 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fertilization</td>
<td>19%</td>
<td>31%</td>
<td>17%</td>
<td>26%</td>
</tr>
</tbody>
</table>

The fertilization strategy implemented in 2014 as part of the new sales organization is materializing in the Group order entry mix which reveals the capability of the Group to generate additional revenue on existing contract.

Based on c. 90% of order entry
Siemens awarded significant new Cloud contracts to Atos to transform its legacy IT Infrastructure

**Enterprise storage**
Modernization of enterprise storage environment for **5 years**

**SAP HANA**
Global HANA implementation for ERP and HR for **6 years and a half**

**Virtual client**
Cloud-based virtual client services for **6 years**

**Cloud & Data centers**
Managing Data centers workloads for **6 years**

Smart storage
Global enterprise file synchronization & share services for **5 years**

**A major global IT services agreement in 2015**

€ 800 million of Total Contract Value in Cloud-based digital transformation already signed
Extension of the Global IT contract agreed in 2011

Minimum volume commitment:

€8.73 bn
from July 2011 to December 2021

€5.5 bn
from July 2011 to June 2018

Siemens is a powerful reference for other Atos’ clients
Update on North America

Michel-Alain Proch
Senior Executive Vice President
& CEO North American Operations
Update on North American operations

Integration plan well on track

- **NAO Excom is in place:** representing company DNA: 8 Atos – 8 ITO – 2 New
- **Atos’ methodologies:** Lean, TOP, bid control building on ITO customer care
- **Large ex-ITO clients renewed:** 2 major clients renewed for the next 3 years generating $>300m order entry

Xerox partnership first results

- **Governance well in place:** weekly pipe reviews – monthly executive meetings
- **First outsourcing deal signed:** Midrange / 2016 transition / $80m TCV
- **First Systems Integration deal signed:** application testing

Focus on the Digital journey

- **Presented to > 50 MNCs CIO/CTO and TPA advisors:** in advance vs. competition
- **Orchestrated/Automated Hybrid Infra:** strong IP developed - patent pending
- **Integration of own & partners technologies:** SNOW – EMC/VM – IPSOFT

$>500m TCV pipe in Q4 / Q1

- **Fertilization Europe/US** providing its first results in pipe
- **Strong commercial activity:** 60 joint account plans – 250 client presentations
- **6 material deals to win in:** 3 NextGen Infra – 1 legacy – 1 Specialized – 1 Application Management
Contemplated acquisition of Unify*

* subject to work councils’ information and consultation and the approvals of the regulatory and antitrust authorities
Key figures

- **€ 1.24bn** FY 2015 revenue
- Headquartered in Munich and present in over **60 countries**
- **€100m R&D** spend in FY 2015
- Intellectual Property: over **3,000 patents**
- c. **5,600 FTEs** as of September 2015
- Joint Venture between **Gores Group** (51%) and **Siemens AG** (49%)

FY 2015 revenue

- **By activity**
  - Platforms: 40%
  - Software: 15%
  - Managed & Professional Services: 17%
  - Maintenance & Installation: 28%

- **By geography**
  - Germany: 41%
  - USA: 28%
  - RoW: 16%
  - Austria: 4%
  - UK: 11%

- **By sales channel for Software & Platforms**
  - Direct: 56%
  - Indirect: 44%

Unify fiscal years ending September 30th
Combination of Unify and Atos would create a key building block of the digital transformation of customers

Enable customer driven convergence of IT and Coms

Enable a new way to work through proactive digital customer engagement and follow-up

End-to-End security and reliability on-premises and in the Cloud
Strategic benefits of the combination

**Unify today**

**Direct sales**
Driving growth and customer satisfaction in key markets

**Channels**
Increasing revenue and share in the SMB segment

**Services, service delivery**
Looking for a strategic partner to address the changing in market place (cloud, Big Data, security, ...)

**Product portfolio**
Leading the communication industry transformation from HW to SW requires high level R&D investments and scale

**Benefits of integration in Atos**

Significant scale and geographic expansion in key markets and top accounts

Expand the reach of Atos in the SMB segment for its solutions

Expanded breadth of world class services delivered by Atos, global Tier1 provider with leadership in cloud, Big Data, security, ...

Access to Atos global clients base and partners ecosystem brings scale which Atos intends to reinforce with industry leading strategic partners
Contemplated transaction features

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price paid</td>
<td>€340m in cash</td>
</tr>
<tr>
<td>Scope</td>
<td>100% outstanding shares held by Siemens and Gores Group</td>
</tr>
<tr>
<td>Net debt</td>
<td>€50m</td>
</tr>
<tr>
<td>Pensions</td>
<td>€200m of pension deficit at closing</td>
</tr>
<tr>
<td>Taxes</td>
<td>c. €250m of potential tax cash benefits</td>
</tr>
<tr>
<td>Restructuring</td>
<td>€370m restructuring plans, fully provisioned at closing and cash funded</td>
</tr>
<tr>
<td>Reps &amp; Warranties</td>
<td>€80m Representations &amp; Warranties securing plan</td>
</tr>
<tr>
<td>Next steps</td>
<td>Closing expected within the next 3 months subject to employee representative bodies consultation and customary antitrust approvals</td>
</tr>
<tr>
<td></td>
<td>Looking at a potential strategic partner to leverage the product activity</td>
</tr>
</tbody>
</table>
Fully provisioned and cash funded contemplated restructuring plans

€130m expected cost savings from further restructuring:
1. Direct costs (€25m): Restructuring of current Unify overstaff
2. Marketing & Sales (€40m): Move of the sales channels from direct to indirect
3. G&A (€65m): Corporate function alignment to industry best-in-class standards

€370m restructuring fully funded by the sellers to support the 2015e-2017e evolution

2015e
- c. €1.2bn revenue
- c. €5m EBITDA
- c. €-45m EBIT
- €267m alpha plan in progress
- €103m of further restructuring

2017e
- c. €1.2bn revenue
- >15% EBITDA
- >12% EBIT
- €130m expected cost savings from further restructuring
- €103m of further restructuring
## Expected value creation for Atos

<table>
<thead>
<tr>
<th></th>
<th>2015(e)</th>
<th>2016(e)</th>
<th>2017(e)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>c. €1.2bn</td>
<td>c. €0.4bn</td>
<td>c. €0.55bn*</td>
</tr>
<tr>
<td><strong>Operating margin</strong></td>
<td>c. €-45m</td>
<td>c. €40m</td>
<td>c. €95m</td>
</tr>
<tr>
<td><strong>Effect on Group operating margin</strong></td>
<td>N/A</td>
<td>neutral</td>
<td>c. +30bp</td>
</tr>
<tr>
<td><strong>Discontinued operations EBITDA</strong></td>
<td>N/A</td>
<td>N/A</td>
<td>c. 100m**</td>
</tr>
<tr>
<td><strong>Discontinued operations net income</strong></td>
<td>N/A</td>
<td>c. €10m</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>EPS accretion</strong></td>
<td>N/A</td>
<td>positive</td>
<td>c. +15%</td>
</tr>
<tr>
<td><strong>Cash proceeds from disposal</strong></td>
<td>N/A</td>
<td></td>
<td>YES</td>
</tr>
</tbody>
</table>

* Including revenue with scope previously accounted as “discontinued operations”

** Before synergies with strategic partner. Comparable peers trading at circa 10x EBITDA
Conclusion

Thierry Breton
Chairman & CEO
Key takeaways

- Positive revenue trend is confirmed for the fourth quarter in a row

- Siemens strategic alliance strengthened:
  - IT contract extended until December 2021 with committed minimum volumes increased from €5.5bn to €8.73 billion
  - Shareholding lock-up agreement extended for the next 5 years

- Contemplated acquisition of Unify: a building block in Atos’ clients digital journey generated at least +15% EPS accretion by 2017

- Transformational contemplated transaction with Equens anchoring Worldline’s leadership in European e-payment services and preserving its financial flexibility

- Xerox ITO integration well on track
Thank you

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