



2018 Universal Registration Document (URD)

*Including the 2019
half-year financial report*

This document is a free English translation of the original French version. In case of discrepancies, the French version shall prevail.

AUTORITÉ
DES MARCHÉS FINANCIERS



The French version of this Universal Registration Document was filed with the Autorité des Marchés Financiers (AMF) on July 30, 2019, as competent authority under Regulation (EU) 2017/1129 without prior approval pursuant to Article 9 of Regulation (EU) 2017/1129.

The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if it is supplemented by a securities note and, if applicable, a summary together with any amendments to the Universal Registration Document. All shall be approved by the AMF in accordance with Regulation (EU) 2017/1129.

This Universal Registration Document incorporates by reference the 2018 Registration Document filed with the AMF on February 22, 2019 under number D.19-0072 (<https://atos.net/wp-content/uploads/2019/04/atos-2018-registration-document.pdf>) and updates the mandatory sections in accordance with the regulation. A cross-reference table is provided in section E hereof to easily find the information incorporated by reference and the information updated or modified.

This Universal Registration Document is available on the AMF website (www.amf-france.org) and the one of the issuer (www.atos.net).

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A. Activity Report

A.1 Distribution in kind of 23.5% of Worldline share capital to Atos' shareholders out of the 50.8% owned by the Group

On January 30, 2019, Atos SE announced during its Investor Day a project to distribute in kind 23.5% of Worldline share capital to Atos' shareholders, out of the 50.8% owned by the Group.

This project was approved unanimously by the Board of Directors upon the recommendation of an ad hoc committee comprising the independent directors and the Chairman of the Board.

During the Annual General Meeting held on April 30, 2019, Atos shareholders approved this exceptional distribution in kind at 99.94%, with a distribution ratio of Worldline shares to Atos shareholders equal to 2 Worldline shares for 5 Atos shares held. Atos' shareholders also approved under the 15th resolution the Global Alliance Agreement (the "Alliance"), which was entered into between the Company and Worldline on March 25, 2019 in light of the parties' willingness to maintain a strong industrial and commercial partnership. The Alliance governs four main domains: Sales, Research and Development (R&D), Human Resources and Procurement, and includes in particular a mutual general cooperation clause and governance provisions relating to the implementation of an Alliance Board. The Alliance came into force upon the distribution of the Worldline shares and shall remain valid for five years.

Following the effectiveness of the transaction on May 7, 2019, Atos holds 27.3% of the share capital and 35.0% of the voting rights of Worldline. As from that date, this stake has been accounted for under the equity method in Atos' financial statements.

On May 6, 2019, Atos and Worldline entered into a separation agreement whereby they assigned the separation activities to the parties in a coordinated manner, notably in the areas of intellectual property rights, group processes and policies, IT systems migration and integration, security, IT support, offshore resources, insurance, subleasing of premises, parental guarantees and data protection.

The loss of control of Worldline resulting from the distribution in kind caused a capital gain (net of taxes) recorded in the Atos consolidated financial statements as of June 30, 2019, as a consequence of the revaluation at market value of all the Worldline shares held by Atos before the distribution in kind. This gain was recognized in the consolidated income statement in "Net income from discontinued operation" (see in Note 1 – Changes in the scope of consolidation).

This transaction came at a time when Atos had completed its global profile, capabilities and geographical footprint with the acquisition of Syntel. Consistent with the priorities highlighted in the 2019-2021 strategic plan, the distribution in kind of Worldline shares reinforced the Group's focus as a leading listed digital player and increased its strategic flexibility, thereby allowing Atos to further amplify growth and value creation as the digital landscape accelerates. Atos' shareholders also directly benefited from the value creation potential of Worldline shares distributed as part of this project.

Similarly, Worldline had also scaled up significantly over the course of 2018. With the acquisition of SIX Payment Services, Worldline can pursue an independent standalone strategy as the undisputed payment leader in Europe, delivering strong revenue growth, profitability and sustainable cash flow generation. In a backdrop of continued consolidation in the European payment market, the transaction increases Worldline's strategic flexibility. Worldline also benefits from a strengthened equity capital markets profile as a result of its increased free float and liquidity.

The relationship between the two groups remains strong. Indeed, Atos reinforced its industrial and commercial partnership with Worldline and maintained all the existing partnerships on an arm's length basis through the creation of the Alliance. This Alliance notably comprises a joint go-to-market strategy and R&D cooperation and also combines innovation in digital and payment services as well as talent pools and networks.

Atos also continues to participate in Worldline's governance, with reduced representation of Atos from 5 to 3 Board members consistent with its reduced ownership level. Thierry Breton continues to serve as non-executive Chairman of Worldline's Board of Directors and Gilles Grapinet remains Chief Executive Officer of Worldline.

The shareholders' agreement between Atos and SIX Group was amended with effect on May 7, 2019 to reflect the continued partnership between the two groups post distribution. The main modifications to the shareholders' agreement, which was described in the information document (Document E) filed on October 31, 2018 with the AMF under registration number E-18-070 and in the Worldline 2018 registration document filed on March 21, 2019 with the AMF under number D.19-0185, are the following:

- Worldline's Board of Directors, on May 7, 2019, shall comprise 12 directors and be composed as follows (i) 3 directors designated by Atos, including the Chairman (compared to 6 in the previous version of the shareholders' agreement), (ii) 2 directors designated by SIX Group (in line with the previous version of the shareholders' agreement), (iii) the Chief Executive Officer of Worldline and (iv) 6 independent directors (compared to 4 in the previous version of the shareholders' agreement);
- Atos shall be entitled to designate (i) 3 directors at Worldline's Board of Directors for so long as it owns a number of shares representing more than 30% of Worldline's voting rights and provided that Atos holds 10 percentage points more than SIX Group in voting rights during a period of 7 months following the Annual General meeting held on April 30, 2019, (ii) 2 directors and 1 censor if Atos owns a number of shares representing more than 16% of Worldline's share capital or voting rights and (iii) 1 director and 1 censor if Atos owns a number of shares representing more than 8% of Worldline's share capital or voting rights;
- in the event where Atos would come to own a number of shares between 8% and 16% of Worldline's share capital or voting rights and SIX Group holds a number of shares representing more than 8% of Worldline's share capital and voting rights, neither Worldline nor its subsidiaries could take certain significant decisions without the prior approval of the Board of Directors including the affirmative vote of at least one of the directors designated by Atos, the list of such significant decisions, as described in aforementioned Document E, being identical to the one presented in the shareholders' agreement for the prior approval of SIX Group. Pursuant to the provisions of the shareholders' agreement, SIX Group's right of prior authorization has taken effect upon payment of the distribution in kind;
- the obligations under the shareholders' agreement related to the orderly market sell-down of Worldline shares shall be applicable, except for certain provisions, for any of Worldline shares sell-down representing on a given day more than 10% of the average daily trading volumes for a period of 30 trading days (compared to 20% in the previous version of the shareholders' agreement) and shall also be applicable for a distribution in kind of Worldline shares;
- Atos and SIX Group shall have the option to participate in any significant sell-down (defined as the transfer of Worldline shares representing more than 10% of the average daily trading volumes for a period of 30 trading days) contemplated by the other party which would be carried out through a private placement or a secondary public offering of Atos' or SIX Group's shares, pro rata to their respective shareholding in Worldline on a share capital basis; and
- the shareholders' agreement will remain in force until the earlier of (i) October 18, 2028, unless SIX Group requests a ten-year period renewal, (ii) its termination by mutual agreement of Atos and SIX Group, and (iii) the holding by SIX Group or Atos of a number of Worldline shares representing less than 4% of the share capital or voting rights of Worldline.

Atos and SIX Group also committed to retain, subject to certain exceptions, their respective shareholding in Worldline during a six-month lock-up period, starting from April 30, 2019.

A.2 Atos in the first half of 2019

January

Atos announced on **January 16**, it has been named for the third year running, as a global Leader in IoT services by Everest Group. The report assesses the relative capabilities of 19 global IT service providers offering IoT services. Atos has been recognized for its Atos Codex IoT Services built in-house and via partnerships with major technology providers and niche startups.

On **January 21**, Atos launched its new Evidian Safekit software solution to ensure high availability of enterprise business-critical services hosted in the Cloud. It is fully comprehensive and includes real-time replication, load balancing and failover all within the same one software product. It also announced its the release of its new Horus security suite for Intelligent Transportation Systems (ITS), a solution which provides security to communications in connected vehicles.

On **January 30**, Atos announced its project to distribute 23.5% of Worldline's share capital to Atos' shareholders leading to the creation of 2 listed global pure play leaders. As a consequence, while continuing their industrial and commercial partnership, Atos will reinforce its focus as a leading digital pure player and Worldline will benefit from a strengthened equity profile and enhanced ability to pursue consolidation opportunities.

At the occasion of an Investor Day held on **January 30** in its Headquarters in Bezons (France) the Group launched ADVANCE 2021, its new three-year plan, building on its reinforced global profile in digital services.

Atos announced on **January 31**, that it has been positioned as a Leader by Gartner in both its Magic Quadrant for Managed Workplace Services for Europe and for North America, based on its ability to execute and its completeness of vision. This is the third consecutive year Atos has been named a Leader in the Europe report, and the second year in the North America report.

February

Atos announced on **February 5**, an agreement with the Science and Technology Facilities Council's (STFC) Hartree Centre that will see one of the UK's leading high-performance computing research facility take the first UK delivery of an Atos Quantum Learning Machine, the highest performing quantum simulator in the world. This Quantum Learning Machine will be one of the highest-performing ever deployed by Atos and will be used to develop new quantum-based services designed to help researchers and industry prepare for the coming quantum computing revolution.

On **February 7**, Atos and Worldline, the European leader in the payments and transactional services industry, announced the signature of the United Nations' Standards of Conduct for Business and the L'Autre Cercle Charter of LGBT+ Commitment – pledging their support to LGBT+ (Lesbian, Gay, Bisexual, Transgender, Intersex and others) people at work worldwide.

On **February 12**, Atos announced that is had been recognized as a global leader within the IT sector by international non-profit organization CDP on the 2018 CDP Climate Performance Leadership Index. Atos was awarded an "A-" grade worldwide for various items (Disclosure, Awareness, Management, Leadership) demonstrating the high level of its environmental stewardship. This grade highlights the quality of Atos' actions and approaches in managing climate change.

On **February 15** Atos, together with fifteen other organizations, including Siemens, AES, Airbus, Allianz, Cisco, Daimler, Dell Technologies, Deutsche Telekom, Enel, IBM, MSC, NXP, SGS, Total and TÜV Süd welcome three new partners in The Charter of Trust, the world's first joint charter for greater cybersecurity. These are BSI German Federal Office for Information Security, CCN National Cryptologic Center and Graz University of Technology in Austria.

On **February 21**, Atos announced its Full Year 2018 results. **Revenue was € 12,258 million, +4.2% at constant exchange rates**, and **+1.2% organically**, particularly led by the Atos Digital Transformation Factory which represented 30% of 2018 revenue (vs. 23% in 2017) benefitting from the strong demand of large organizations implementing their digital transformation. **Operating margin was € 1,260 million**, representing **10.3% of revenue**, compared to 10.8% in 2017 at constant scope and exchange rates. In 2018, the Group did not record one off related to pension schemes optimization plan in operating margin while in 2017 it had a positive effect of € 28 million representing 20 basis points on operating margin. The commercial dynamism of the Group was particularly high in 2018 with **order entry reaching € 13.7 billion**, representing a **book to bill ratio of 112%** in 2018 compared to 109% in 2017 at constant rate. During the fourth quarter, the book to bill reached 124%. **Net income was € 703 million, +5.8% compared to 2017** and net income Group share reached **€ 630 million, +5.0% compared to 2017**. Therefore, **basic and diluted EPS reached respectively € 5.95** (€ 5.72 in 2017) **and € 5.95** (€ 5.70 in 2017). **Normalized basic and diluted EPS reached respectively € 8.56** (€ 8.24 in 2017) **and € 8.56** (€ 8.21 in 2017). **Free cash flow reached € 720 million** in 2018, excluding 62 million of acquisition costs on Syntel and SIX Payment Services and upfront financing fees on Syntel, representing a cash conversion of 57.1%. **Net debt was -€ 2.9 billion** at the end of 2018 reflecting the amount paid for the acquisition of Syntel during the year, the cash component and the contingent consideration related to the acquisition of SIX Payment Services.

On **February 25**, Atos announced together with its partner Google Cloud a new contract with T-Mobile Netherlands to deliver a new scalable chatbot, which uses Artificial Intelligence (AI), as part of the telecommunications company's digital transformation plan. Bringing together Atos' industry knowledge and expertise with the latest AI and ML technologies from Google Cloud, this multi-channel chatbot will streamline customer queries, increase customer satisfaction and reduce costs.

March

On **March 4**, Atos and Ooredoo, the region's leading enabler of digital business innovation, announced at Mobile World Congress, a partnership for enterprises to accelerate their digital business competitiveness. Thanks to this new partnership, Ooredoo's customers can now benefit from Atos' industry leading experience and solutions in Infrastructure as a Service (IaaS), Cloud Transformation and also cybersecurity services.

On **March 13**, Atos announced a contract with the Western Australian Department of Health to support the transition and transformation of its ICT infrastructure into a fully managed Hybrid Digital Cloud Service. As part of this AUD\$124m (~€78.2 million) five-year contract Atos will work with the WA health system's ICT service provider, Health Support Services (HSS), to transition the current legacy infrastructure from the incumbent provider to Atos Cloud platforms.

Atos announced on **March 14** that it has developed the Advanced Access Control System (AACS) for the Olympic Games Tokyo 2020. As the Worldwide IT Partner of the International Olympic Committee (IOC), Atos will manage the Advanced Access Control System with the support of Panasonic's solutions and equipment and NEC's facial recognition system as key partners in this project.

On **March 19**, Atos announced that **Elie Girard has been appointed as Group Deputy CEO**.

April

On **April 2** Atos announced that it had successfully digitally transformed, in just 15 months, Illumia, the first Italian family business in the energy sector, using Atos' digital energy platform "DORA" (Digital Operations for Retailers by Atos). Through this contract, Illumia saw immediate cost and financial benefits, as well as a better user experience and optimized control processes.

Atos and Google Cloud inaugurated on **April 4** a joint artificial intelligence (AI) laboratory in the presence of Bruno Le Maire, French Minister of Economy and Finance. Set up as part of the global partnership between Atos and Google Cloud, this laboratory, which is unique in France, enables clients, businesses and public organizations to identify practical cases, for which AI could provide innovative and effective solutions.

On **April 10** Atos announced that it was awarded the Google Cloud Global Breakthrough Partner of the Year Award. Atos was recognized for its outstanding growth in its customer base over the last year to extend the reach of the Google Cloud ecosystem. Through Atos's expertise in cloud orchestration, migration and management, joint customers have been able to use the cloud to power transformation and innovation and respond faster to customer needs.

Atos announced on **April 10** Open Hybrid Cloud, a fully-managed, on-premise solution that smoothly transitions businesses from traditional to cloud-native operations, as well as accelerates enterprises' move to a hybrid cloud strategy as the solution incorporates key components of Google Cloud's Anthos.

On **April 10** Atos and CloudBees announced a partnership to offer a joint solution to help customers modernize their application development practices on Google Cloud Platform (GCP). The solution is an integrated service that makes oversight of the software development environment easy and provides a managed platform for the software delivery process.

On **April 18**, Atos announced that it has offset 100% of its 2018 CO₂ emissions worldwide, through a dedicated wind farm program. In addition to offsetting emissions from its data centers, which it has done since 2014, Atos now ensures that this program also includes the offsetting of carbon emissions produced by its offices and business travel. This initiative is part of Atos' global environmental program supporting ADVANCE 2021 strategic plan.

Atos announced on **April 24** that it has been identified as a 'Leader' by global research and advisory firm NelsonHall in its latest Vendor Evaluation & Assessment Tool (NEAT) for SAP HANA and S/4HANA services. The report cites Atos' strengths, including a significant organizational focus on growing HANA and S/4HANA, broad geographic delivery footprint, clearly defined target verticals and geographies, assets incorporating innovative offerings like SAP Leonardo and SAP Cloud Platform and its Breakthrough Partnership with Google Cloud to drive S/4HANA on the cloud.

Atos announced on **April 25** the revenue of its first quarter of 2019. **Q1 2019 revenue was € 2,818 million, up +0.4% organically.** The Group strategy focused on digital projects and on data management and security drove organic growth in Business & Platform Solutions at +3.5% and in Big Data & Cybersecurity at +11.4%. Alongside, Infrastructure & Data Management showed signs of improvement thanks to North America starting its recovery. The Group pursued its good commercial dynamism with **order entry at € 2,428 million** leading to a **book to bill** ratio of **86%**.

On **April 30** Atos SE held its Annual General Meeting chaired by Mr. Thierry Breton, Chairman and Chief Executive Officer. The shareholders widely approved the renewal of the terms of office of Mr. Thierry Breton, Chairman and Chief Executive Officer for a period of three years as well as they approved the three-year strategic plan ADVANCE 2021. Exceptional distribution in kind of 23.5% of the share capital of Worldline and the Company's sense of purpose were also overwhelmingly approved by the shareholders as follow:

"At Atos, our mission is to help design the future of the information technology space. Our expertise and services support the development of knowledge, education as well as multicultural and pluralistic approaches to research that contribute to scientific and technological excellence. Across the world, we enable our customers, employees and collaborators, and members of societies at large to live, work and develop sustainably and confidently in the information technology space"

Atos announced on **April 30** that it has been recognized as part of Dell EMC's exclusive President's Circle with an award for Global Alliances EMEA Systems Integrator and Strategic Outsourcer Partner of the Year. This year's awards were presented at Dell Technologies World 2019, during Dell EMC's Global Partner Summit, which took place in Las Vegas on April 29. During the event, Atos also received an award for Global Alliances Growth Partner of the Year in recognition of an exceptional year-on-year revenue growth.

May

Atos published its 2018 Integrated Report on **May 7**, which presents a global vision of the group. For the first time, all of the most relevant information in terms of financial and non-financial performance, strategy and achievements are consolidated in an integrated and consistent way in a single report. The report addresses the Group's risks and opportunities, challenges and initiatives in Corporate Social Responsibility (CSR). It was prepared in accordance with the 2018 Registration Document and successfully fulfils the recommendations of the Global Reporting Initiative (GRI) Standard option "Comprehensive".

Following the approval of the transaction by Atos shareholders at the Annual General Meeting held on April 30, 2019, Atos announced that the distribution in kind of Worldline shares to Atos shareholders is effective as from **May 7**, the payment date.

Atos launched a new unified cloud identity and access management solution for ultimate security on **May 13**. Acting as a single identity provider and management system for all platforms, cloud and on-premise, this new solution, based on Evidian software from Atos, enables organizations to keep control of all identities that need access to their business systems, providing them with ultimate security.

On **May 14** Atos announced that it has been selected as a major Google Cloud high performance computing services partner, expanding the global partnership with new services for enterprise customers. Leveraging Atos' Center for Excellence in Performance Programming (CEPP), customers will have the computing power needed to get the most out of their data when addressing large issues in science, engineering and business.

On **May 15**, Atos announced that it has joined forces with the startup Rcup to address musculoskeletal disorders (MSDs) for operators working in industrial environments or medical personnel, with intelligent morphological insoles. Developed as part of a project called 'Mission Zero Accident', these morphological insoles, inserted into safety shoes, are tailor-made for each operator, and reduce back strain. They are also equipped with integrated sensors that collect anonymously, on a daily basis, a large amount of data (loads carried by operators, movements in the factory) which are then transmitted to a secure platform hosted by Atos. They are then analyzed by Machine Learning algorithms.

Atos unveiled on **May 15** the Top 30 energy consumption of the world's most popular mobile applications in a study conducted by startup Greenspector. Increasingly demanding in terms of technical resources (RAM, CPU, Data...), mobile applications used by 5 billion mobile users worldwide have a booming impact on energy consumption and the environment.

On **May 16** Atos announced the launch of its new Hardware Security Module (HSM) for IoT, a high-performance security device designed to protect IoT ecosystems through cryptographic features. The new HSM, part of the Horus portfolio, combines 'as-a-Service' access, centralized key management system and IoT security services for a fully-integrated solution.

Atos announced on **May 16** that it has delivered its Atos Quantum Learning Machine, the world's highest-performing commercially available quantum simulator, to French multinational energy company Total. As part of an ambitious cross-functional research project, the Total group intends to use the Atos QLM to support all of its businesses.

On **May 16** Atos announced the launch of BullSequana Edge, the highest-performing edge computing server on the market worldwide to manage data at the edge. The BullSequana Edge has been designed to be used securely for the Internet of Things (IoT), in environments in which fast response times are critical - such as manufacturing 4.0, autonomous vehicles, healthcare and retail/airport security - where data needs to be processed and analyzed at the edge in real-time.

Atos announced on **May 16** that it has been chosen by Veolia, the world leader in utilities, to develop its secure collaborative environment with G Suite from Google Cloud.

On **May 16** Atos announced myQLM, a new program providing researchers, students and developers quantum programming tools for free, in order to democratize access to quantum simulation and encourage innovation in quantum computing. Eighteen months after disclosing the world's highest-performing quantum simulator in the world - the Atos Quantum Learning Machine, capable of simulating up to 41 quantum bits (Qubits) - Atos continues to innovate in the field of quantum computing by allowing the Atos QLM user ecosystems to develop quantum algorithms autonomously.

On **May 17** Atos announced that it is now an official Microsoft Partner for Mixed Reality and joins prestigious Microsoft Mixed Reality Partner Program (MRPP). This confirms Atos' expertise and success in building Mixed Reality innovative solutions, combining the benefits of both virtual and augmented reality – using Microsoft HoloLens technologies.

Atos announced on **May 17** the signature of a partnership agreement with the Public Hospitals of Paris (*AP-HP, Hôpitaux de Paris*) and Nantes (*University Hospital Center, CHU*) for the launch of a delivery drone project for the hospital of the future. As part of this agreement, Atos will design a software platform to optimize and automate the delivery of medical products between and within facilities through air and river drones - enabling healthcare professionals to control the delivery times of medical goods and products in emergency situations, and at any time.

On **May 22** Atos announced it has been positioned as a leader in Robotic Process Automation (RPA) and Artificial Intelligence (AI) services in banking by global research firm NelsonHall. The vendor profile highlighted Atos' strengths in the space, including its portfolio of proprietary IP and B&PS (Business & Platform Solutions) delivery in North America acquired with Syntel, Atos' relationships with leading product vendors, particularly its Google delivery partnership, and the company's existing client base of tier-one banks.

On **May 23** Atos announced that it was selected, alongside its strategic partners – Capgemini and the CEA – to deliver a prototype of a Big Data platform to the French Defense Procurement Agency (Direction Générale de l'Armement, DGA). Project Artemis aims to provide the French Ministry of the Armed Forces with a sovereign « infostructure » for massive data storage and management.

June

On **June 3**, Atos announced, that the Joliot-Curie supercomputer designed by Atos for French national high-performance computing organization GENCI and based on Atos' BullSequana architecture, is set to become the most powerful French research supercomputer when it reaches 22 petaflops in 2020. The new supercomputer is located at the CEA's Very Large Computing Centre (TGCC) was inaugurated on 3 June 2019 by François Jacq, CEA Chairman, Thierry Breton, Atos CEO, and Philippe Lavocat, GENCI CEO.

Atos announced on **June 6** a new 4-year contract to deliver its latest supercomputer, the BullSequana XH2000, to Uninett Sigma2, the national e-infrastructure provider in Norway. The supercomputer will be Norway's most powerful supercomputer and provide Norwegian researchers with an enhanced computing capacity to enable new innovation breakthroughs.

On **June 13** Atos announced that it has signed a multi-year \$150 million USD contract to deliver Digital Managed Workplace Services for National Grid's core business, spanning the UK and northeastern United States. National Grid is a British multi-national electricity and gas utility company headquartered in the UK.

On **June 13** Atos announced a strategic partnership with Virtru, a leading data protection platform provider that stands at the intersection of security and privacy. The partnership will provide global organizations with a joint encryption solution for Digital Workplace, protecting customer data across cloud-based platforms. This solution combines Atos hardware encryption with Virtru's encryption software and is aimed at organizations which are looking for easy-to-use data encryption solutions to protect data in both cloud and hybrid environments.

Atos announced on **June 14** that it has tied 3rd highest global rank in Managed Security Services (MSS) in terms of 2018 market share revenue, according to the latest Gartner report.

On **June 18** Atos announced that it has been selected by Ørsted, a global leader in offshore wind, to supply critical communications solutions based on TETRA (Terrestrial Trunked radio) technology for two offshore wind farms, off the coast of Changhua County in Taiwan.

Atos announced on **June 18** a new 6-year contract with Damart, the international fashion and home-shopping retailer and brand of Damartex Group, to digitally transform its business by moving its infrastructure to the cloud. Damart will use a cloud solution combining Google Cloud Platform (GCP) and Atos' Digital Private Cloud platform.

On **June 26** Atos announced that Gartner, Inc. has positioned Atos as a Leader in its Magic Quadrant for Data Center Outsourcing and Hybrid Infrastructure Managed Services for both Europe and for North America. This is the 8th consecutive year that Atos has been named a Leader in the Europe-focused report, and the third consecutive year in the North America-focused report.

July

Atos announced on **July 1** that it has strengthened its strategic partnership with Google Cloud with two high-performance regional extensions of existing Google Cloud data centers in Frankfurt (Germany) and Ashburn VA (North America), to support Oracle database customers. These two regional extensions will be equipped with Atos' high-performance BullSequana S servers and will enable Oracle database customers to run their workloads efficiently and effectively and benefit from Google Cloud Platform (GCP).

On **July 3** Atos together with GENCI (*Grand Équipement National de Calcul Intensif*), announced the winners of its scientific competition, the Atos Joseph Fourier Award 2019. The award aims to accelerate research and innovation by rewarding projects in the fields of numerical simulation and Artificial Intelligence (AI).

Atos announced on **July 3** the winners of its international student competition, the Atos IT Challenge, which were presented with their awards at a ceremony presided over by Thierry Breton, Chairman and CEO of the Group, held at Atos' global headquarters. Now in its eight year, the competition saw teams from 20 countries around the world compete on the theme of 'Machine Learning for Sustainability'.

On, **July 25**, Atos announced its financial results for the first half of 2019. **Revenue** was **€ 5,744 million**, up **+0.8% organically**, thanks to a strong performance recorded in Big Data & Cybersecurity, and growth in Business & Platform Solutions. The decrease of Infrastructure & Data Management reduced from Q1 at -3.0% to Q2 at -0.6% further to the improvement of the situation in North America.

Operating margin was **€ 529 million**, representing **9.2% of revenue**, an improvement by **+20 basis points** mainly fueled by the good performance in Business & Platform Solutions (+80 basis points), while Infrastructure & Data Management achieved stabilization. Operating profitability of Big Data & Cybersecurity reflected specific R&D and offering investments in both Cybersecurity and Big Data solutions. **Order entry** reached **€ 5,742 million**, representing a **book to bill ratio of 100%**, of which **113% in the second quarter**. **Free cash flow** was at **€ 23 million** at the end of June 2019.

A.3 Management and organization

Atos is incorporated in France as a “Société Européenne” (European Company) with a Board of Directors, chaired by Thierry Breton, Chairman and Chief Executive Officer.

A.3.1 Group General Management Committee (GMC)

The general management is composed of a Chairman and Chief Executive Officer, Thierry Breton, a Deputy Chief Executive Officer & Chief Financial Officer, Elie Girard, and six Senior Executive Vice-Presidents. They form the General Management Committee (GMC). The role of the Atos General Management Committee (GMC) is to develop and execute the Group strategy and to ensure value is delivered to clients, shareholders, partners and employees. This Committee is in charge of the global coordination of the Group Management.

Name	Title	Responsibility
Thierry Breton	Chairman and Chief Executive Officer Worldline Chairman	
Elie Girard	Deputy Chief Executive Officer Chief Financial Officer	
Eric Grall	Senior Executive Vice-President Group Chief Operation Officer	Atos Head of Global Infrastructure & Data Management
Pierre Barnabé	Senior Executive Vice-President Head of Big Data & Cybersecurity	Also responsible for Group Security
Adrian Gregory	Senior Executive Vice-President CEO United Kingdom & Ireland	
Philippe Mareine	Senior Executive Vice-President Human resources and Chief Digital & Transformation Officer	Also Head of Siemens Global Alliance and Group Corporate and Social Responsibility
Sean Narayanan	Senior Executive Vice-President Head of Business & Platform Solutions	
Robert Vassoyan	Senior Executive Vice-President Group Chief Commercial Officer	Acting as Head of Telcos, Media & Utilities

Thierry Breton, Atos SE Chairman & Chief Executive Officer and Worldline Chairman

Former French Minister of Economy, Finances and Industry, Thierry Breton was Chairman and Chief Executive Officer of France Telecom, the second European leader telecommunications operator, and Chairman and Chief Executive Officer of Thomson. He was previously Executive Managing Director and then Vice-Chairman of the Bull Group. Thierry Breton taught leadership and corporate governance at Harvard Business School. He is a graduate of the École Supérieure d'Électricité “Supélec” of Paris and of the Institut des Hautes Études de Défense Nationale. He has been honored with the prestigious awards of “Commandeur de la Légion d'Honneur” and “Grand Officier de l'Ordre National du Mérite.” He is Atos Chairman and Chief Executive Office and he is in addition Chairman of Worldline.

Elie Girard, Deputy Chief Executive Officer & Chief Financial Officer

Elie Girard is a graduate of the École Centrale de Paris and of Harvard University. He began his career as auditor at Andersen, before joining the Ministry for the Economy, Finance and Industry in the Treasury department. Between 2004 and 2007, Elie Girard worked for the Office of Thierry Breton, the Minister for the Economy, Finance and Industry in France. He joined Orange in 2007 and was appointed Chief of Staff to the Chairman and Chief Executive Officer. Since September 2010, he was Senior Executive Vice-President in charge of Strategy & Development of the Orange group, member of the Group Executive Committee. In April 2014, Elie joined Atos as Deputy Chief Financial Officer of Atos Group. He has been appointed Group Chief Financial Officer in February 2015 and Group Senior Executive Vice President in February 2018. In March 2019, Elie has been appointed Group Deputy Chief Executive Officer.

Eric Grall, Senior Executive Vice-President, Chief Operation Officer, Head of Infrastructure & Data Management

Eric Grall comes from HP that he joined as a graduate in 1986, and where he held first positions in marketing and R&D in the product business, before entering the Services activities of the Group in 1998. He then had several management positions related to outsourcing, from pre-sales to operations. In 2005, he was appointed Vice-President and General Manager in charge of the Global Services Delivery for HP in the EMEA region, covering outsourcing, consulting and support services and led a major transformation of its delivery model. After the EDS acquisition in 2008, Eric led the ITO activities of the new outsourcing business. Eric joined Atos in 2009 as EVP of the Infrastructure & Data Management Division. Since 2017, he is Senior Executive Vice-President Chief Operating Officer. He is part of the Atos General Management Committee since February 2018.

Pierre Barnabé, Chief Operating Officer Big Data & Cybersecurity

Pierre Barnabé is Chief Operating Officer of the Global Division Big Data & Cybersecurity within the Group Atos, following the successful merger of Bull with Atos. He joined Bull in August 2013 as Chief Operating Officer. Previously, Pierre was General Manager of SFR Business team. He began his career in the venture capital department of Thalès. In 1998, he joined Alcatel Lucent with various successful sales positions (Vice-President Sales France, Vice-President Sales South Europe) before being appointed Chief Executive Officer of Alcatel Lucent France then Group Executive Vice-President Human Resources & Transformation. Knight of the French National Order of Merit, Pierre Barnabé is graduated from NEOMA Business School and from CentraleSupélec. He joined the Atos General Management Committee in April 2019.

Adrian Gregory, Senior Executive Vice-President, Chief Executive Officer United Kingdom & Ireland

Adrian Gregory joined Atos in 2007 and has a 20-year blue-chip background with experience of a wide range of technology solutions and multiple client sectors. Most recently he was Senior Vice-President for Public sector, Health & BBC with responsibility for all aspects of client business and future strategy. In July 2015 he was appointed Chief Executive Officer of the United Kingdom & Ireland and joined the Atos Executive Committee. He joined the Atos General Management Committee in October 2018.

Philippe Mareine, Head of Human Resources, Logistics, Housing and Head of Siemens Global Alliance & Head of Group CSR

Prior to his current position, he was Deputy Manager in the French Treasury department's Inspection Générale des Finances unit and, previously, he was in charge of Human Resources in the Public Accounts department of the French Ministry for the Budget. From 2005 to 2007, he was technical adviser in charge of employee relations and reform in the office of the French Minister of the Economy, Finance and Industry. He held several managerial positions at the French Tax Administration. He joined Atos in 2009 as General Secretary of the Board of Directors in charge of legal functions, compliance, audit, security and social responsibility policy. He is today Head of Human Resources, Head of Siemens Global Alliance and Head of Group CSR. He is a graduate from the École Polytechnique and École Nationale d'Administration. He joined the Atos General Management Committee in April 2019.

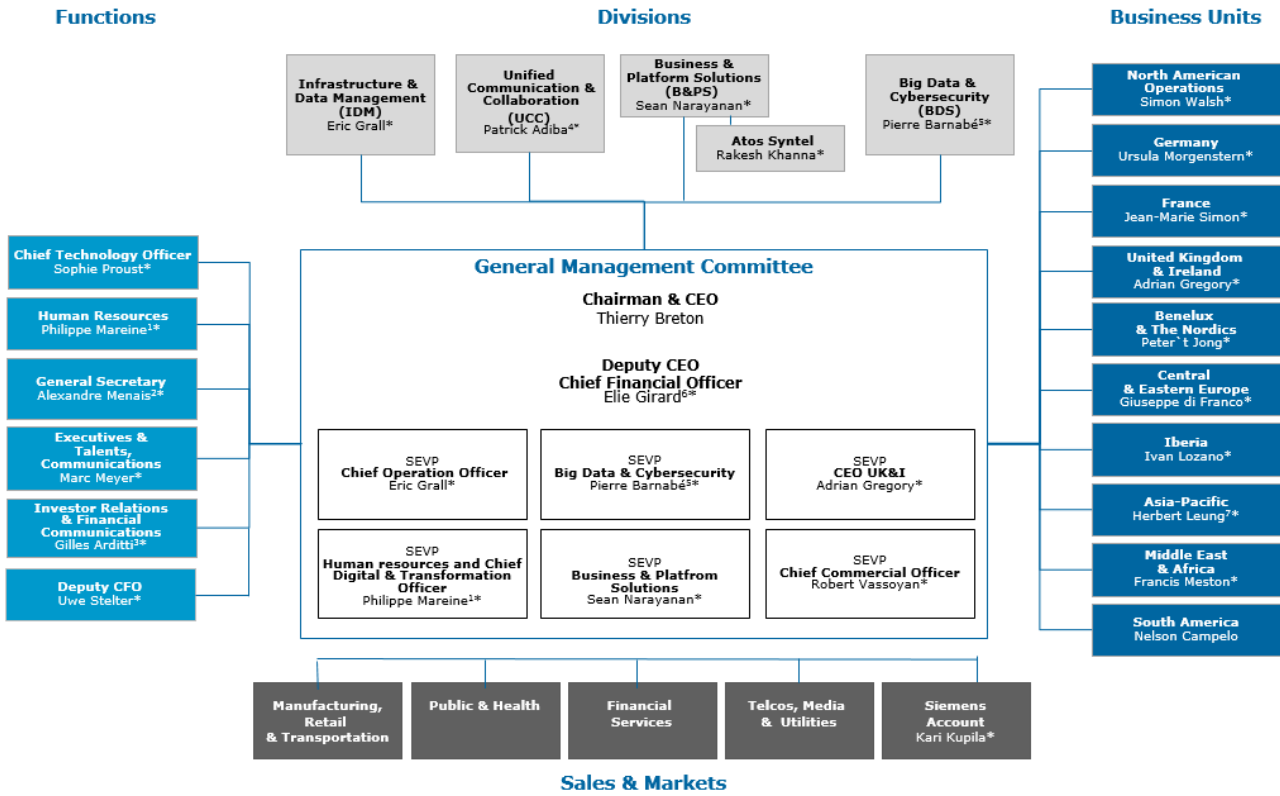
Sean Narayanan, Head of Business & Platform Solutions

Sean Narayanan has over 20 years experience in IT and management consulting across the world. He is currently Executive Vice-President and Head of Business & Platform Solutions at Atos. Prior to Atos he was Chief Business Officer at digital company Liquidhub. He has also served as Chief Delivery Officer of iGATE (now Capgemini) and worked with Cognizant as Vice-President and consulting firm Booz Allen Hamilton. Mr. Narayanan is a recognized expert on management and technology, a speaker at various seminars and conferences and has been widely quoted in the international media. Sean has a master's degree in regional and city planning from the University of Oklahoma and a bachelor's degree in architecture from the Regional Engineering College, Trichy, India. He joined the Atos General Management Committee in April 2019.

Robert Vassoyan, Senior Executive Vice-President, Chief Commercial Officer

Robert Vassoyan is a graduate of ESSEC business school. Robert's career spanned from Renault, Compaq to HP where he served in various senior management positions in Sales and Marketing. In 2007 he joined Cisco and became in 2011 the President of Cisco France. Robert joined Atos as Senior Executive Vice-President, Chief Commercial Officer in March 2018

A.3.2 Organization chart



1 Also Head of Siemens Global Alliance and Group Corporate and Social Responsibility
 2 Also Head of M&A, Corporate Development, Legal, Compliance & Contract Management
 3 Also responsible for Internal Audit
 4 Also CEO Olympics & Major Events

5 Also responsible for Group Security
 6 Also responsible for RACE, Procurement and Internal IT
 7 Including India local business
 * Group Executive Committee Member

A.3.3 The Executive Committee

The role of the Executive Committee is to develop and execute the Group strategy and to ensure value is delivered to clients, shareholders and employees; it is also to improve interaction and cooperation between the countries and the global markets, divisions and functions.

The Atos Executive Committee is composed of the General Management Committee and of:

Global Divisions

Eric Grall, Senior Executive Vice-President, Chief Operation Officer, Head of Infrastructure & Data Management

Please refer to his biography in A.3.1 Group General Management Committee

Patrick Adiba, Head of Unified Communication & Collaboration, CEO Olympics & Major Events

Patrick Adiba holds a degree in Electronic and Telecommunications Engineering from INSA, Lyon and did an Executive MBA at Stanford University in 2001. Prior to joining Atos, he held various management positions at Schlumberger and including the position of Vice-President and General Manager of the Mobility Solutions Division before becoming General Manager of the Latin America region. He joined Atos in 2004 to take responsibility for Major Events, an entity within Atos that manages the Olympic and Paralympic Games and other Sport events. After a move to Madrid, he took on the additional role of managing the Atos activities in Iberia. In 2013, he was entrusted with the Management of the Group Human Resources and the following year he was appointed Chief Commercial Officer. In 2018 Patrick took on the management of the Unified Communication & Collaboration (UCC) Division and continues to manage Major Events.

Sean Narayanan, Head of Business & Platform Solutions

Please refer to his biography in A.3.1 Group General Management Committee

Rakesh Khanna, Head of Atos Syntel

Rakesh Khanna is Chief Executive Officer of Atos|Syntel and has more than 30 years of experience in technology services, having held leadership roles in North America, Europe and Asia. He served as Syntel's Chief Operating Officer from 2012 until 2016 and was President of Banking and Financial Services from 2005 until 2012. Rakesh was rated among the world's top Chief Operating Officers multiple times by executive placement firm ExecRank. Earlier, he spent 10 years in various leadership roles at i-flex solutions and was a core member of the team that developed FLEXCUBE, the world's best-selling banking solution. He also spent 11 years at Tata Burroughs, managing projects for global clients. He holds a Bachelor of Engineering in Mechanical Engineering from Victoria Jubilee Technical Institute and a Master of Business Administration in Marketing from NMIMS, Mumbai. Rakesh serves on the academic council and board of studies of NMIMS, a top 10 management college in India.

Pierre Barnabé, Chief Operating Officer Big Data & Cybersecurity

Please refer to his biography in A.3.1 Group General Management Committee

Global Business Units

Simon Walsh, Head of North American Operations

Simon Walsh is Chief Executive Officer of Atos North America, reporting to Atos Chairman and Chief Executive Officer Thierry Breton. Prior to Atos, Simon was Chief Operating Officer of Virtustream, Dell Technologies' global cloud business, where he led its global expansion and supported the Chief Executive Officer's daily execution of the company's strategy. Before Virtustream, Simon was Senior Vice-President and Chief Operating Officer of EMC Europe Middle East & Africa. He also spent 17 years with Computacenter PLC, with the latter four years as Managing Director of the United Kingdom & Ireland, delivering IT services and solutions throughout the United Kingdom & Ireland. Simon is Chairman of Beds on Board, a startup focused on providing accommodation on stationary yachts. Simon is based in Irving, Texas, at Atos' North America regional headquarters.

Ursula Morgenstern, Head of Germany

Ursula Morgenstern joined Atos in 2002 through the acquisition of KPMG Consulting. From 2007 to 2009, she was Senior Vice-President responsible for Systems Integration, and then she was Senior Vice-President responsible for Private Sector Markets. Prior to that, she held a variety of roles in Systems Integration including management roles for sectors and various practices. In 2011, she was Chief Operating Officer of the United Kingdom & Ireland and in 2012 she took on the role as Chief Executive Officer of the geography. From July 2015 to February 2018 she managed the Global Business & Platform Solutions Division. Since February 2018 she is Chief Executive Officer of Germany. Additionally, she has been appointed as Managing Director of Atos Information Technology in March 2018.

Jean-Marie Simon, Head of France

Jean-Marie Simon held various R&D and Production positions within Schlumberger, first in Clamart in France then in Oslo in Norway. He worked in Indonesia as Operations Technical Director for Asia. He was Chief Information Officer for Schlumberger Oilfield Services for three years. He moved to Schlumberger Sema following the acquisition of Sema group and then to Atos, developing the Consulting and Integration Systems practices around Human Resources. He was previously Human Resources Director for France, Germany, Italy and Spain from 2005 to 2007 and Group Human Resources Executive Vice-President from 2007 to 2013. He is currently Chief Executive Officer of Atos France.

Adrian Gregory, Head of United Kingdom & Ireland

Please refer to his biography in A.3.1 Group Global Management Committee

Peter't Jong – Head of Benelux & The Nordics

As an experienced IT leader, Peter has a proven track record in delivering results and managing complex customer relationships. He started his career in technical automation with AT&T and Philips, and then continued a career in technology with Lucent working in the Netherlands and in the USA. In 2001 Peter joined Atos as Head of Managed Services in the Netherlands and expanded his scope to Executive Vice-President for Sales and Chief Operating Officer for Atos Northern Europe. From 2015 Peter was responsible for leading the Managed Services organization in Germany and managed the carve-out and integration of Unify within Atos, followed by his appointment as Chief Executive Officer of Benelux & The Nordics in May 2016.

Giuseppe Di Franco, Head of Central & Eastern Europe

Giuseppe Di Franco has more than 25 years of experience in the Information and Communication Technology sector. After several years in Business Consulting, acquiring broad experience in international Mergers & Acquisitions and Information and Communication Technology Outsourcing, he joined Siemens in 2005 as Senior Vice-President, assuming different roles as Chief Executive Officer and Director of the Region South West Europe for the Energy Industry. In 2013, he assumed the role of Chief Executive Officer of Atos Italy and Head of the Energy & Utilities Industry market at Atos Global level. Since February 2018 Giuseppe Di Franco is Chief Executive Officer of Central & Eastern Europe. Giuseppe Di Franco has a degree in Engineering Management achieved at the Politecnico di Milano and is Alumnus Top Influencer of the University. He is also a board member of several Italian Information and Communication Technology associations.

Iván Lozano, Head of Iberia

Iván Lozano Rodríguez has spent most of his career in Atos, after joining the Group in June 1994 as a Consultant in the Telecom Unit. There he held different positions from 1995 to 2008, among them Operations Manager and Operations Business Unit Manager. In April 2008, he was appointed Head of Systems Integration. Iván Lozano's task, already as a member of Atos Iberia Executive Committee, was to design, build and deploy the new Business Unit. In November 2010, Iván Lozano was appointed as Chief Operations Officer at Atos Iberia. Iván Lozano is an Engineer in Telecommunications from the Universidad Politécnica in Madrid, and a Postgraduate in International Leadership Capability from the Glasgow Caledonian University (United Kingdom).

Herbert Leung, Head of Asia-Pacific

Herbert Leung spent most of his career at Schlumberger where he began as Regional Director for China and Canada, then as International Technical Director, and then as Vice-President for a Europe-Africa region. In 2004, at Schlumberger Sema, he was in charge of Managed Services for the United Kingdom, the Americas and the Asia-Pacific. He then joined Atos in 2004 and became Chief Executive Officer of Asia-Pacific, where he was supported in July 2011. Herbie completed his Bachelor of Science in Electronics with a first-class honors University of Dundee, Scotland, United Kingdom.

Francis Meston, Head of Middle East & Africa

Francis Meston joined Atos as Head of Consulting & Systems Integration from the E.D.S French subsidiary where he has been appointed Chief Executive Officer since January 2002. In 1996, he joined AT Kearney as Vice-President in charge of Europe Middle East & Africa business transformation and strategy practices as well as MIA Global practice. He was previously Vice-President of Capgemini Consulting where he led the French operations, the Europe Middle East & Africa Telecommunication practice and the Europe Middle East & Africa business reengineering practice. Francis Meston is a graduate of École Centrale Marseille and holds a MBA in Finance from Purdue (Indiana). Francis Meston is "maître de conférences" at HEC Business School. In July 2015 he has been appointed Head of Middle East & Africa, and Group Digital Transformation Officer.

Sales & Markets

Kari Kupila, Head of Siemens Account

Kari Kupila began his career with Siemens Osakeyhtiö, Espoo in 1986 holding various management-level positions within the Company in Germany, notably Head of Equipment Financing, Head of Corporate Finance, Head of Regions and Sales Management. In 2010, he was appointed Chief Executive Officer Cluster for South West Europe and CEO SIS Verwaltungsgesellschaft GmbH, in 2011 he was appointed GBU Head North South West Europe. He is currently managing the Siemens Account. Kari Kupila is graduated from Helsingin kauppakorkeakoulu and holds a Master of Science and Economics with a focus on Law and Finance.

Group Functions

Sophie Proust, Group Chief Technology Officer

Sophie Proust is graduate of the École Supérieure d'Electricité "Supélec" of Paris. She joined Bull in 1989 where she held various technical managerial positions in the mainframe, IT administration solutions and HW server design. In 2010, Sophie headed the Tera100 Project which delivered the CEA with the first Petaflops-scale calculator in Europe. She joined the Atos Group in 2014 following the acquisition by Atos of Bull, where she held the position of Head of Research & Development. At Atos, Sophie was head of the Research & Development for the Big Data & Cybersecurity division from 2014 to January 2019. In January 2019, Sophie was nominated Group Chief Technology Officer (CTO), joining the Atos Executive Committee. Alongside this, Sophie is part of the Atos Quantum Advisory Board, chaired by Thierry Breton with Serge Haroche (Nobel 2012). She has been a member of the Board of Directors of the Université Technologique de Troyes (UTT) since December 2018.

Philippe Mareine, Head of Human Resources, Logistics, Housing and Head of Siemens Global Alliance & Head of Group CSR

Please refer to his biography in A.3.1 Group Global Management Committee

Marc Meyer, Head of Executive & Talent Management, Communications

Marc Meyer comes from Dexia where he served as Head of Group Communications. Marc joined Bull Group in 1986, where he held several senior positions in corporate and marketing communications. In 1997, he joined Thomson, a consumer electronics firm and in 2001 was promoted to the Company Executive Committee. Then, he joined the France Telecom/Orange Group as Executive Vice-President for Communications. Marc Meyer has been promoted as Head of Executive & Talent Management, Communications in 2014. He is a graduate from the Sorbonne University in Paris. He received the French Légion d'Honneur (Chevalier).

Alexandre Menais, General Secretary, Head of Mergers & Acquisitions, Legal & Compliance

Alexandre Menais joined Atos in 2011 as Group General Counsel. Before Atos, Alexandre Menais worked as Senior Associate at Hogan Lovells in Paris and London. In 2006, he became General Counsel at eBay France (eBay, Paypal and Skype) before being promoted as Europe Legal Director of eBay. In 2009, he joined Accenture as General Counsel France and Benelux. Alexandre holds a LLM in Business law from the University of Strasbourg and a MBA from HEC. He has been appointed as Board Member of the French Competition Authority (*Autorité de la concurrence*) in March 2019.

Gilles Arditti, Head of Investor Relations & Financial Communication, and Responsible for Internal Audit

After six years at Bull and four years at KPMG, Gilles Arditti joined Atos in 1990, where until 2006 he was, successively, Director of Mergers & Acquisitions, Director of Finance and Human Resources for Atos Origin in France, and Chief Financial Officer of France, Germany and Central Europe. In 2007, Gilles Arditti became Head of Investors Relation & Financial Communication for the Atos Group, a position he still holds. In March 2014, he was appointed Group Head of Mergers & Acquisitions and member of the Executive Committee. Since June 2014, Gilles Arditti is member of the Board of Directors of Worldline. Holding a master's degree in Finance from the University Paris-Dauphine and a master's degree in International Finance from HEC Paris, Gilles Arditti is also graduated from the engineer school École Nationale Supérieure de Techniques Industrielles et des Mines d'Alès (ENSTIMA) and is a Certified Public Accountant (CPA).

Uwe Stelter, Deputy Chief Financial Officer

Uwe Stelter is Deputy Chief Financial Officer of the Group since July 2019, after holding Chief Operating Officer roles in the Infrastructure & Data Management and Business & Platform Solutions Divisions of Atos as well as leading the Syntel integration. Prior to that he was Chief Financial Officer of the Infrastructure & Data Management Division and of the North America Business Unit. Uwe joined the Atos Group in 2011 from Siemens where he held multiple global Finance Management positions in the US and Germany in both the Siemens IT services and Communication divisions. In addition, Uwe Stelter was Chief Financial Officer of ProSTEP, a Germany based Consulting and Software company serving the Product Lifecycle Management (PLM) market. He is a graduate in Business Administration from AKAD University in Germany.

A.4 Operational review

A.4.1 Statutory to constant scope and exchange rates reconciliation

Revenue in H1 2019 reached € 5,744 million, -5.4% at constant exchange rates and +0.8% organically. Operating margin reached € 529 million, representing 9.2% of revenue, an improvement of +20 basis points at constant scope and exchange rates.

<i>In € million</i>	H1 2019	H1 2018	% change
Statutory revenue	5,744	6,005	-4.3%
Exchange rates effect		68	
Revenue at constant exchange rates	5,744	6,074	-5.4%
Scope effect		-395	
Exchange rates effect on acquired/disposed perimeters		23	
Revenue at constant scope and exchange rates	5,744	5,701	+0.8%
Statutory operating margin	529	545	-2.9%
Scope effect		-41	
Exchange rates effect		9	
Operating margin at constant scope and exchange rates	529	513	+3.1%
<i>as % of revenue</i>	9.2%	9.0%	

The table below presents the effects on H1 2018 revenue of acquisitions and disposals, internal transfers, reflecting the Group's new organization, and change in exchange rates.

<i>In € million</i>	H1 2018 revenue				H1 2018 at constant scope and exchange rates
	H1 2018 statutory	Scope effects	Internal transfers	Exchange rates effects*	
North America	967	363		91	1,420
Germany	1,057	-5			1,052
UK & Ireland	826	27		7	860
France	841	6			847
Benelux & The Nordics	510	1		-1	510
Other Business Units	1,008	10		-6	1,012
Worldline	797	-797			
TOTAL GROUP	6,005	-395		91	5,701
Infrastructure & Data Management	3,163	-3	-27	60	3,193
Business & Platform Solutions	1,617	424	21	26	2,087
Big Data & Cybersecurity	429	-19	6	5	421
Worldline	797	-797			
TOTAL GROUP	6,005	-395		91	5,701

* At H1 2019 exchange rates

Scope effects amounted to € -395 million for revenue, of which:

- € -797 million related to the restatement of the contribution of Worldline to the Group revenue in H1 2018. As a reminder, on January 30, 2019, Atos SE announced during its Investor Day a project to distribute in kind 23.5% of Worldline share capital to Atos' shareholders, out of the 50.8% owned by the Group. During the Annual General Meeting held on April 30, 2019, Atos shareholders approved this exceptional distribution in kind. It was thereafter implemented on May 7, 2019, with a distribution ratio of Worldline shares to Atos shareholders equal to 2 Worldline shares for 5 Atos shares held. Following the transaction, Atos holds 27.3% of the share capital. From an accounting standpoint, Worldline was recorded as a discontinued operation according to IFRS 5 from January 1, 2019 to April 30, 2019 (instead of May 7, 2019 for practical reasons) and then under the equity method in Atos' financial statements, implying that the revenue realized by Worldline in H1 2019 is no more part of the Group revenue;
- Alongside, the revenue realized by Atos' entities with Worldline in H1 2019 is no more neutralized in the Group consolidation but recognized as Group revenue, and represented € 33 million in H1 2018;

- The remaining net positive amount of € +369 million was mostly related to Syntel acquisition (6 months for € 410 million), the disposal of some specific Unified Communication & Collaboration activities, and the disposal and decommissioning of non-strategic activities within CVC.

The following internal transfers occurred as of January 1, 2019: (i) healthcare contracts in NAO transferred to Atos Syntel, previously reported within Infrastructure & Data Management and now reported within Business & Platform Solutions as of January 1, 2019, (ii) Escala offering transferred from Infrastructure & Data Management to Big Data & Cybersecurity, (iii) a Telecom contract transferred to Infrastructure & Data Management.

From H1 2018 statutory, currency exchange rates positively contributed to revenue for a total of €+91 million, mainly coming from the American dollar.

The impacts described above are reflected in the operating margin at constant scope and exchange rates. In particular, scope effect amounted to € -41 million, mainly coming from Worldline contribution restatement impacting the Group margin by € -129 million, compensated by € +88 million for the rest of the Group, mainly coming from the contribution of Syntel. These effects are detailed below:

H1 2018 operating margin					
	H1 2018 statutory	Scope effects	Internal transfers	Exchange rates effects*	H1 2018 at constant scope and exchange rates
<i>In € million</i>					
North America	89	42		9	140
UK & Ireland	89	3		1	93
France	61	0			61
Germany	68	-5			62
Benelux & The Nordics	39	-2		-0	37
Other Business Units	111	50		-0	160
Global structures**	-41			0	-40
Worldline	129	-129			
TOTAL GROUP	545	-41		9	513
Infrastructure & Data Management	282	-8	-2	5	277
Business & Platform Solutions	119	101	2	3	224
Big Data & Cybersecurity	52	-5	1	1	49
Corporate costs	-37			-0	-37
Worldline	129	-129			
TOTAL GROUP	545	-41		9	513

* At H1 2019 exchange rates

** Global structures include the Global Divisions costs not allocated to the Group Business Units and Corporate costs

A.4.2 Performance by Division

Revenue in H1 2019 was € 5,744 million, up +0.8% organically, thanks to a strong performance recorded in Big Data & Cybersecurity, and growth in Business & Platform Solutions. The decrease of Infrastructure & Data Management reduced from Q1 at -3.0% to Q2 at -0.6% further to the improvement of the situation in North America.

Operating margin was € 529 million, representing 9.2% of revenue, an improvement of +20 basis points mainly fueled by the good performance in Business & Platform Solutions (+80 basis points), while Infrastructure & Data Management achieved stabilization. Operating profitability of Big Data & Cybersecurity reflected specific R&D and offering investments in both Cybersecurity and Big Data solutions.

<i>In € million</i>	Revenue			Operating margin		Operating margin %	
	H1 2019	H1 2018*	Organic evolution	H1 2019	H1 2018*	H1 2019	H1 2018*
Infrastructure & Data Management	3,137	3,193	-1.8%	274	277	8.7%	8.7%
Business & Platform Solutions	2,135	2,087	+2.3%	247	224	11.6%	10.8%
Big Data & Cybersecurity	473	421	+12.4%	48	49	10.2%	11.7%
Corporate costs	-	-	-	-40	-37	-0.7%	-0.7%
Total	5,744	5,701	+0.8%	529	513	9.2%	9.0%

* At constant scope and exchange rates

A.4.2.1 Infrastructure & Data Management

Infrastructure & Data Management

<i>En millions d'euros</i>	H1 2019	H1 2018*	Organic evolution
Revenue	3,137	3,193	-1.8%
Operating margin	274	277	
Operating margin rate	8.7%	8.7%	

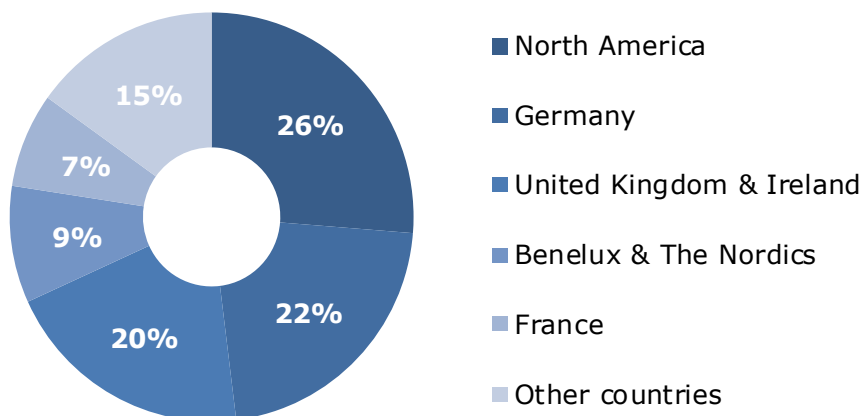
*At constant scope and exchange rates

Infrastructure & Data Management **revenue** was € 3,137 million in H1 2019, down -1.8% at constant scope and exchange rates. The Division pursued its business model transformation by increasing the share of revenue in Hybrid Cloud Orchestration and in projects in Technology Transformation Services. The Division continued the digital transformation of its main clients through automation and robotization and managed to close several new deals in strategic areas, notably in Germany, North America, the United Kingdom, France and Benelux & The Nordics.

Growth materialized in Financial Services, mainly fueled by the ramp-up of the significant contracts in the United States with CNA Financial Corporation over compensating the Standard & Poor's contract which was not renewed last year, and in the United Kingdom with Aviva, coupled with increased activities with NS&I and Aegon. Telcos, Media & Utilities benefitted from additional sales achieved with BBC and the ramp-up of the contracts with Scottish Water in the United Kingdom and with a Spanish mobile telco operator. The situation in Public sector and in Manufacturing, Retail & Transportation remained challenging, notably in the United Kingdom suffering from the base effect of transitions completed with Ministry of Justice in H1 2018, and in the United States due in particular to the termination of Marriott International contract end of H1 2018. This was partly offset by increased business in Other Business Units.

After a first quarter at -3.0%, the Division achieved -0.6% organically during the second quarter of 2019 thanks notably to the improvement of the situation in North America.

Infrastructure & Data Management revenue profile by geographies



Operating margin in Infrastructure & Data Management was € 274 million in the first half of 2019, representing 8.7% of revenue, achieving stability compared to last year. Indeed, all geographies pursued strong cost saving actions including the RACE program to adjust their cost base to the revenue evolution.

A.4.2.2 Business & Platform Solutions

Business & Platform Solutions

<i>En millions d'euros</i>	H1 2019	H1 2018*	Organic evolution
Revenue	2,135	2,087	+2.3%
Operating margin	247	224	
Operating margin rate	11.6%	10.8%	

*At constant scope and exchange rates

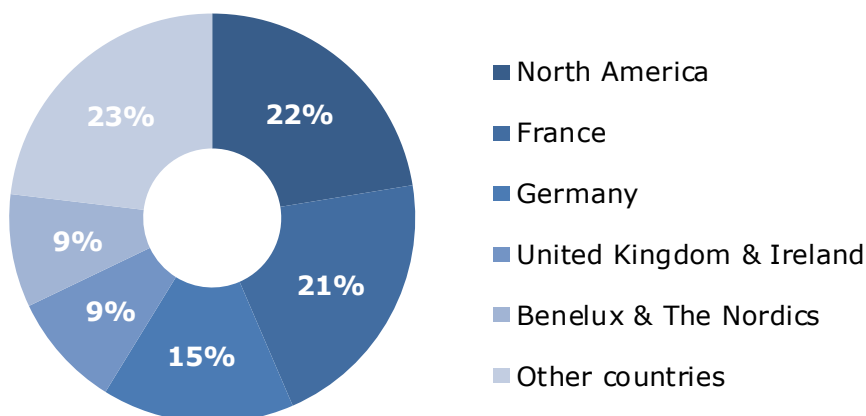
Business & Platform Solutions **revenue** during the first half of 2019 reached € 2,135 million, +2.3% at constant scope and exchange rates.

Growth was strong in Manufacturing, Retail & Transportation, which benefitted from good performance in almost all geographies and particularly in Germany, thanks to new application management services with Siemens, as well as new SAP engagement in Austria and the contribution from Syntel activities in North America, while new business recently won in the Benelux & The Nordics also contributed positively. Telcos, Media & Utilities sector showed a growth largely fueled by Other Business Units through higher volumes with Italian and Spanish utilities coupled with higher activity through Worldgrid contracts in France, partly offset by lower volumes in application management contracts in Germany and in Benelux & The Nordics.

The Division posted a resilient growth in Financial Services. Syntel activities strongly supported the performance in this market in North America and materialized synergies on existing accounts in the United Kingdom, while the situation was more challenging in the banking sector in France, Iberia and Central Europe. In Public & Health market, higher volumes achieved in Germany and in France could not compensate volume reductions in legacy contracts in North America and contracts terminated last year in Benelux & The Nordics and project completions in the United Kingdom.

Revenue growth reached +1.1% organically in Q2 2019. The Division management reduced the number of low margin contracts within Atos legacy activities in Q1 2019, and further in Q2 2019.

Business & Platform Solutions revenue profile by geographies



Operating margin was € 247 million, representing 11.6% of revenue. The strong improvement of +80 basis points was mainly led by North America, Germany and the United Kingdom. This was primarily attributable to the cost synergies from Syntel integration combined with a reduction of some low margin contracts at the occasion of transfer of contracts to Atos Syntel. The improvement also came from increasing revenue from digital offerings combined with continued cost saving effects in most geographies, notably through the industrialization of global delivery and a more efficient workforce management.

A.4.2.3 Big Data & Cybersecurity

Big Data & Cybersecurity

<i>En millions d'euros</i>	H1 2019	H1 2018*	Organic evolution
Revenue	473	421	+12.4%
Operating margin	48	49	
Operating margin rate	10.2%	11.7%	

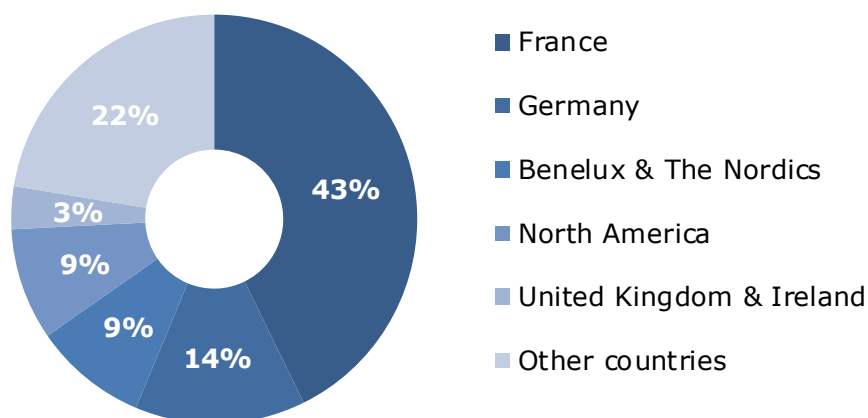
*At constant scope and exchange rates

Revenue in Big Data & Cybersecurity was € 473 million, with a continued double-digit growth led by a strong performance largely driven by France and Benelux & The Nordics.

In particular, growth was notably sustained by Big Data activity, mainly coming from new business in France, combined with a strong performance posted in Benelux & The Nordics with CSC in Finland, as well as in Brazil with a petroleum company. Cybersecurity activities also posted a double-digit growth led by new business opportunities with CNA Financial Corporation in North America, combined with good performance in Benelux & the Nordics and Germany which largely offset revenue from licenses not repeated this year in the United Kingdom. Mission Critical Systems sales posted a solid growth largely coming from the ramp-up of the National Police contract in Central & Eastern Europe.

In Q2 2019, Big Data & Cybersecurity Division recorded a revenue organic growth at +13.2%.

Big Data & Cybersecurity revenue profile by geographies



Operating margin was € 48 million, representing 10.2% of revenue and a reduction of -150 basis points compared to last year on a like for like basis. Operating profitability in H1 2019 reflected specific R&D and offering investments in both Cybersecurity and Big Data solutions.

A.4.3 Performance by Business Units

	Revenue			Operating margin		Operating margin %	
	H1 2019	H1 2018*	Organic evolution	H1 2019	H1 2018*	H1 2019	H1 2018*
<i>In €million</i>							
North America	1,345	1,420	-5.3%	148	140	11.0%	9.9%
Germany	1,074	1,052	+2.2%	68	62	6.3%	5.9%
France	887	847	+4.6%	59	61	6.7%	7.2%
United Kingdom & Ireland	842	860	-2.1%	87	93	10.3%	10.8%
Benelux & The Nordics	524	510	+2.6%	39	37	7.4%	7.3%
Other Business Units	1,073	1,012	+6.1%	168	160	15.6%	15.8%
Global structures**	-	-	-	-38	-40	-0.7%	-0.7%
Total	5,744	5,701	+0.8%	529	513	9.2%	9.0%

* At constant scope and exchange rates

** Global structures include the IT Services Divisions global costs not allocated to the Business Units and Corporate costs

A.4.3.1 North America

North America			
<i>In €million</i>	H1 2019	H1 2018*	Organic evolution
Revenue	1,345	1,420	-5.3%
Operating margin	148	140	
Operating margin rate	11.0%	9.9%	

* At constant scope and exchange rates

Revenue reached € 1,345 million, decreasing by € -76 million or -5.3% organically. The Business Unit was affected by off-boarding contracts and reduced scope with legacy customers notably within Infrastructure & Data Management unit.

Revenue in Infrastructure & Data Management was still impacted in H1 2019 by two contracts not renewed last year: Marriott International in Manufacturing, Retail & Transportation and Standard & Poor's in Financial Services. Manufacturing, Retail & Transportation benefitted from new logo business such as a conglomerate specialized in tourism retail and entertainment complexes. Financial Services recorded a good performance: it benefitted from the contribution of the new contract won with CNA Financial Corporation, which more than compensated Standard & Poor's contract. Telcos, Media & Utilities was mainly affected by the impact from decreased volume.

In Business & Platform Solutions, Financial Services and Manufacturing, Retail & Transportation benefitted from Syntel acquisition and recorded a good performance. Public & Health was impacted by lower volumes within Atos legacy activities.

In Big Data & Cybersecurity, the Division reached a good performance in Financial Services and Telcos, Media & Utilities, driven notably by new business opportunities with CNA Financial Corporation. However, this was not sufficient to compensate for the non-repeated high level of product sales performed last year in Manufacturing, Retail & Transportation and Public & Health sectors.

Operating margin reached € 148 million, representing 11.0% of revenue. It increased its profitability by +110 basis points compared to last year despite revenue erosion. In Business & Platform Solutions, the Business Unit increased its operating margin rate thanks to the contribution from Syntel, including the first effect of synergies. In addition, Big Data & Cybersecurity contributed as well on the improvement of the operating margin rate. Finally, in Infrastructure & Data Management, profitability slightly decreased due to revenue decline despite first benefits from workforce optimization initiatives and strong cost reduction actions.

A.4.3.2 Germany

Germany			
<i>In €million</i>	H1 2019	H1 2018*	Organic evolution
Revenue	1,074	1,052	+2.2%
Operating margin	68	62	
Operating margin rate	6.3%	5.9%	

*At constant scope and exchange rates

During the first half of 2019, the Business Unit achieved an organic growth of +2.2% compared to the same period last year at constant scope and exchange rates, leading to € 1,074 million **revenue**. Growth derived from the good performance in Business & Platform Solutions and Big Data & Cybersecurity, while the situation of Infrastructure & Data Management remained challenging.

In Infrastructure & Data Management, the revenue was roughly stable. The Business Unit benefitted from increased business within Public & Health sector. However, this could not compensate for negative growth reported within other sectors. Manufacturing, Retail & Transportation was largely impacted by lower volumes while Unified Communication activities were positive. Telcos, Media & Utilities faced reduced scope with Nokia and Financial Services contract termination within Unify activities. The Division continued its digital development and achieved new wins notably in the digital workplace area.

Business & Platform Solutions pursued its strong momentum over the semester. Manufacturing, Retail & Transportation benefitted from the new application management services with Siemens. Public & Health as well as Financial Services showed a strong performance from new services notably with a large German bank. These largely overcompensated for the ending Nokia application management contract terminated last year which impacted Telcos, Media & Utilities.

Big Data & Cybersecurity achieved a strong growth led by Manufacturing, Retail & Transportation with new business notably in the Automotive sector. This largely compensated for lower volumes recorded within Financial Services and Public & Health sectors.

Operating margin reached € 68 million or 6.3% of revenue, above last year by +40 bps at constant scope and exchange rates. Profitability grew significantly in Business & Platform Solutions, driven by the strong revenue growth and continued workforce optimization, over compensating declines both in Infrastructure & Data Management notably caused by difficulties with a legacy contract with a telecommunication provider as well as in Big Data & Cybersecurity.

A.4.3.3 France

France

<i>In €million</i>	H1 2019	H1 2018*	Organic evolution
Revenue	887	847	+4.6%
Operating margin	59	61	
Operating margin rate	6.7%	7.2%	

*At constant scope and exchange rates

At € 887 million, **revenue** was improving by +4.6% organically, confirming the positive trend recorded last year, fueled by Big Data & Cybersecurity and Business & Platform Solutions activities.

Infrastructure & Data Management was decreasing organically. From a market point of view, growth was posted mainly in Financial Services notably coming from higher volumes within Insurance sector through hybrid cloud activities, while Public & Health was stable thanks to higher volumes and increasing hybrid cloud business with a large public company, offset by several ramp-down contracts. This was not enough to compensate for Telcos, Media & Utilities and Manufacturing, Retail & Transportation sectors notably impacted by several contracts ending.

Business & Platform Solutions posted an increase organically, showing an improvement in almost all markets. The growth came primarily from Telcos, Media & Utilities, mainly driven by new business from Worldgrid activities, while Public & Health benefitted from new contracts such as with a large Group of private hospitals. The Manufacturing, Retail & Transportation sector showed a sustained activity as well, combined with increased demand on SAP HANA implementations. Conversely, the Business Unit was affected by the performance in Financial Services mainly due to the base effect from projects delivered last year and not repeated this year.

Big Data & Cybersecurity achieved double-digit growth benefitting from the strong performance in almost all markets, thanks to new business within High Performance Computer and Big Data contracts. Telcos, Media & Utilities market was affected by the base effect from High Performance Computer delivery, successfully achieved with a large national energy provider last year.

Operating margin reached € 59 million, representing 6.7% of revenue, -50 basis points at constant scope and exchange rates. In Infrastructure & Data Management as well as in Business & Platform Solutions, the monitoring of the actions on costs and on productivity did not fully materialize. Big Data & Cybersecurity increased its operating margin, supported by strong revenue growth.

A.4.3.4 United Kingdom & Ireland

United Kingdom & Ireland

<i>In €million</i>	H1 2019	H1 2018*	Organic evolution
Revenue	842	860	-2.1%
Operating margin	87	93	
Operating margin rate	10.3%	10.8%	

*At constant scope and exchange rates

Revenue was € 842 million, down -2.1% at constant scope and exchange rates. Despite strong business growth in Business & Platform Solutions, the business unit could not compensate for the base effect of sales achieved in the first semester 2018 in Big Data & Cybersecurity and the completion of transitions and transformations as well as volume reductions in Infrastructure & Data Management.

Infrastructure & Data Management decreased compared to last year. Financial Services achieved a strong performance, notably thanks to the increased revenue with NS&I and Aegon, coupled with the ramp-up on Aviva contract. Telcos, Media & Utilities market was mainly driven by additional sales achieved with BBC and the ramp-up of the hybrid cloud contract with Scottish Water. Manufacturing, Retail & Transportation also increased, thanks to the cloud deliveries on contract extension with a UK postal service company. However, this could not fully compensate for the decline in Public Sector impacted by the transition completion of Ministry of Justice.

Business & Platform Solutions closed the semester with strong organic growth. In Financial Services, the performance was supported by the ramp-up of Aegon and Coventry Building Society contracts. Within Manufacturing, Retail & Transportation market, growth was essentially derived from increased projects on intelligent infrastructure with a rail infrastructure company in Europe. Telcos, Media & Utilities remained broadly stable while Public & Health was impacted by end of projects.

Big Data & Cybersecurity was down due to lower sales of licenses in Cybersecurity compared to last year. This effect was only partly mitigated by Bullion deliveries to the UK postal service company and the ramp-up of Cybersecurity contract with Aegon.

Operating margin was € 87 million and represented 10.3% of the revenue, a decrease of -40 basis points compared to last year at constant scope and exchange rate, mainly resulting from volume reduction in BPO contracts. Business & Platform Solutions managed to improve the profitability thanks to continued tight project management and strong actions to optimize the cost base. Big Data & Cybersecurity managed to keep profitability roughly stable.

A.4.3.5 Benelux & The Nordics

Benelux & The Nordics			
<i>In €million</i>	H1 2019	H1 2018*	Organic evolution
Revenue	524	510	+2.6%
Operating margin	39	37	
Operating margin rate	7.4%	7.3%	

**At constant scope and exchange rates*

At € 524 million, **revenue** was up by +2.6% organically.

Infrastructure & Data Management remained nearly stable year-on-year showing a strong performance achieved within Telco, Media & Utilities while Manufacturing, Retail & Transportation sector was stable, benefitting from the recently signed extended Philips contract as well as higher volumes achieved with Philip Morris International which were compensated by the base effect on activities achieved last year within Siemens Windpower in the Nordics. Public & Health and Financial Services sectors were affected by ended contracts, notably with Public Institutions, as well as volume reductions with Achmea, partly compensated by the ramp-up of the contract signed with Dutch University Hospitals.

Business & Platform Solutions revenue posted a decrease organically. Manufacturing, Retail & Transportation market growth was driven by the ramp-up of the contract with Philips. The situation was more challenging in other sectors: within Public & Health the new business with a Dutch Ministry was not enough to compensate for the decline from the ended contract with a Public Institution while Financial Services declined mainly in the Netherlands. Telcos, Media & Utilities sector was affected by the ramp down with KPN, partly compensated by recent won deal with a major Dutch telecom firm.

Big Data & Cybersecurity recorded a strong organic growth, primarily driven by a sustained demand through HPC area with CSC in Finland, as well as higher product sales notably with a large IT Group in Belgium. Additionally, the Division benefitted from a good performance in several countries such as Poland, Sweden or Denmark.

Operating margin reached € 39 million, representing 7.4% of revenue, an improvement of +10 basis points compared to last year at constant scope and exchange rates. The profitability increased in Big Data & Cybersecurity and Business & Platform Solutions driven by improved revenue mix combined with increased operational efficiency through continued tight project management and strong actions to optimize the cost base. Infrastructure & Data Management margin decreased compared to last year but managed to keep a high level of profitability.

A.4.3.6 Other Business Units

Other Business Units			
<i>In €million</i>	H1 2019	H1 2018*	Organic evolution
Revenue	1,073	1,012	+6.1%
Operating margin	168	160	
Operating margin rate	15.6%	15.8%	

*At constant scope and exchange rates

Revenue in "Other Business Units" reached € 1,073 million, up +6.1% organically, fueled by strong activity in all Divisions and especially in Big Data & Cybersecurity and in Business & Platform Solutions.

Infrastructure & Data Management grew strongly, showing an acceleration in all markets. In particular, Public Sector posted a double-digit growth, thanks notably to the ramp-up of projects with the Western Australian Department of Health and coupled with the sales achieved in Central & Eastern Europe. The new cloud contract with a Spanish mobile telco operator contributed to growth recorded by Telcos, Media & Utilities. Financial Services benefitted from the ramp-up of a contract with a large private bank in Morocco and higher activity in Central Europe and India. Manufacturing, Retail & Transportation remained broadly stable, thanks to increased business in China and Spain.

Business & Platform Solutions continued to grow in most markets. Telcos, Media & Utilities market was fueled by increased volumes, notably with Italian and Spanish clients and by new projects in Middle East & Africa. Growth in Manufacturing, Retail & Transportation was mainly driven by the ramp-up of new contracts and spread over Central & Eastern Europe and South America. Public & Health was also dynamic, thanks to new projects with governmental institutions, essentially in Central & Eastern Europe and South America.

Big Data & Cybersecurity posted a double-digit growth, fueled by new Cybersecurity projects and fertilization in Central Europe, notably with a National Police in Central & Eastern Europe and Armasuisse, coupled with HPC deliveries in Brazil.

Operating margin was € 168 million, representing 15.6% of revenue. While margin in Business & Platform Solutions decreased, Infrastructure & Data Management as well as Big Data & Cybersecurity managed to improve the profitability. As a reminder, Global Delivery Centers margin is included in that of Other Business Units.

A.4.3.7 Global structures

Global structures costs were nearly stable compared to the first half of 2018, reflecting the continued internal costs optimization in most functions.

A.4.4 Revenue by Market

<i>In €million</i>	H1 2019	H1 2018*	Organic evolution
Manufacturing, Retail & Transportation	2,063	2,058	+0.2%
Public & Health	1,697	1,717	-1.2%
Financial Services	1,041	989	+5.2%
Telcos, Media & Utilities	943	937	+0.7%
Total	5,744	5,701	+0.8%

* At constant scope and exchange rates

A.4.4.1 Manufacturing, Retail & Transportation

Manufacturing, Retail & Transportation was the largest market segment of the Group (36%) and reached € 2,063 million in the first semester of 2019, growing by +0.2 % compared to the first semester of 2018 at constant scope and exchange rates. Revenue increase mainly came from Germany thanks notably to Siemens and Unified Communications, offset by a decline in North America due to Marriott International.

In this market, the top 10 clients (excluding Siemens) represented 20% of revenue with a leading North American logistics company, Conduent, Daimler, Philips, a conglomerate specialized in tourism retail and entertainment complexes, a global leader in Aerospace & Defense Group, Johnson & Johnson, a UK postal company, Rheinmetall, and a large German pharmaceutical Company.

A.4.4.2 Public & Health

Public & Health was the second market of the Group (30%) with total revenue of € 1,697 million, representing a decrease of -1.2% compared to the first semester of 2018 at constant scope and exchange rates. Revenue decrease mainly came from the United Kingdom however partially compensated by good performance in France within Big Data & Cybersecurity Division and in Germany within Infrastructure & Data Management Division.

35% of the revenue in this market was realized with 10 main clients: Texas Department of Information Resources, UK Department for Work & Pensions (DWP), European Union Institutions, AllScripts, McLaren Health Care Corporation, UK Nuclear Decommissioning Authority, a French Ministry, UK Ministry of Justice, a governmental agency in Germany, and Bundesagentur für Arbeit.

A.4.4.3 Financial Services

Financial Services was the third Market of the Group and represented 18% of the total revenue at € 1,041 million, representing an increase of +5.2% compared to the first semester of 2018 at constant scope and exchange rates. A good performance was recorded in the United Kingdom thanks to Aegon and NS&I. The market was also benefiting from contract ramp-up in North America Operations with CNA Financial Corporation.

In this market, 51% of the revenue was generated with the 10 main clients: NS&I, Standard Chartered Bank, American Express, State Street Corporation, CNA Financial Corporation, Deutsche Bank, Aegon, Aviva, Achmea and BNP Paribas.

A.4.4.4 Telcos, Media & Utilities

Telcos, Media & Utilities represented 16% of the Group revenue and reached € 943 million, representing an increase of +0.7% compared to the first semester of 2018 at constant scope and exchange rates. Revenue increase was mainly coming from BBC in the United Kingdom combined with a strong performance within Iberia and Benelux & The Nordics.

Main clients were EDF, BBC, Orange, Telefonica/O2, Worldline, Deutsche Telekom, The Walt Disney Company, Enel, Telecom Italia and Nokia. The top 10 main clients represented 49% of the total Telcos, Media & Utilities Market revenue.

A.4.5 Portfolio

A.4.5.1 Order entry and book to bill

During the first semester of 2019, the **Group order entry** reached **€ 5,742 million**, representing a **book to bill ratio of 100%**, of which 113% in the second quarter.

Order entry and book to bill by Division was as follows:

In €million	Order entry			Book to bill		
	Q1 2019	Q2 2019	H1 2019	Q1 2019	Q2 2019	H1 2019
Infrastructure & Data Management	1,076	1,791	2,867	70%	112%	91%
Business & Platform Solutions	1,112	1,116	2,228	104%	104%	104%
Big Data & Cybersecurity	241	406	647	112%	158%	137%
Total	2,428	3,313	5,742	86%	113%	100%

Book to Bill ratio was particularly high for Big Data & Cybersecurity with 137%. Business & Platform Solutions recorded a healthy 104%, while Infrastructure & Data Management reported 91%, reflecting a high level of new signatures in a year with only a few contracts up for renewal.

New contracts in Q2 benefitted to Infrastructure & Data Management thanks to a strong commercial dynamism in particular in Manufacturing, Retail & Transportation with notably a new contract in North America. Still in Infrastructure & Data Management, the Benelux & The Nordics as well as the United Kingdom signed large contracts through the Public & Health sector. Business & Platform Solutions signed new contracts notably in Benelux & The Nordics and in Germany. Big Data & Cybersecurity pursued its solid commercial dynamic reaching +158% book to bill ratio in Q2.

Renewals in Q2 included several contracts in Infrastructure & Data Management such as in the United Kingdom within the Public & Health sector as well as with Philips in Benelux & The Nordics and several other deals in North America and France. Big Data & Cybersecurity managed to renew two important deals in Public sector in France.

Order entry and book to bill by Market were as follows:

In €million	Order entry			Book to bill		
	Q1 2019	Q2 2019	H1 2019	Q1 2019	Q2 2019	H1 2019
Manufacturing, Retail & Transportation	708	1,424	2,132	71%	133%	103%
Public & Health	741	931	1,672	87%	110%	99%
Telcos, Media & Utilities	561	591	1,151	119%	125%	122%
Financial Services	418	368	787	83%	68%	76%
Total	2,428	3,313	5,742	86%	113%	100%

A.4.5.2 Full backlog

In line with the commercial activity, the **full backlog** at the end of June 2019 amounted to **€ 21.3 billion**, stable compared to the end of December 2018, representing **1.9 year of revenue**.

A.4.5.3 Full qualified pipeline

The **full qualified pipeline** was **€ 7.1 billion**, compared to € 6.8 billion at the end of December 2018 and representing **7.4 months of revenue**.

A.4.6 Human Resources

The total headcount of the Group was 108,851 at the end of June 2019 compared to 122,110 at the end of December 2018. This evolution is strongly impacted by a -11,678 headcounts scope impact mostly related to the deconsolidation of Worldline as of April 30, 2019.

Excluding this scope effect, the staff decreased by -1.5% accompanying and anticipating the effect of automation and robotization.

During the first semester of 2019, the Group hired 9,165 staff (of which 94% direct employees), compared to 4,955 in H1 2018. Hiring have been mainly achieved in "Other Business Units", notably in offshore/nearshore countries such as India and Poland.

Attrition rate was 15.4% at Group level, of which 21.4% in offshore/nearshore countries.

Headcount evolution in H1 2019 by Business Unit and by Division was as follows:

	End of December 2018	Scope	Hiring	Leavers, dismissals & restructuring	End of June 2019
Infrastructure & Data Management	44,530	-11	3,757	-3,406	44,871
Business & Platform Solutions	52,954	0	4,472	-7,234	50,192
Big Data & Cybersecurity	5,186	-91	417	-232	5,280
Functions	156	0	1	3	160
Total Direct	102,826	-102	8,648	-10,869	100,503
Germany	8,503	-18	105	-214	8,376
North America	11,127	-10	859	-1,730	10,246
France	10,606	-11	540	-730	10,406
United Kingdom & Ireland	8,485	0	1,475	-710	9,250
Benelux & The Nordics	5,235	0	213	-405	5,043
Other Business Units	58,316	-63	5,424	-7,070	56,606
Global structures	554	0	32	-10	576
Total Direct	102,826	-102	8,648	-10,869	100,503
Total Indirect	7,810	0	517	22	8,348
Worldline	11,474	-11,576	470	-368	0
TOTAL GROUP	122,110	-11,678	9,635	-11,216	108,851

A.5 2019 objectives

In 2019, the Group targets the following objectives for its 3 key financial criteria in line with its ADVANCE 2021 3-year plan:

Revenue organic growth: +1% to +2%;

Operating margin: circa 10.5% of revenue;

Free cash flow: between € 0.6 billion to € 0.7 billion.

On January 30, 2019, the Group held an Investor Day, where it announced to the market, after issuing in a first time a press release in the morning before market opening, its three-year plan with targets for the year 2021. The 2019 full-year objectives, first year of the three-year plan, as well as the underlying assumptions have been presented accordingly. These assumptions are presented in the section B.4 Strategy and ADVANCE 2021 of the 2018 Registration Document (<https://atos.net/wp-content/uploads/2019/04/atos-2018-registration-document.pdf>) incorporated by reference in this Universal Registration Document.

A.6 Claims and litigations

The Atos Group is a global business operating in some 73 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. All potential and active claims and disputes are carefully monitored, reported and managed in an appropriate manner and are subject to legal reviews by the Group Legal Department.

Due to the deconsolidation of Worldline, Worldline's claims and litigations have been removed and are no longer supervised by the Group. However, in the context of their Global Alliance, Atos and Worldline have agreed to cooperate in the management of current and future litigations involving both groups by coordinating their respective legal departments.

During the first half-year of 2019 the Group has successfully put an end to several significant litigations through settlements agreements and favourable court decisions.

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 30 June 2019 to cover for the identified claims and litigations, added up to € 33 million (including tax and commercial claims but excluding labor claims).

A.6.1 Risks relating to the deconsolidation of Worldline

The deconsolidation of Worldline from the Atos Group results in new risks which could have material adverse impact on Atos' business or results (or its ability to achieve its objectives), and/or a significant likelihood to occur.

Prior to the deconsolidation, Atos and Worldline had a certain level of interdependency materialized by a joint go-to-market strategy, common talent pools and networks, cooperation of experts in innovation and data/security, joint agreements with third parties notably suppliers, common tools and processes, and a number of shared functions and shared IT systems.

As a consequence, the major risks for Atos resulting from the separation of Worldline from the Atos Group are the potential limitation of joint commercial opportunities and synergies, which might impact Atos' capacity to generate future revenue, and the potential security incidents affecting IT systems linked to the intertwining of IT and production IT structures which might cause recovery costs, and reputation or other damages.

To mitigate those risks, Atos entered into an alliance agreement with Worldline, dated March 25, 2019, which was authorized by the Board of Directors and approved by the Company's Annual General Meeting held on April 30, 2019 (the "Alliance"). The Alliance aims at maintaining a strong partnership in the following four main domains, implying mutual obligations of both groups: Sales, Research and Development (R&D), Human Resources and Procurement; it notably includes a mutual general cooperation clause and governance provisions relating to the implementation of the Alliance. Atos and Worldline also entered into a separation agreement, dated May 6, 2019, which was authorized by the Board of Directors. This separation agreement notably organizes a close cooperation for the separation and migration of IT systems. Finally, ahead of the separation, Atos and Worldline set up an appropriate project management structure involving 16 workstreams (1 per domain) and a clear project governance was put in place to achieve an adequate transition. Several committees comprising Atos and Worldline representatives meet on a regular basis to monitor the transition, ensure the proper implementation of the Alliance and define corrective actions, when required

A.6.2 Tax claims

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

Some of the tax 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 Stamp Duty re-imbusement. Following a judgement HSBC reached by the European Justice Court, Atos UK commenced proceedings in 2009 to recover a stamp duty paid in 2000 of an amount over €10 million. The Stamp Duty aspect of the claim was won in 2012. Regarding the time limit rule a favorable judgement was released in April 2017. Atos UK is now waiting for the outcome of the HMRC's request for appeal in the test case.

The total provision for tax claims, as inscribed in the consolidated accounts closed as at 30 June 2019 was € 22 million.

A.6.3 Commercial claims

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

Some important contracts that have been monitored by the Risk Management Department have evolved into litigation, particularly in Germany. These disputes are managed by the Group's Legal Department.

There is a number of significant on-going commercial cases in various jurisdictions that the Group has integrated as a result of several acquisitions, the latest one being a litigation inherited from Syntel which the Group is trying to settle amicably. The Group and Siemens signed two settlements agreements covering the Unify cases on one hand and the Siemens IT Solutions et Services cases on the other hand. Further to the signature of these agreements, the Group is confident that it has obtained a satisfactory coverage for the residual risks associated with the acquisition of Unify.

The total provision for commercial claim risks, as inscribed in the consolidated accounts closed as at 30 June 2019, amounts to € 11 million.

A.6.4 Labor claims

There are almost 110.000 employees in the Group and relatively few labor claims. In almost every jurisdiction 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 or inflated and typical for companies operating in this region.

The Group is respondent in a few labor claims of higher value, but in the Group's opinion most of these claims have little or no merit and are provisioned appropriately.

All of the claims exceeding €300,000 have been provisioned for an overall amount of € 11 million as inscribed in the consolidated financial statements as at 30 June 2019.

A.6.5 Representation & Warranty claims

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

A.6.6 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.

A.7 Related parties

This paragraph is aimed at ensuring transparency in the relationship between the Group and its Shareholders (and their representatives), as well as in the links between the Group and related companies that the Group does not exclusively control (i.e. joint ventures or investments in associates).

Significant related-party transactions are described in the Note 14 – Related party transactions on page 229 of the 2018 Registration Document filed with the Autorité des Marchés Financiers (AMF) on February 22, 2019. Following the distribution in kind of 23.5% of Worldline share capital to Atos' shareholders on May 7, 2019, Atos holds 27.3% of the share capital and 35.0% of the voting rights of Worldline. As from May 1, 2019 (instead of May 7, 2019 for practical reasons), this stake has been accounted for under the equity method in Atos' financial statements. Consequently, the transactions between Atos and Worldline, over which the Group has a significant influence, are detailed below in the Note 13 – Related party transactions.

B. Financial statements

B.1 Financial review

Worldline Discontinued operation

Following the decision made on January 29, 2019 by Atos Board of Directors to submit to Annual General Meeting the project to distribute 23.5% of Worldline total shares to Atos shareholders and the approval of the transaction by Atos shareholders at the Annual General Meeting on April 30, 2019, this distribution of Worldline shares took effect on May 7, 2019, the payment date for the stock dividend. Thus, in accordance with IFRS 5, Worldline's results up to April 30, 2019 (instead of May 7, 2019 for practical reasons) have been reclassified to "Net income from discontinued operation". The gain resulting from this transaction was recognized in the consolidated income statement in "Net income from discontinued operation" (see in note 1 – Changes in the scope of consolidation).

Worldline 2018 contributions to the Group income statement and cash flow were restated accordingly.

B.1.1 Income statement

The Group reported a net income from continuing operations (attributable to owners of the parent) of € 180 million for the half year ended June 30, 2019, representing 3.1% of Group revenue. The normalized net income before unusual, abnormal and infrequent items (net of tax) for the period was € 343 million, representing 6.0% of Group revenue of the period.

<i>(In €million)</i>	6 months ended 30 June 2019		6 months ended 30 June 2018 *	
	%		%	
Continuing operations				
Operating margin	529	9.2%	416	7.9%
Other operating income/(expenses)	-241		-169	
Operating income	288	5.0%	247	4.7%
Net financial income/(expenses)	-79		-23	
Tax charge	-38		-35	
Non-controlling interests	-2		-1	
Share of net profit/(loss) of associates	12		-	
Net income from continuing operations – Attributable to owners of the parent	180	3.1%	188	3.6%
Normalized net income from continuing operations – Attributable to owners of the parent **	343	6.0%	302	5.8%
Discontinued operation				
Net income from discontinued operation – Attributable to owners of the parent	3,055		40	

* Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.

** The normalized net income is defined hereafter.

The net income from discontinued operation is made of the contribution from Worldline net result from January 1, 2019 to April 30, 2019 and of the net gain on distribution of Worldline shares net of costs to distribute (after tax). This net gain was € 2,996 million (see in Note 1 – Changes in the scope of consolidation).

B.1.1.1 Operating margin

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

B.1.1.2 Other operating income and expenses

Other operating income and expenses relate to income and expenses that are unusual, abnormal and infrequent and represented a net expense of € 241 million in the first half of 2019. The following table presents this amount by nature:

(In €million)	6 months ended 30 June 2019	6 months ended 30 June 2018 *
Staff reorganization	-63	-37
Rationalization and associated costs	-17	-13
Integration and acquisition costs	-24	-16
Amortization of intangible assets (PPA from acquisitions)	-79	-49
Equity based compensation	-34	-32
Other items	-24	-23
Total	-241	-169

* Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.

Staff reorganization increased to € 63 million, mainly due to the acceleration of the adaptation of the Group workforce in several countries, in particular in Germany and to a lesser extent in France, as well as the reorganization of the Global Infrastructure & Data Management Division.

The € 17 million **rationalization and associated costs** primarily resulted from the closure of office premises and data center consolidation, mainly in North America and France.

Integration and acquisition costs at € 24 million mainly related to the integration costs of Syntel to generate synergies while the other costs relate to the migration and standardization of internal IT platforms from earlier acquisitions.

In the first half of 2019, amortization of intangible assets recognized through **Purchase Price Allocation** (PPA) of € 79 million was mainly composed of:

- € 33 million of Syntel customer relationships and technologies amortized over 12 years starting November 1, 2018;
- € 11 million of SIS customer relationships amortized over 4 to 12 years starting July 1, 2011;
- € 10 million of Xerox ITO customer relationships amortized over 6 to 12 years starting July 1, 2015;
- € 9 million of Unify customer relationships and technologies amortized over 2 to 10 years starting February 1, 2016;
- € 8 million of Bull customer relationships and patents amortized over respectively 9 years and 7 to 10 years starting September 1, 2014.

The **equity-based compensation** expense amounted to € 34 million in the first half of 2019 compared to € 32 million in the first half of 2018.

In the first half of 2019, the € 24 million **other expenses** remained stable and corresponded mainly to semi-retirement scheme in Germany and break-up fees related to supplier contract terminations.

B.1.1.3 Net financial expense

Net financial expense amounted to € 79 million for the period (compared to € 23 million for the first half of 2018) and was composed of a net cost of financial debt of € 36 million and non-operational financial costs of € 43 million.

Net cost of financial debt increased from € 8 million in the first half of 2018 to € 36 million in the first half of 2019 of which € 32 million from interest expenses to finance Syntel acquisition.

Non-operational financial costs amounted to € 43 million compared to € 14 million in the first half of 2018, mainly coming from the interests on the lease liabilities following the first application of IFRS 16 and a net foreign exchange loss of € 3 million compared to a gain of € 7 million on the first half of 2018.

B.1.1.4 Corporate tax

The tax charge for the first half of 2019 was € 38 million with a profit before tax from continuing operations of € 209 million. The annualized Effective Tax Rate (ETR) was 18.3% compared to 15.5% for the first half of 2018. This increase related mostly to the integration in the Group scope of Syntel, which has a higher ETR than average. This effect was similar to the effect that Worldline used to have on Group ETR when it was consolidated as part of the continuing operations. Therefore the Group ETR remained stable compared to the situation before Worldline deconsolidation and Syntel acquisition.

B.1.1.5 Share of net profit/(loss) of associates

Associates accounted for under equity method amounted to € 12 million in the first half of 2019 coming from the contribution of Worldline since May 1, 2019.

B.1.1.6 Non-controlling interests

Due to the loss of control of Worldline, non-controlling interests are not significant for the Group anymore.

B.1.1.7 Normalized net income

The normalized net income excluding unusual, abnormal and infrequent items (net of tax) was € 343 million, representing 6.0% of Group revenue for the period.

<i>(in €million)</i>	6 months ended 30 June 2019	6 months ended 30 June 2018 *
Net income from continuing operations - Attributable to owners of the parent	180	188
Other operating income and expenses net of tax from continuing operations	-163	-115
Normalized net income from continuing operations - Attributable to owners of the parent	343	302

* *Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.*

B.1.1.8 Half year Earning Per Share

(In € million and shares)

	6 months ended 30 June 2019	% Margin	6 months ended 30 June 2018 *	% Margin
Continuing operations				
Net income from continuing operations - Attributable to owners of the parent [a]	180	3.1%	188	3.6%
Impact of dilutive instruments	-		-	
Net income from continuing operations restated of dilutive instruments - Attributable to owners of the parent [b]	180	3.1%	188	3.6%
Average number of shares [e]	106,980,344		105,344,848	
Impact of dilutive instruments	8,730		125,413	
Diluted average number of shares [f]	106,989,074		105,470,261	
(In €)				
Basic EPS from continuing operations [a] / [e]	1.68		1.78	
Diluted EPS from continuing operations [b] / [f]	1.68		1.78	
Normalized basic EPS from continuing operations [c] / [e]	3.21		2.87	
Normalized diluted EPS from continuing operations [d] / [f]	3.21		2.87	
Discontinued operation				
Net income from discontinued operation - Attributable to owners of the parent [a]	3,055	53.2%	40	0.8%
Impact of dilutive instruments	-		-	
Net income from discontinued operation restated of dilutive instruments - Attributable to owners of the parent [b]	3,055	53.2%	40	0.8%
Average number of shares [e]	106,980,344		105,344,848	
Impact of dilutive instruments	8,730		125,413	
Diluted average number of shares [f]	106,989,074		105,470,261	
(In €)				
Basic EPS from discontinued operation [a] / [e]	28.55		0.38	
Diluted EPS from discontinued operation [b] / [f]	28.55		0.38	

* Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.

Potential dilutive instruments comprised vested stock options (equivalent to 8,730 options).

B.1.2 Cash Flow and net cash

The Group reported a net debt position of € 2,939 million at the end of June 2019 and a free cash flow generation of € 23 million in the first half of 2019.

<i>(in €million)</i>	6 months ended 30 June 2019	6 months ended 30 June 2018 *
Operating Margin before Depreciation and Amortization (OMDA)	835	542
Capital expenditures	-173	-177
Lease payments	-167	-
Change in working capital requirement	-269	-152
Cash from operation (CFO)	227	213
Tax paid	-48	-31
Net cost of financial debt paid	-36	-8
Reorganization in other operating income	-49	-52
Rationalization & associated costs in other operating income	-22	-2
Integration and acquisition costs	-24	-15
Other changes**	-26	-27
Free Cash Flow (FCF)	23	78
Net (acquisitions) / disposals	-11	-21
Capital increase / (decrease)	15	7
Share buy-back	-76	-50
Dividends paid	-58	-70
Change in net cash/(debt)	-107	-57
Opening net cash/(debt)	-2,872	307
Net (cash)/debt from (used in) discontinued operation	35	-309
Change in net cash/(debt)	-107	-57
Foreign exchange rate fluctuation on net cash/(debt)	5	-4
Closing net cash/(debt)	-2,939	-62

* Net debt from items relating to Worldline for 2018 have been reclassified to "Net debt from (used in) discontinued operation", in accordance with IFRS 5.

** "Other changes" include other operating income with cash impact (excluding reorganization, rationalization and associated costs, integration and acquisition costs) and other financial items with cash impact, net long term financial investments excluding acquisitions and disposals, and profit sharing amounts payable transferred to debt.

Free cash flow represented by the change in net cash or net debt, excluding equity changes, dividends paid, impact of foreign exchange rate fluctuation on opening net cash balance, and net acquisitions and disposals, was € 23 million compared to € 78 million in the first half of 2018.

Cash From Operations (CFO) amounted to € 227 million compared to € 213 million in the first half of 2018, the evolution coming from the following items:

OMDA net of lease payments (€ +126 million);
Capital expenditures (€+4 million);
Change in working capital (€-117 million).

OMDA of € 835 million, representing an increase of €+293 million compared to June 2018, reached 14.5% of revenue compared to 10.3% of revenue in June 2018. The bridge from operating margin to OMDA was as follows:

<i>(in €million)</i>	6 months ended 30 June 2019	6 months ended 30 June 2018 *
Operating margin	529	416
+ Depreciation of fixed assets	171	173
+ Depreciation of right of use	164	-
+ Net book value of assets sold/written off	13	17
+/- Net charge/(release) of pension provisions	-39	-47
+/- Net charge/(release) of provisions	-3	-18
OMDA	835	542

* OMDA items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.

In addition to the depreciation of right of use assets under IFRS16, the increase by € 293 million of OMDA is due to the Syntel scope effect as well as organic improvement from operations.

Capital expenditures totaled € 173 million, representing 3.0% of revenue, 40 bps less than the same period last year as the Group structure became less capital intensive.

The negative contribution from **change in working capital** was €-269 million (compared to €-152 million in the first half of 2018). The DSO has increased by 6 days (from 43 days at the end of December 2018 to 49 days at the end of June 2019), while the DPO has decreased by 2 days (from 97 days at the end of December 2018 to 95 days at the end of June 2019). DSO has been positively impacted by the sale of receivables with no recourse on large customer contracts by 23 days, stable compared to December 2018. As of June 30, 2019, € 858 million of trade receivables were sold, compared to € 894 million as of December 31, 2018, with no recourse to banks with transfer of risks as defined by IFRS 9 and were therefore derecognized in the Statement of Financial Position as of June 30, 2019.

Cash out related to **taxes paid** increased by € 17 million mainly due to Syntel scope effect.

Cost of net debt increased from € 8 million in the first half of 2018 to € 36 million in the first half of 2019 of which € 32 million from interest expenses to finance Syntel acquisition. This impact was partially reduced thanks to the average rate of 1.60% on the average gross cash compared to 0.98% in the first half of 2018.

Reorganization, rationalization and associated costs, and integration and acquisition costs reached € 95 million. A larger portion of reorganization costs was pulled forward into H1 to optimize the impact on the full year operating margin. The Group objective for the full year is confirmed at 1% of revenue plus Syntel integration costs and German transformation plan.

Other changes amounted to € -26 million, stable compared to last year same period.

As a result of the above evolutions as well as increase of the working capital requirement, the **Group free cash flow (FCF)** generated € 23 million during the first half of 2019, compared to € 78 million in the first half of 2018.

Capital increase totaled € 15 million in the first half of 2019 compared to € 7 million in the first half of 2018. This is mainly explained by the Group shareholding program SHARE 2018 for employees which occurred only in the first half of 2019.

Share buy-back reached € 76 million during the first half of 2019 compared to € 50 million in the first half of 2018. These share buy-back programs are related to managers performance shares delivery and aim at avoiding dilution effect for the shareholders.

In the first half of 2019, **dividends paid** mostly related to dividend paid to owners of the parent which amounted to € 55 million (€ 1.70 per share) compared to € 68 million in the first half of 2018 (€ 1.70 per share).

Foreign exchange rate fluctuation determined on debt or cash exposure by country represented a decrease in net debt of € 5 million.

B.1.3 Bank covenant

The Group achieved its borrowing covenant (leverage ratio) applicable to the multi-currency revolving credit facility, the \$ 1.9 billion term loan and the securitization program, with a **leverage ratio** (net debt divided by OMDA) of 2.09 at the end of June 2019.

According to the credit documentation of the multi-currency revolving credit facility, the \$ 1.9 billion term loan and the securitization program, the leverage ratio is calculated on a proforma basis, excluding IFRS16 impacts, taking into account 12 months rolling OMDA at the end of June 30, 2019.

The leverage ratio must not be greater than 2.5 times under the terms of the multi-currency revolving credit facility, the \$ 1.9 billion term loan and the securitization program.

B.2 Interim condensed consolidated financial statements

B.2.1 Interim condensed consolidated income statement

<i>(in €million)</i>	Notes	6 months ended 30 June 2019	6 months ended 30 June 2018 *
Revenue	Note 2	5,744	5,241
Personnel expenses	Note 4.1	-2,677	-2,435
Operating expenses	Note 4.2	-2,538	-2,390
Operating margin		529	416
% of revenue		9.2%	7.9%
Other operating income and expenses	Note 5	-241	-169
Operating income		288	247
% of revenue		5.0%	4.7%
Net cost of financial debt		-36	-8
Other financial expenses		-53	-24
Other financial income		10	10
Net financial income	Note 6.1	-79	-23
Net income before tax		209	224
Tax charge	Note 7	-38	-35
Share of net profit/(loss) of associates		12	-
Continuing operations			
Net income from continuing operations		182	189
Of which:			
- attributable to owners of the parent		180	188
- non-controlling interests		2	1
Discontinued operation			
Net income from discontinued operation		3,143	73
Of which:			
- attributable to owners of the parent		3,055	40
- non-controlling interests		89	33
Total Group			
Net income of consolidated companies		3,326	262
Of which:			
- attributable to owners of the parent		3,235	228
- non-controlling interests		91	35

* Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.

(In €million and shares)

	Notes	6 months ended 30 June 2019	6 months ended 30 June 2018 *
Net income from continuing operations - Attributable to owners of the parent	Note 12	180	188
Weighted average number of shares		106,980,344	105,344,848
Basic earnings per share from continuing operations		1.68	1.78
Diluted weighted average number of shares		106,989,074	105,470,261
Diluted earnings per share from continuing operations		1.68	1.78
Net income from discontinued operation - Attributable to owners of the parent	Note 12	3,055	40
Weighted average number of shares		106,980,344	105,344,848
Basic earnings per share from discontinued operation		28.55	0.38
Diluted weighted average number of shares		106,989,074	105,470,261
Diluted earnings per share from discontinued operation		28.55	0.38
Net income of consolidated companies - Attributable to owners of the parent	Note 12	3,235	228
Weighted average number of shares		106,980,344	105,344,848
Basic earnings per share of consolidated companies		30.23	2.16
Diluted weighted average number of shares		106,989,074	105,470,261
Diluted earnings per share of consolidated companies		30.23	2.16

* Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.

B.2.2 Interim condensed consolidated statement of comprehensive income

(in €million)

	6 months ended 30 June 2019	6 months ended 30 June 2018
Net income of consolidated companies	3,326	262
Other comprehensive income		
- to be reclassified subsequently to profit or loss (recyclable):	47	-4
Cash flow hedging	3	5
Exchange differences on translation of foreign operations	45	-7
Deferred tax on items recyclable recognized directly on equity	-1	-2
- not reclassified to profit or loss (non-recyclable):	-113	59
Actuarial gains and losses generated in the period on defined benefit plan	-156	74
Deferred tax on items non-recyclable recognized directly in equity	43	-16
Total other comprehensive income	-66	55
Total comprehensive income for the period	3,260	317
Of which:		
- attributable to owners of the parent	3,169	284
- non-controlling interests	91	34

B.2.3 Interim condensed consolidated statement of financial position

<i>(in €million)</i>	Notes	June 30, 2019	December 31, 2018
ASSETS			
Goodwill	Note 8	5,838	8,863
Intangible assets		1,709	2,813
Tangible assets		579	725
Right-of-use		1,101	-
Investments in associates accounted for under the equity method	Note 9	2,743	7
Non-current financial assets	Note 6.3	225	321
Deferred tax assets		426	459
Total non-current assets		12,621	13,188
Trade accounts and notes receivable	Note 3.2	2,808	2,965
Current taxes		2	74
Other current assets	Note 4.4	1,498	2,791
Current financial instruments		15	12
Cash and cash equivalents	Note 6.2	2,230	2,546
Total current assets		6,553	8,388
TOTAL ASSETS		19,173	21,576
LIABILITIES AND SHAREHOLDERS' EQUITY			
<i>(in €million)</i>			
Common stock		109	107
Additional paid-in capital		1,441	2,862
Consolidated retained earnings		2,272	2,760
Translation adjustments		-240	-285
Net income attributable to the owners of the parent		3,235	630
Equity attributable to the owners of the parent		6,817	6,074
Non-controlling interests		8	2,027
Total shareholders' equity		6,825	8,101
Provisions for pensions and similar benefits	Note 10	1,388	1,385
Non-current provisions	Note 11	88	101
Borrowings		3,715	4,381
Deferred tax liabilities		298	421
Non-current financial instruments		4	-
Non current lease liabilities		858	-
Other non-current liabilities		1	5
Total non-current liabilities		6,353	6,295
Trade accounts and notes payables	Note 4.3	2,129	2,462
Current taxes		99	132
Current provisions	Note 11	125	146
Current financial instruments		0	2
Current portion of borrowings		1,454	1,037
Current lease liabilities		336	-
Other current liabilities	Note 4.5	1,852	3,400
Total current liabilities		5,995	7,180
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		19,173	21,576

B.2.4 Interim condensed consolidated cash flow statement

<i>(in €million)</i>	Notes	6 months ended 30 June 2019	6 months ended 30 June 2018 *
Profit before tax from continuing operations		209	224
Depreciation of assets	Note 4.2	171	173
Depreciation of right-of-use		164	-
Net charge / (release) to operating provisions		-33	-64
Net charge / (release) to financial provisions		15	12
Net charge / (release) to other operating provisions		6	-
Amortization of intangible assets (PPA from acquisitions)		79	49
Losses / (gains) on disposals of fixed assets		11	-
Net charge for equity-based compensation		34	32
Unrealized losses / (gains) on changes in fair value and other		-1	-4
Net cost of financial debt	Note 6.1	36	8
Interest on lease liability	Note 6.1	14	-
Cash from operating activities before change in working capital requirement, financial interest and taxes		705	430
Tax paid		-48	-31
Change in working capital requirement		-269	-152
Net cash from / (used in) operating activities		388	247
Payment for tangible and intangible assets		-173	-177
Proceeds from disposals of tangible and intangible assets		-	13
Net operating investments		-173	-164
Amounts paid for acquisitions and long-term investments		-3	-13
Cash and cash equivalents of companies purchased during the period		-	-9
Proceeds from disposals of financial investments		-8	2
Net long-term investments		-11	-20
Net cash from / (used in) investing activities		-184	-184
Common stock issues on the exercise of equity-based compensation		15	7
Purchase and sale of treasury stock		-76	-50
Dividends paid		-58	-70
Lease payments		-167	-
New borrowings	Note 6.4	91	54
Finance lease		-	4
Repayment of current and non-current borrowings	Note 6.4	-81	-356
Net cost of financial debt paid		-36	-8
Other flows related to financing activities		3	2
Net cash from / (used in) financing activities		-309	-417
Increase / (decrease) in net cash and cash equivalents		-105	-355
Opening net cash and cash equivalents		2,378	2,182
Net cash from (used in) discontinued operation		-95	-334
Increase / (decrease) in net cash and cash equivalents	Note 6.4	-105	-355
Impact of exchange rate fluctuations on cash and cash equivalents		14	-4
Closing net cash and cash equivalents	Note 6.4	2,191	1,488

* Net cash and cash equivalent flows relating to Worldline for 2018 have been reclassified to "Net cash from (used in) discontinued operation", in accordance with IFRS 5.

B.2.5 Interim consolidated statement of changes in shareholders' equity

<i>(in € Million)</i>	Number of shares at period-end (thousands)	Common Stock	Additional paid-in capital	Consolidated retained earnings	Translation adjustments	Items recognized directly in equity	Net income	Total	Non controlling interests	Total shareholder s' equity
At December 31, 2017 restated	105,444	105	2,740	1,490	-282	8	601	4,662	564	5,226
• Common stock issued	1,440	2	122	-	-	-	-	124	7	131
• Appropriation of prior period net income				601			-601			-
• Dividends paid				-179				-179	-2	-182
• Equity-based compensation				36				36	2	38
• Changes in treasury stock				-50				-50		-50
• Acquisition of Non controlling interest without a change in control				5				5	-5	-
• Other				-				-1		-1
Transactions with owners	1,440	2	122	411			-601	-67	2	-65
• Net income							228	228	35	262
• Other Comprehensive income				58	-4	2		56	-1	55
Total comprehensive income for the period				58	-4	2	228	284	34	317
At June 30, 2018	106,884	107	2,862	1,958	-287	11	228	4,879	600	5,479
• Common stock issued	2		-					-1	-2	-3
• Dividends paid				-					-9	-9
• Equity-based compensation				17				17	2	19
• Changes in treasury stock				-34				-34	-13	-47
• Dilution impact				891				891	1,417	2,308
• Acquisition of Non controlling interest without a change in control				-4				-4	4	-
Transactions with owners	2		-	870				869	1,399	2,268
• Net income							402	402	38	440
• Other comprehensive income				-80	1	1		-78	-10	-88
Total comprehensive income for the period				-80	1	1	402	324	28	352
At December 31, 2018	106,886	107	2,862	2,748	-285	11	630	6,074	2,027	8,101
• Common stock issued	2,329	2	140					142		142
• Appropriation of prior period net income				630			-630	-		-
• Dividends paid				-182				-182	-2	-184
• Distribution in kind of Worldline shares			-1,561	-783				-2,344		-2,344
• Equity-based compensation				33				33		33
• Changes in treasury stock				-75				-75		-75
• Non controlling interests Worldline								-	-2,107	-2,107
• Other								-		-
Transactions with owners	2,329	2	-1,421	-378			-630	-2,426	-2,109	-4,536
• Net income							3,235	3,235	91	3,326
• Other comprehensive income				-113	45	2		-65		-65
Total comprehensive income for the period				-113	45	2	3,235	3,170	91	3,261
At June 30, 2019	109,215	109	1,441	2,257	-240	14	3,235	6,817	8	6,825

B.2.6 Appendices to the interim condensed consolidated financial statements

B.2.6.1 Basis of preparation and significant accounting policies

The 2019 interim condensed 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 January 1, 2019.

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).

These interim consolidated financial statements for the six months period ended June 30, 2019, have been prepared in accordance with IAS 34 - Interim Financial Reporting - and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended December 31, 2018. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

Changes in accounting policies

Except for new standards and amendments effective for the periods beginning as of January 1, 2019, the accounting policies applied in these interim consolidated financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended December 31, 2018.

The Group has implemented the new standard IFRS 16 "Leases" and the new interpretation IFRIC 23 "Uncertainty over Income tax treatment" on January 1, 2019. As a result, the Company has changed its accounting policies for leases accounting and for the classification of certain liabilities linked to uncertainty over income tax as detailed below.

IFRS 16 "Leases"

IFRS 16 replaces existing leases guidance IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC 15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IFRS 16 introduces a single on-balance sheet lease accounting model for lessees requiring them to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make future lease payments.

The Group applied IFRS 16 as of January 1, 2019 using the modified retrospective approach under which the comparative period is not restated. Instead, the cumulative impact of the application of the new standard is recognized in retained earnings at the transition date. Impact on equity is nil as of January 1, 2019.

The Group also used the below simplification & exemptions for the application of IFRS 16:

- The Group applied the practical expedient to grandfather the definition of a lease on transition. This means that as at January 1, 2019, the Group applied IFRS 16 to all alive contracts entered before this date and identified as leases in accordance with IAS 17 and IFRIC 4. For contracts entered into after January 1, 2019, the Group assesses whether a contract is, or contains, a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period in exchange for consideration;
- The Group also applied exemptions allowed by IFRS 16.5 to not recognize short term leases (less than 12 months) and leases for which the underlying asset is of a low value. Payments under such contracts are registered in the profit and loss statement, on a straight-line basis, over the duration of the contract.

The new standard does not trigger any adjustments on transition for the Group, for leases in which it acts as a lessor as IFRS 16 does not trigger any change on the existing accounting treatment under IAS 17.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using a Group's incremental borrowing bullet rate. Those rates have been determined for all currencies of the Group by geographies and by maturity. The incremental borrowing bullet rates are calculated by taking for each currency a reference market index quotation and adding up a spread corresponding to the cost of financing that would be applied by a lender to any subsidiary of Atos Group.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate, a change in estimate of the amount expected to be payable under a residual value guarantee, or changes in the assessment of whether an extension option is reasonably certain to be exercised or a termination option is reasonably certain to be exercised.

The Group has applied judgment to determine the lease term for some Real Estate lease contracts in which it is a lessee and that include renewal or early termination options analyzing whether those sites, mainly offices and data center, were strategic or not. In most cases, the Group retained the earliest date when the Group can go out from its lease commitment without paying any penalty except for French 3/6/9 specific leases where the 9th year has systematically been defined as lease term. Those assumptions might be revised during 2019 depending on IFRIC conclusions.

Impacts on financial statements

The Group elected to present the lease liability and the right to use the assets on dedicated lines in the Balance Sheet. Amortization of the right to use the asset is part of the operating margin, interest costs is part of the financial result of the Group. The impact of IFRS 16 implementation on Operating Margin and Group net result is not material as of June 30, 2019. The Group elected to exclude the lease liabilities from the Group net debt definition. Therefore, Free Cash Flow as per Group definition remains comparable with prior years.

Excluding Worldline which is presented as held for distribution as of January 1, 2019, IFRS 16 led to the recognition of an opening lease liability for € 1,237 million. This liability relates mainly to Real Estate, IT equipments and cars used by employees. Reconciliation of operating lease commitments as of December 31, 2018 and opening lease liability is as follows:

<i>(in €million)</i>	1 January 2019
Operating lease commitment at December 31, 2018 as disclosed in the Group's consolidated financial statements	1,559
Worldline held for distribution	-210
Short-term and low value assets leases (IFRS 16 exemptions)	-10
Discounting effect	-144
Finance lease liabilities recognised as at 31 December 2018	12
Other impacts	30
Lease Liabilities recognised at January 1st 2019	1,237

The impacts of the first application of IFRS 16 on the opening balance sheet are the following, excluding Worldline which is presented as held for distribution as of January 1, 2019:

- the accounting of the right-of-use assets for an amount of € 1,249 million, non-current lease liabilities for € 899 million and current lease liabilities for € 338 million (those amounts are considered as net of prepaid leases); the previous amounts include the reclassification of recognized tangible assets and financial debt related to existing finance leases as of December 31, 2018 for an amount of € 12 million to right-of-use and lease liability;
- the reclassification of lease incentive benefits from current and non-current liabilities to reduction of the right-of-use assets for € 23 million; this amount reduces the amount of right-of-use assets indicated hereabove;
- the reclassification of onerous lease provision from non-current liabilities to reduction of the right-of-use assets for an amount of € 7 million; this amount reduces the amount of right-of-use assets indicated hereabove.

IFRIC 23 “Uncertainty over Income Tax Treatments”

In May 2017, the IASB issued IFRIC 23 “Uncertainty over Income Tax Treatments”. The interpretation clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. The adoption of this amendment did not lead to any revaluation of tax liabilities.

The amount of uncertain tax liabilities formerly included under provisions and classified according to the simplified retrospective method to current income tax liabilities is not material.

Other standards

As of January 1, 2019, the Group applied the following standards, interpretations and amendments that had no material impact on the Group financial statements:

- Amendments to IFRS 9 - Prepayment Features with Negative Compensation;
- Amendments to IAS 28 - Long-term Interests in Associates and Joint Ventures;
- Amendments to IAS 19 - Plan Amendment, Curtailment or Settlement;
- Annual Improvements to IFRS Standards 2015–2017.

The Group has not early adopted any standard or interpretation not required to be applied for periods beginning as or after January 1, 2019. The Group does not apply IFRS standards and interpretations that have not been yet approved by the European Union at the closing date.

These interim consolidated financial statements are presented in euro, which is the Group’s presentation currency. All figures are presented in € million.

Accounting estimates and judgments

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expense in the financial statements and disclosures of contingent assets and liabilities at the closing date.

Material judgments made by the management on accounting principles applied, as well as the main sources of uncertainty related to the estimates used to elaborate the 2019 interim condensed consolidated financial statements remain identical to those described in the last annual report, except for significant new judgments made for the application of IFRS 16 including the determination of the incremental borrowing rate of each lease contract and the probability of the renewal of such contracts.

B.2.6.2 Significant accounting policies

In addition to the accounting principles as disclosed in the annual consolidated financial statements, significant accounting principles are presented in Notes 7 – Income tax expenses, 8 – Goodwill and 10 – Pension plans and other long-term benefits, being relevant for the interim consolidated financial statements.

B.2.6.3 Notes to the half-year condensed consolidated financial statements

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Note 1 Changes in the scope of consolidation

During the first half of 2019, the Group did not close any material acquisition.

Distribution in kind of Worldline shares

Discontinued operations up to April 30, 2019

Following the decision made on January 29, 2019 by Atos Board of Directors to submit to Annual General Meeting the project to distribute 23.5% of Worldline total shares to Atos shareholders and the approval of the transaction by Atos shareholders at the Annual General Meeting on April 30, 2019, this distribution of Worldline shares took effect on May 7, 2019, the payment date for the stock dividend. Thus, in accordance with IFRS 5, Worldline's results up to April 30, 2019 (instead of May 7, 2019 for practical reasons) have been reclassified to "Net income from discontinued operation".

The distribution to Atos shareholders was made based on a ratio of 2 Worldline shares for 5 Atos shares held, in accordance with the terms of the transaction announced by Atos on March 22, 2019 and valued at the opening price on May 7, 2019 of the Worldline share (€ 54.70).

Under IFRS, the distribution in kind of Worldline shares took place in two steps: (i) the first step is the sale of the 50.8% of Worldline shares held by Atos, and (ii) the second step is the acquisition of the 27.3% of Worldline shares retained by Atos.

The net gain resulting from the loss of control of all Worldline shares held by the Group following the distribution was recognized in the consolidated income statement in "Net income from discontinued operation". This gain was presented net of current and deferred taxes and costs to distribute the Worldline shares (after tax). Cash flows relating to Worldline operations up to April 30, 2019 have been reclassified in the consolidated statement of cash flows to "Net cash from (used in) discontinued operation".

Impact on the consolidated income statement

Worldline was not previously classified as held-for-distribution or as a discontinued operation. The comparative condensed consolidated statement of profit and loss has been changed to show the discontinued operation separately from continuing operations.

The flows relating to the services rendered by the continuing operations to Worldline have been eliminated at the Worldline level. As a result, the external revenue of the Group includes revenues related to such flows.

Detailed income statement of the discontinued operation

<i>(in €million)</i>	From January 1, 2019 to April 30, 2019*	From January 1, 2018 to June 30, 2018
Revenue	705	764
Personnel expenses	-289	-338
Operating expenses	-263	-296
Operating margin	153	129
% of revenue	21.7%	16.9%
Other operating income and expenses	-22	-34
Operating income	131	95
% of revenue	18.6%	12.5%
Net financial income	71	2
Net income before tax	201	97
Tax charge	-48	-24
Net gain (loss) on disposal of discontinued operation	2,996	-
Other costs related to the distribution of Worldline shares	-5	-
Net income	3,143	73
Of which:		
- attributable to owners of the parent	3,055	40
- non-controlling interests	89	33

* Income and expense items relating to Worldline for 2019 have been reclassified until April 30, 2019 to "Net income from discontinued operation", in accordance with IFRS 5. See note 1.

The loss of control of Worldline following the distribution in kind generated a net gain of € 2,996 million in 2019. This amount is net of € 18 million of cost to distribute (after tax)

Investment in Associates from May 1, 2019

Following the distribution, Atos held 27.3% of Worldline's share capital and 35% of voting rights, subject to a six-month lock-up period. Starting May 1, 2019, the Group has no more control on Worldline, but a significant influence on Worldline. As such, the Group investment in Worldline was from that date presented as part of "Investments in associates accounted for under the equity method" in the 2019 consolidated financial statements. A purchase price allocation has been performed for the part of the business which is still held by the Group.

The Group share of Worldline net contributive result since May 1, 2019 is presented in the Group 2019 consolidated income statement in "Share of net profit/(loss) of associates". The new intangible assets generated by the purchase price allocation exercise are amortized on the same line.

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 Global delivery centers have been isolated in Other Business Units.

The Group segment organization in 2019 was the following:

Operating segments	Activities
United Kingdom & Ireland	Business & Platform Solutions, Infrastructure & Data Management and Big Data and Cybersecurity in Ireland and the United Kingdom.
France	Business & Platform Solutions, Infrastructure & Data Management and Big Data and Security in France and Morocco offshore delivery Center.
Germany	Business & Platform Solutions, Infrastructure & Data Management and Big Data and Security in Germany.
North America	Business & Platform Solutions, Infrastructure & Data Management and Big Data and Cybersecurity in Canada, Guatemala, Mexico and the United States of America
Benelux & The Nordics	Business & Platform Solutions, Infrastructure & Data Management and Big Data and Cybersecurity in Belarus, Belgium, Denmark, Estonia, Finland, Lithuania, Luxembourg, Poland, Russia, Sweden and The Netherlands.
Other Business Units	Business & Platform Solutions, Infrastructure & Data Management and Big Data and Cybersecurity in Algeria, Andorra, Argentina, Australia, Austria, Bosnia and Herzegovina, Brazil, Bulgaria, Chile, China, Colombia, Croatia, Czech Republic, Egypt, Gabon, Greece, Hungary, Hong-Kong, India, Israel, Italy, Ivory Coast, Japan, Lebanon, Malaysia, Madagascar, Mauritius, Morocco, Namibia, New-Zealand, Philippines, Portugal, Qatar, Romania, Saudi-Arabia, Senegal, Singapore, Serbia, Slovakia, Slovenia, South-Africa, South Korea, Spain, Switzerland, Taiwan, Thailand, Tunisia, Turkey, UAE, Uruguay and also Major Events activities, Global Delivery Centers

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

The operating segment information for the periods is as follows:

(in €million)

	United Kingdom and Ireland	France	Germany	North America	Benelux & The Nordics	Other Business Units	Total Operating segments	Global Structures	Elimination	Total Group
6 months ended 30 June 2019										
External revenue by segment	842	887	1,074	1,345	524	1,073	5,744			5,744
% of Group revenue	14.7%	15.4%	18.7%	23.4%	9.1%	18.7%	100.0%			100.0%
Inter-segment revenue	31	99	94	31	75	495	825	197	-	1,022
Total revenue	873	986	1,168	1,376	599	1,568	6,569	197	-	1,022
Segment operating margin	87	59	68	148	39	168	567	-38	-	529
% of margin	10.3%	6.6%	6.3%	11.0%	7.4%	15.6%	9.9%			9.2%
Total segment assets	1,330	1,854	1,987	4,681	1,019	2,334	13,204	3,311		16,515
6 months ended 30 June 2018 *										
External revenue by segment	830	848	1,060	967	515	1,021	5,241	-	-	5,241
% of Group revenue	15.8%	16.2%	20.2%	18.4%	9.8%	19.5%	100.0%			100%
Inter-segment revenue	103	177	194	179	139	881	1,672	136	-	1,808
Total revenue	932	1,026	1,254	1,145	654	1,902	6,913	136	-	1,808
Segment operating margin	89	61	68	89	39	111	457	-41	-	416
% of margin	10.7%	7.2%	6.4%	9.3%	7.6%	10.8%	8.7%			7.9%
Total segment assets	1,134	1,701	1,733	1,480	795	1,657	8,500	330		8,830

* Figures presented are restated from Worldline activities, in accordance with IFRS 5.

The total assets by segment for the periods is as follows:

<i>(in €million)</i>	June 30, 2019	June 30, 2018
Total segment assets	16,515	8,830
Total segment assets from Worldline*	-	2,122
Tax Assets	428	433
Cash & Cash Equivalents	2,230	1,967
Total Assets	19,173	13,351

* Worldline is no more considered as segment.

The Group revenue from external customers are split into the following divisions:

<i>(in €million)</i>	Infrastructure and data management	Business & Platform solutions	Big Data & cybersecurity	Total Group
June 30, 2019				
External revenue by segment	3,137	2,135	473	5,744
% of Group revenue	54.6%	37.2%	8.2%	100.0%
6 months ended 30 June 2018 *				
External revenue by segment	3,179	1,632	430	5,241
% of Group revenue	60.7%	31.1%	8.2%	100.0%

* Figures presented are restated from Worldline activities, in accordance with IFRS 5.

Note 3 Revenue, trade receivables, contract assets and contract costs

3.1 – Disaggregation of revenue from contracts with customers

<i>(in €million)</i>	Manufacturing, Retail &Transport	Public & Health	Financial Services	Telcos, media & utilities	Total Group
June 30, 2019					
External revenue by market	2,063	1,697	1,041	943	5,744
% of Group revenue	35.9%	29.5%	18.1%	16.4%	100.0%
6 months ended 30 June 2018 *					
External revenue by market	1,957	1,614	751	919	5,241
% of Group revenue	37.3%	30.8%	14.3%	17.5%	100.0%

* Figures presented are restated from Worldline activities, in accordance with IFRS 5.

3.2 – Trade accounts and Notes receivables

(In €million)	June 30, 2019	December 31, 2018
Contract assets	1,638	1,489
Trade receivables	1,142	1,471
Contract costs	100	89
Expected credit losses allowances	-72	-84
Net asset value	2,808	2,965
Contract liabilities	-672	-776
Net accounts receivable	2,137	2,188
Number of days' sales outstanding (DSO)	49	43

Atos securitization program of trade receivables has been renewed for 5 years on May 29, 2018 with a maximum amount of receivables sold of € 500 million and a maximum amount of financing reduced from € 200 million to € 100 million. The Group sold with recourse trade receivables for € 93 million. These trade receivables have not been derecognized from the statement of financial position, because the Group retains substantially all risks and rewards. The amount received on transfer (€ 10 million) has been recognized as a secured bank loan. The arrangement with the bank is such that the customer remits cash directly to the Group and the Group transfers the collected amount to the bank.

As of June 30, 2019, € 858 million of trade receivables were transferred to third parties with conditions of the transfers meeting IFRS 9 requirements, meaning transfer of contractual cash flows and transfer of substantially all risks and rewards are achieved (€ 894 million as of December 31, 2018). Those trade receivables were therefore derecognized in the statement of financial position as of June 30, 2019.

Note 4 Operating items

4.1 – Personnel expenses

(In €million)	6 months ended 30 June 2019	% Revenue	6 months ended 30 June 2018 *	% Revenue
Wages and salaries	-2,172	37.8%	-1,954	37.3%
Social security charges	-505	8.8%	-512	9.8%
Tax, training, profit-sharing	-39	0.7%	-16	0.3%
Net (charge)/release to provisions for staff expenses	-	0.0%	-	0.0%
Net (charge)/release of pension provisions	39	-0.7%	47	-0.9%
Total	-2,677	46.6%	-2,436	46.5%

* Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.

4.2 – Non-personnel operating expenses

<i>(In €million)</i>	6 months ended 30 June 2019	% Revenue	6 months ended 30 June 2018 *	% Revenue
Subcontracting costs direct	-950	16.5%	-924	17.6%
Hardware and software purchase	-507	8.8%	-435	8.3%
Maintenance costs	-331	5.8%	-298	5.7%
Rent expenses	-11	0.2%	-164	3.1%
Telecom costs	-152	2.6%	-148	2.8%
Travelling expenses	-79	1.4%	-59	1.1%
Professional fees	-100	1.7%	-94	1.8%
Others expenses	-127	2.2%	-155	3.0%
Subtotal expenses	-2,258	39.3%	-2,278	43.5%
Depreciation of assets	-171	3.0%	-173	3.3%
Depreciation of right-of-use	-164	2.9%	-	-
Net (charge)/release to provisions	3	-0.1%	18	-0.3%
Gains/(Losses) on disposal of assets	-10	0.2%	-7	0.1%
Trade receivables write-off	-5	0.1%	-6	0.1%
Capitalized production	66	-1.2%	56	-1.1%
Subtotal other expenses	-280	4.9%	-112	2.1%
Total	-2,538	44.2%	-2,390	45.6%

* Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.

4.3 – Trade accounts and notes payable

<i>(In €million)</i>	June 30, 2019	December 31, 2018
Trade payables and notes payable	2,129	2,462
Net advance payments	-34	-37
Prepaid expenses and advanced invoices	-656	-666
Net accounts payable	1,437	1,759
Number of days' payable outstanding (DPO)	95	97

4.4 – Other current assets

<i>(In €million)</i>	June 30, 2019	December 31, 2018
Inventories	91	133
State - VAT receivables	193	273
Prepaid expenses and advanced invoices	656	666
Other receivables & current assets	524	530
Net advance payments	34	37
Assets linked to intermediation activities	-	1,151
Total	1,498	2,791

The intermediation activities in 2018 were related to Worldline activities only.

4.5 – Other current liabilities

<i>(In €million)</i>	June 30, 2019	December 31, 2018
Employee-related liabilities	408	512
Social security and other employee welfare liabilities	150	206
VAT payables	321	430
Contract liabilities	672	776
Liabilities linked to intermediation activities	-	1,151
Other operating liabilities	301	325
Total	1,852	3,400

The intermediation activities in 2018 were related to Worldline activities only.

Note 5 Other operating income and expenses

Other operating income and expenses relate to income and expenses that are unusual, abnormal and infrequent and represented a net expense of € 241 million in the first half of 2019. The following table presents this amount by nature:

<i>(In €million)</i>	6 months ended 30 June 2019	6 months ended 30 June 2018 *
Staff reorganization	-63	-37
Rationalization and associated costs	-17	-13
Integration and acquisition costs	-24	-16
Amortization of intangible assets (PPA from acquisitions)	-79	-49
Equity based compensation	-34	-32
Other items	-24	-23
Total	-241	-169

* Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.

Staff reorganization increased to € 63 million, mainly due to the acceleration of the adaptation of the Group workforce in several countries, in particular in Germany and to a lesser extent in France, as well as the reorganization of the Global Infrastructure & Data Management Division.

The € 17 million **rationalization and associated costs** primarily resulted from the closure of office premises and data centers consolidation, mainly in North America and France.

Integration and acquisition costs mainly related to the integration costs of Syntel to generate synergies while the other costs relate to the migration and standardization of internal IT platforms from earlier acquisitions.

In the first half of 2019, amortization of intangible assets recognized through **Purchase Price Allocation** (PPA) of € 79 million was mainly composed of:

- € 33 million of Syntel customer relationships and technologies amortized over 12 years starting November 1, 2018;
- € 11 million of SIS customer relationships amortized over 4 to 12 years starting July 1, 2011;
- € 10 million of Xerox ITO customer relationships amortized over 6 to 12 years starting July 1, 2015;
- € 9 million of Unify customer relationships and technologies amortized over 2 to 10 years starting February 1, 2016;
- € 8 million of Bull customer relationships and patents amortized over respectively 9 years and 7 to 10 years starting September 1, 2014.

The **equity-based compensation** expense amounted to € 34 million in the first half of 2019 compared to € 32 million in the first half of 2018.

In the first half of 2019, the € 24 million **other expenses** remained stable and corresponded mainly to semi-retirement scheme in Germany and break-up fees related to supplier contract terminations.

Equity-based compensation

The € 34 million expense recorded within other operating income relating to equity-based compensation (€ 32 million in the first half of 2018) is made up of:

<i>(In € million)</i>	6 months ended 30 June 2019	6 months ended 30 June 2018 *
By years :		
Plans 2018	7	-
Plans 2017	11	15
Plan 2016	13	15
Plan 2015	3	2
Plans 2014	-	0
Total	34	32
By category of plans :		
Free share plans	33	32
Employee share purchase plan	1	-
Total	34	32

* Figures presented are restated from Worldline activities, in accordance with IFRS 5.

Free shares plans

The total expense within the heading "other operating income and expense" relating to free share plans during the year was the following:

<i>(In € million)</i>	6 months ended 30 June 2019	6 months ended 30 June 2018 *
Atos		
Plans 2018	6	-
Plans 2017	11	15
Plan 2016	13	15
Plan 2015	3	2
Plan 2014	-	2
Bull		
Plan 2014		-2
Total	33	32

* Figures presented are restated from Worldline activities, in accordance with IFRS 5.

Employee share purchase plan Share 2018

In December 2018, the Group implemented a new employee share option plan called Share detailed as follows:

SHARE 2018 was open to employees throughout the Group. This new plan offered eligible employees the purchase of shares at a 20% discount with a five-year lock-up period restriction and the attribution of free shares for the first 2 subscribed shares.

As a consequence of the plan, the Group issued 263,518 shares at a reference share price of € 74.4 (before the 20% discount application).

The cost related to SHARE 2018 takes into account the effect of the five-year lock-up period restriction calculated based on the following parameters:

	SHARE 2018
Number of shares issued	263,518
Share price at grant date (€)	68.8
Percentage of discount	20%
Lock-up period	5 years
Risk free interest rate (%)	-0.003%
Borrowing-lending spread (%)	5%
Expense recognized in 2019 (in € million)	1

Note 6 – Financial assets, liabilities and financial result

6.1 – Financial result

Net financial expense amounted to € 79 million for the period (compared to € 23 million for the first semester of 2018) and was composed of a net cost of financial debt of € 36 million and non-operational financial costs of € 43 million.

Net cost of financial debt

The € 36 million cost of net debt increased by € 28 million compared to the first half of 2018 mostly due to the debt raised to finance Syntel acquisition in the second semester of 2018 (c. \$ 3.4 billion). In addition, and further to this financing, the average expense rate of the Group was 1.63% on the average gross borrowings compared to 1.36% in the first half of 2018. The increase of the average income rate on the average gross cash to 1.60% compared to 0.98% in the first half of 2018 slightly mitigated the increase of interest expenses.

(In € million)	6 months ended 30 June 2019	6 months ended 30 June 2018 *
Net interest expenses	-36	-8
Interest on obligations under finance leases	-	0
Net cost of financial debt	-36	-8

* Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.

Other financial income and expenses

<i>(In €million)</i>	6 months ended 30 June 2019	6 months ended 30 June 2018 *
Foreign exchange income/(expenses)	-3	7
Fair value gain/(loss) on forward exchange contracts held for trading	-	-1
Interest on lease liability	-14	-
Other income/(expenses)	-26	-21
Other financial income and expenses	-43	-14
Of which:		
- other financial expenses	-53	-24
- other financial income	10	10

* Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.

Non-operational financial costs amounted to € 43 million compared to € 14 million in the first half of 2018, mainly coming from the interests on the lease liabilities following the first application of IFRS 16 and a net foreign exchange loss of € 3 million compared to a gain of € 7 million last year.

6.2 – Cash and cash equivalents

<i>(In €million)</i>	June 30, 2019	December 31, 2018
Cash in hand and short-term bank deposit	2,181	2,506
Money market funds	49	40
Total	2,230	2,546

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

6.3 – Non-current financial assets

<i>(In €million)</i>		June 30, 2019	December 31, 2018
Pension prepayments	Note 10	105	116
Fair value of non-consolidated investments net of impairment		5	82
Other*		115	123
Total		225	321

* "Other" includes loans, deposits, guarantees and up-front and underwriting fees related to past acquisitions amortized over the duration of the debt instrument

6.4 – Change in net debt over the period

<i>(In €million)</i>	June 30, 2019	December 31, 2018
Opening net cash/(debt)	-2,872	307
Discontinued operations	35	-
New borrowings	-77	-1,758
Bonds	-14	-1,797
Repayment of current and non-current borrowings	81	287
Variance in net cash and cash equivalents	-105	222
Long and medium-term debt of companies sold during the period	-	3
Long and medium-term debt of companies acquired during the period	-	-103
Impact of exchange rate fluctuations on net long and medium-term debt	5	-34
Profit-sharing amounts payable to French employees transferred to debt	-1	1
Other flows related to financing activities	9	0
Closing net cash/(debt)	-2,939	-2,872

<i>(in €million)</i>	June 30, 2019	December 31, 2018
Cash and cash equivalents	2,230	2,546
Overdrafts	-39	-168
Total net cash and cash equivalents	2,191	2,378

The Group achieved its borrowing covenant (leverage ratio) applicable to the multi-currency revolving credit facility, the \$ 1.9 billion term loan and the securitization program, with a leverage ratio (net debt divided by OMDA) of 2.09 at the end of June 2019.

According to the credit documentation of the multi-currency revolving credit facility, the \$ 1.9 billion term loan and the securitization program, the leverage ratio is calculated on a proforma basis, excluding IFRS16 impacts, taking into account 12 months rolling OMDA at the end of June 30, 2019.

The leverage ratio must not be greater than 2.5 times under the terms of the multi-currency revolving credit facility, the \$ 1.9 billions term loan and the securitization program.

Note 7 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 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.

The tax charge for the first half of 2019 was € 38 million with a profit before tax from continuing operations of € 209 million. The annualized Effective Tax Rate (ETR) was 18.3% compared to 15.5% for the first half of 2018. This increase related mostly to the integration in the Group scope of Syntel, which has a higher ETR than average. This effect was similar to the effect that Worldline used to have on Group ETR when it was consolidated as part of the continuing operations. Therefore, the Group ETR remained stable compared to the situation before Worldline deconsolidation and Syntel acquisition.

Note 8 – Goodwill

Goodwill is not amortized and is subject to an impairment test performed at least annually by comparing its carrying amount to its recoverable amount at the closing date based on December actuals and latest 3 year plan, or more often whenever events or circumstances indicate that the carrying amount could not be recoverable. Such events and circumstances include but are not limited to:

- significant deviance of economic performance of the asset when compared with budget;
- significant worsening of the asset's economic environment;
- loss of a major client;
- significant increase in interest rates.

<i>(In €million)</i>	December 31, 2018	Assets held for distribution	Impact of business combi- nation	Exchange differences and other	June 30, 2019
Gross value	9,431	-3,050	-3	30	6,408
Impairment loss	-567	-	-	-2	-569
Carrying amount	8,863	-3,050	-3	28	5,838

During the semester, the Group has not recorded any impairment for any CGUs as there was not any triggering event. The only significant movement on the carrying amount relates to the Worldline disposal following the loss of control.

Note 9 – Investments in associates accounted for under the equity method

<i>(In €million)</i>	December 31, 2018	Acquisition	Net results	Exchange differences and other	June 30, 2019
Worldline	-	2,732	11	-7	2,736
Other	7	0	1	-1	7
Total	7	2732	12	-8	2,743

Note 10 – Pensions plans and other long-term benefits

The remeasurement principle for pension liabilities and assets at interim periods is the following: actuarial remeasurements are only triggered if there are significant impacts on both the obligations and plan assets and limited to the Group's largest pension plans. For less material plans, straightforward actuarial projections are used.

The net total amount recognized in the balance sheet in respect of pension plans is € 1,226 million (excluding Worldline) compared to € 1,197 million at December 31, 2018 (including Worldline).

Discount rates have significantly decreased since December 31, 2018, for all zone/countries, reflecting the market movement over the period.

	United Kingdom		Eurozone		USA	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Discount rate	2.50%	2.90%	0.9% ~ 1.4%	1.6% ~ 2.05%	3.50%	4.00%
Inflation assumption	RPI: 3.20% CPI: 2.20%	RPI: 3.20% CPI: 2.20%	1.45%	1.45%	na	na

The fair value of plan assets for major schemes has been remeasured as at June 30, 2019.

The amounts recognized in the balance sheet consist of:

<i>(In €million)</i>	June 30, 2019	December 31, 2018
Amounts recognized in financial statements consist of :		
Prepaid pension asset	105	116
Accrued liability – pension plans [a]	-1,331	-1,314
Total Pension plan	-1,226	-1,197
Accrued liability – other long-term employee benefits [b]	-57	-71
Total accrued liability [a] + [b]	-1,388	-1,385

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

<i>(In €million)</i>	6 months ended 30 June 2019	6 months ended 30 June 2018 *
Operating margin	-9	-7
Other operating income and expenses	1	1
Financial result	-15	-12
Total (expense)/profit	-23	-18

* Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.

Note 11 Provisions

<i>(In €million)</i>	December 31, 2018	Assets held for distribution	Charge	Release used	Release unused	Other (*)	June 30, 2019	Current	Non- current
Reorganization	70	-4	43	-29	-3	2	79	77	2
Rationalization	18	0	1	-3	-5	3	14	4	10
Project commitments	37	-3	11	-13	-4	1	26	23	3
Litigations and contingencies	121	-31	18	-2	-7	-7	93	21	72
Total provisions	247	-38	73	-47	-19	-2	213	125	88

(*) Other movements mainly consist of the currency translation adjustments

Note 12 Shareholders' equity

Earnings per share

Potential dilutive instruments comprised vested stock options (equivalent to 8,730 options) and did not generate a restatement of net income used for the diluted EPS calculation.

Earnings per share – Continuing operations

<i>(In €million and shares)</i>	6 months ended 30 June 2019	6 months ended 30 June 2018 *
Net income from continuing operations– Attributable to owners of the parent [a]	180	188
Impact of dilutive instruments	-	-
Net income from continuing operations restated of dilutive instruments - Attributable to owners of the parent [b]	180	188
Average number of shares outstanding [c]	106,980,344	105,344,848
Impact of dilutive instruments [d]	8,730	125,413
Diluted average number of shares [e]=[c]+[d]	106,989,074	105,470,261
(In €)		
Basic EPS from continuing operations [a] / [c]	1.68	1.78
Diluted EPS from continuing operations [b] / [e]	1.68	1.78

* Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.

Earnings per share – Discontinued operation

<i>(In €million and shares)</i>	6 months ended 30 June 2019	6 months ended 30 June 2018 *
Net income of consolidated companies - Attributable to owners of the parent [a]	3,055	40
Impact of dilutive instruments	-	-
Net income of consolidated companies restated of dilutive instruments - Attributable to owners of the parent [b]	3,055	40
Average number of shares outstanding [c]	106,980,344	105,344,848
Impact of dilutive instruments [d]	8,730	125,413
Diluted average number of shares [e]=[c]+[d]	106,989,074	105,470,261
(In €)		
Basic EPS including discontinued operation [a] / [c]	28.55	0.38
Diluted EPS including discontinued operation [b] / [e]	28.55	0.38

* Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.

Note 13 Related party transactions

Related parties are defined as follows:

- Entities which are controlled directly by the Group, either solely or jointly, or indirectly through one or more intermediary controls. Entities which offer post-employment benefits in favor of employees of the Group, or entities which are controlled or jointly owned by a member of the key management personnel of the Group as defined hereafter; and
- Key management personnel of the Group defined as persons who have the authority and responsibility for planning, directing and controlling the activity of the Group, namely members of the Board of Directors as well as Senior Executive Vice-Presidents.

Transactions between Atos and its subsidiaries, which are related parties of the Group, have been eliminated in consolidation and are not disclosed in this note.

Transactions between Atos and Worldline, over which the Group has a significant influence, are detailed below.

Transactions between the related parties

The main transactions between the related entities are composed of:

- The re-invoicing of the premises;
- The invoicing of delivery services such as personnel costs or use of delivery infrastructure;
- The invoicing of administrative services; and
- The interest expenses related to the financial items.

These transactions are entered into at market conditions.

Related party transactions are detailed as follows:

<i>(in €million)</i>	2 months ended 30 June 2019
Revenue	21
Operating income/expenses	-20

The receivables and liabilities included in the statement of financial position linked to the related parties are detailed as follows:

(in €million)

June 30, 2019

Trade accounts and notes receivables	33
Trade accounts and notes payables	30

Note 14 Approval of interim financial statements

The interim financial statements were approved by the Board of Directors on July 24, 2019.

Note 15 Subsequent events

There is no significant subsequent event to be mentioned.

B.3 Statutory auditors' review report on the half-yearly financial information for the period from January 1 to June 30, 2019

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional 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 French Monetary and Financial Code ("*Code monétaire et financier*"), we hereby report to you on:

- the review of the accompanying interim condensed consolidated financial statements of Atos S.E., for the period from January 1 to June 30, 2019,
- the verification of the information presented in the interim management report.

These interim condensed 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.

1. 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 interim condensed 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.

Without qualifying our conclusion, we draw your attention to the matter set out in the note B.2.6.1. "Basis of preparation and significant accounting policies" to the interim condensed consolidated financial statements regarding change in accounting policies related to the first application of IFRS 16 "Leases" effective since January 1, 2019.

2. Specific verification

We have also verified the information presented in the interim management report on the interim condensed consolidated financial statements subject to our review.

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

Paris-La Défense and Neuilly-sur-Seine, July 25, 2019

The Statutory Auditors

French original signed by

Deloitte & Associés

Grant Thornton

French member of Grant Thornton International

Christophe Patrier

Virginie Palethorpe

C. Person responsible

C.1 For the Universal Registration Document

Thierry Breton

Chairman
& Chief Executive Officer

C.2 For the accuracy of the Universal Registration Document

I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Universal 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 2019 half-year condensed consolidated 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.

Bezons, July 30, 2019

Thierry Breton

Chairman
& Chief Executive Officer

C.3 For the audit

Appointment and term of offices

Statutory auditors	Substitute auditors
Grant Thornton Virginie Palethorpe	Cabinet IGEC
Appointed on: October 31, 1990, then renewed in October 24, 1995, in May 30, 2002, in June 12, 2008, and in May 17, 2014	Appointed on: October 31, 1990, then renewed in October 24, 1995, in May 30, 2002, in June 12, 2008, and in May 17, 2014
Term of office expires: at the end of the AGM voting on the 2019 financial statements	Term of office expires: at the end of the AGM voting on the 2019 financial statements
Deloitte & Associés Christophe Patrier	
Appointed on: December 16, 1993, renewed in February 24, 2000, in May 23, 2006, in May 30, 2012, and in May 23, 2018	
Term of office expires: at the end of the AGM voting on the 2023 financial statements	

D. Corporate governance and additional information

D.1 Appointment of a Deputy Chief Executive Officer

The Board of Directors unanimously approved on March 18, 2019 the appointment of Mr. Elie Girard as Group Deputy Chief Executive Officer.

D.2 Office renewals and composition of the Board of Directors

The Company's Annual General Meeting, held on April 30, 2019, approved all the proposed renewals of Directors. In particular, it renewed the terms of office as Directors of (i) Mr. Thierry Breton and Mr. Vernon Sankey for a period of three years, and (ii) Ms. Aminata Niane and Ms. Lynn Paine for a period of two years.

The General Meeting also appointed Mr. Vivek Badrinath as Director for a period of two years and Mr. Jean-Louis Georgelin as censor for a period of one year.

During its meeting held right before the General Meeting on April 30, 2019, the Board acknowledged the resignation of Ms. Marie-Christine Lebert as Employee Director, and the designation of her successor, Mr. Farès Louis, by the CFDT as the most representative trade-union among the French companies of the Atos Group. Pursuant to applicable laws, the term of office of Mr. Farès Louis will expire in 2020, at the end of the general meeting voting on the 2019 financial statements.

On that basis, the Board of Directors, during its meeting held right after the Annual General Meeting, decided (i) to renew Mr. Thierry Breton as Chairman and Chief Executive Officer for the duration of his term of office as Director, (ii) to renew Ms. Aminata Niane as Lead Director for the duration of her term of office as Director, and (iii) to confirm the composition of the Board's committees.

Following these various changes, as of the date of this Universal Registration Document, the Board of Directors comprised twelve Directors including eight independent Directors, and one censor, as follows:

		PERSONAL INFORMATION				EXPERIENCE	POSITION ON THE BOARD			MEMBERSHIP IN COMMITTEES ³ (And other office)	
		Age	Gender	Nationality	Number of shares	Number of other mandates in listed companies ¹	Independence	Date of first appointment ²	End of term of office		Seniority on Board
Chairman & CEO	Thierry BRETON	64	M	French	508085	3 ¹	NO	02/10/2009	AGM 2022	10	N/A
	Vivek BADRINATH	50	M	French	500	1	YES	04/30/2019	AGM 2021	0	N/A
	Nicolas BAZIRE	62	M	French	1040	4	YES	02/10/2009	AGM 2020	10	N&R★
	Valérie BERNIS	60	F	French	505	2	YES	04/15/2015	AGM 2020	4	CSR★
	Roland BUSCH	54	M	German	1000	2	NO	07/01/2011	AGM 2020	8	Audit
Directors (L225-17 CCom)	Bertrand MEUNIER	63	M	French	1000	0	YES	02/10/2009	AGM 2021	10	Audit, N&R
	Colette NEUVILLE	82	F	French	1012	1	YES	04/13/2010	AGM 2020	9	N/A
	Aminata NIANE	62	F	Senegalese	1012	0	YES	05/27/2010	AGM 2021	9	Lead Independent Director
	Lynn PAINE	70	F	American	1000	0	YES	05/29/2013	AGM 2021	6	Audit, CSR
	Vernon SANKEY	69	M	British	1000	0	YES	02/10/2009	AGM 2022	10	Audit★, CSR
Director representing the employee shareholders (L225-23 CCom)	Jean FLEMING	50	F	British	1390	0	NO	05/26/2009	AGM 2020	10	N&R
Employee Director (L225-27-1 CCom)	Farès LOUIS	57	M	French	0	0	NO	04/25/2019	AGM 2020	0	N/A
Censor	Jean-Louis GEORGELIN	71	M	French	0	0	YES	04/30/2019	AGM 2020	0	N/A

¹ Other mandates exercised in listed companies (outside the Atos Group). Mandates exercised in listed companies belonging to the same group account for one single mandate.

² Date of first appointment on the Board of Directors of Atos

³ N&R : Nomination and Remuneration Committee, Audit : Audit Committee, CSR : CSR Committee

⁴ Since Worldline was deconsolidated from the Atos Group as of May 7, 2019, Mr. Breton has an additional mandate in a listed company outside the Atos Group

★ Chairman of Committee

D.3 Annual General Meeting held on April 30, 2019

The Annual General Meeting held on April 30, 2019 approved all the resolutions submitted by the Board of Directors. The results of the votes at the General Meeting together with the documentation on the adopted resolutions are available on the Company's website, www.atos.net, Investors section.

In particular, and as part of its usual business, the Annual General Meeting approved the annual and consolidated accounts for the financial year ending December 31, 2018, the payment of a dividend for 2018 of € 1.70 per share, and the option for the payment of the dividend either in shares or cash. The Annual General Meeting approved the elements of compensation and benefits paid or awarded to Mr. Thierry Breton, Chairman and Chief Executive Officer for the financial year ending December 31, 2018 and approved the features and criteria for setting, allocating, and granting, the fixed, variable, long-term and exceptional elements making up the total compensation and benefits of all kinds attributable to the Chairman and Chief Executive Officer and to the Deputy Chief Executive Officer, Mr. Elie Girard, for the financial year ending December 31, 2019.

The General Meeting also approved the following specific decisions:

- (i) the 2021 ADVANCE strategic plan which had been submitted to its vote on a consultative basis;
- (ii) the exceptional distribution in kind to the Company's shareholders of 23.5% of Worldline's share capital;
- (iii) in anticipation of the provisions of the so-called "Loi Pacte", the sense of purpose ("raison d'être") of the Company, as proposed by the Board of Directors, which was approved to be inserted in the Company's articles of association.

D.4 Executive compensation and stock ownership

D.4.1 Performance shares allocation plan decided on July 24, 2019

Pursuant to the authorization granted by the Annual General Meeting of April 30, 2019 under the 21st resolution, the Board of Directors of the Company decided, during its meeting held on July 24, 2019, and upon the recommendation of the Nomination and Remuneration Committee, to grant 907,500 performance shares in favor of the first managerial lines and key employees of Atos. In that context, the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer were granted 40,300 and 15,900 performance shares, respectively, by virtue of the 17th and 26th resolutions of the Annual General Meeting above mentioned.

The main features and conditions of this grant of performance shares are as follows:

Presence condition: subject to certain exceptions provided in the plan such as death, disability or retirement of the beneficiary, the grant of performance shares is conditioned on the beneficiary's remaining within the group as an employee or corporate officer during the vesting period;

Performance condition: the vesting of all or part of the performance shares shall be subject to the achievement over a three-year period of three internal financial performance indicators and an external performance condition linked to the corporate social responsibility, referring to the Dow Jones Sustainability Index ("DJSI") (World or Europe).

The three internal financial performance indicators chosen are directly connected to key success factors for the achievement of the Group's ambitions as outlined in the strategic plan ADVANCE 2021:

- (i) Organic Revenue growth conditioning 30% of the grant;
- (ii) Operating Margin conditioning 25% of the grant, and
- (iii) Free Cash Flow conditioning 25% of the grant.

These indicators will be calculated on a consolidated basis, taking into account potential scope variations and changes in the foreign exchange rates.

Their target achievement levels were set in line with the objectives of the plan ADVANCE 2021 (scope excluding Worldline). The elasticity curves below accelerate upwards and downwards the percentage of the grant related to each indicator according to its level of achievement over the 3-year period.

The external performance condition linked to the corporate social responsibility, referring to the Dow Jones Sustainability Index ("DJSI") (World or Europe) conditions 20% of the grant. The target achievement is based on the average of the scores achieved by the Group during the vesting period, based on the average percentile ranking achieved by the Company resulting from the comparison with the other companies included in the DJSI index in relation to the three years.

Group performance indicators	Weight	Elasticity curves	% vested
Average of the External Revenue Organic growth rates over 3 years (2019-2021)	30%	Floor: +1.75%	30%
		Target: +2.50%	100%
		Cap: +3.00%	150%
Average rate of Operating Margin over 3 years (2019-2021)	25%	Floor: 10.5%	50%
		Target: 10.8%	100%
		Cap: 11.1%	130%
Cumulated FCF at the end of the 3-year plan (in 2021)	25%	Floor: €2.00 billion	50%
		Target: €2.25 billion	100%
		Cap: €2.40 billion	130%
Average of the yearly DJSI scores (World or Europe) of Atos compared to the average of other companies over the 3-year period	20%	Floor: 70th percentile	50%
		Target: 80th percentile	100%
		Cap: 90th percentile	150%

The final number of vested performance shares shall in no circumstance be above the number granted.

Obligations specific to the executive officers:

The Chairman and Chief Executive Officer and the Deputy Chief Executive Officer are required to remain owner of 15% of their acquired shares for the duration of their duties.

The Chairman and Chief Executive Officer and the Deputy Chief Executive Officer acknowledged the prohibition set by the Company to enter into hedging transactions over the granted shares for the duration of their social mandate as executive officers and formally undertook to abide by the prohibition.

D.4.2 Stock Option plan decided on July 24, 2019

Pursuant to the authorization granted by the Annual General Meeting of April 30, 2019 under the 22nd resolution, the Board of Directors decided, during its meeting held on July 24, 2019, and upon the recommendation of the Nomination and Remuneration Committee, to grant 209,200 options to subscribe shares (hereinafter, the options or the stock-options) be issued in favor of the Group Executive Committee members. In that context, the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer were granted 40,300 and 15,900 stock- options respectively, in accordance with the 17th and 26th resolutions of the Annual General Meeting mentioned above.

The main features and conditions of this grant of stock options are as follows:

Presence condition: subject to certain exceptions provided in the plan such as death, disability or retirement of the beneficiary, the exercise of the options is conditioned on the beneficiary's remaining a group employee or corporate officer during the vesting period;

Performance condition: ability to exercise options in whole or in part at the end of a 3-year vesting period is subject to the achievement of a stock market performance indicator (Total Shareholder Return) measured over the vesting period. This indicator will be assessed based on the comparative performance of the Atos SE share against the average performance of a basket composed of indexes (40%) and companies operating in the same industry (60%):

- CAC 40 index: 20% - STOXX Europe 600 Technology index: 20%
- IBM (10%) – DXC (10%) – Capgemini (10%) – Accenture (10%) - Sopra Steria (10%) - CGI Group (10%)

The performance of the Atos SE share and the shares or indexes of the basket will be calculated based on the average of the opening share price (dividends reinvested) during the trading days of the second quarter of 2019 in comparison with the second quarter of 2021 preceding the vesting date.

- No stock-option will vest if the relative performance of the Atos SE share is less than 100% of the average performance of the basket over a three-year period;
- 80% of the stock-options will vest if the relative performance of the Atos SE share is equal to 100%;
- 100% of the stock-options will vest if the relative performance of the Atos SE share is equal to or above 115%.

For relative performance between these points, the percentage of vested stock-options will be determined based on linear interpolation.

Strike price and exercise period: vested options will be exercisable over a seven-year period as from the vesting date, at a strike price of €79.86 (average of the first quoted Atos share price on Euronext Paris over the twenty trading sessions preceding the grant date, plus five percent).

Vesting of shares: the Board of Directors may, at any time before the vesting date, decide to deliver existing shares instead of shares to be issued.

Obligations specific to the executive officers: The Chairman and Chief Executive Officer and the Deputy Chief Executive Officer are required to remain owner of 15% of their acquired shares for the duration of their duties.

The Chairman and Chief Executive Officer and the Deputy Chief Executive Officer acknowledged the prohibition set by the Company to enter into hedging transactions over the granted options as well as on the shares issued upon exercise of the options for the duration of their social mandate as executive officers and formally undertook to abide by the prohibition.

D.4.3 Performance shares that have become available since January 1, 2019 for the Executive Officers – AMF Table 7

Since January 1st, 2019, the performance shares granted on July 26, 2016 became available for possible sale to the beneficiaries. The Atos Chairman and CEO and the Deputy CEO are part of the beneficiaries of this plan. Terms and conditions regarding share acquisition and availability are described in the 2018 Registration Document in section G.3.3.1.

AMF Table 7	Plan Date	Number of shares available during the financial year	Vesting Date	Availability Date
Chairman and CEO	July 26, 2016	71,620	July 26, 2019	July 26, 2019
Deputy CEO	July 26, 2016	18,957	July 26, 2019	July 26, 2019

* Further to the exceptional distribution of Worldline shares, the number of performance shares initially granted was adjusted in accordance with applicable rules and the decisions of the Annual General Meeting and of the Board of Directors of April 30, 2019.

** The Chairman and CEO is subject to a conservation obligation for the duration of his mandate as executive officer concerning 15% of the vested shares.

D.4.4 Subscription or purchase options exercised since January 1, 2019 by Executive Officers – AMF Table 5

Up to the grant dated July 24, 2019, the Atos Chairman and CEO and the Deputy CEO owned no outstanding stock-options.

D.5 Common Stock Evolution

D.5.1 Basic data

D.5.1.1 Information on stock

The Company's shares have been admitted to trading on the Euronext Paris regulated market (Compartment A) since 1995, under ISIN code FR0000051732. ATOS SE securities are eligible for SRD and PEA. The Company's shares have been included in the CAC 40, the main share index published by Euronext Paris, since March 20, 2017.

The main tickers are:

Source	Tickers
Euronext	ATO
AFP	ATO
Bloomberg	ATO FP
Reuters	ATOS PA
Thomson	ATO FR

The Euronext sector classification is as follows:

Euronext: ICB sectorial classifications

Industry: 9000, Technology

Supersector: 9500, Technology

Sector: 9530, Software and Computer Services

Subsector: 9533, Computer Services

D.5.1.2 Adjustment of the Atos stock price

Following the approval of the exceptional distribution of Worldline shares by the Annual General meeting of April 30, 2019, the Atos stock price was adjusted on May 3, 2019, the ex-date for the exceptional distribution of 2 Worldline shares for 5 Atos shares owned, and also the ex-date for the ordinary dividend of 1.70 euro per Atos share.

Therefore, the Atos stock price, which closed on May 2, 2019 at 93.16 euros was adjusted at the opening of the stock market on May 3, by 24.0 euros of which 22.30 euros for the exceptional distribution of Worldline shares and 1.70 euros for the ordinary dividend. The stock performance is then to be assessed taking this adjustment into account.

D.5.1.3 Free-float

The free-float of the Group shares excludes stakes held by the reference shareholder, Siemens Pension-Trust e.V., holding 12,483,153 shares of the Company which it committed to keep until September 30, 2020.

Stakes owned by the employees and the management as well as treasury shares, are also excluded from the free float.

As of June 30, 2019	Shares	% of share capital	% of voting rights
Siemens Pension Trust e.V. †	12,483,153	11.4%	11.5%
Employees	1,146,495	1.0%	1.1%
Board of Directors	517,544	0.5%	0.5%
Treasury stock	1,126,094	1.0%	-
Free float	93,941,628	86.0%	86.9%
Total	109,214,914	100.0%	100.0%

† Siemens Pension trust e.V. is controlled by Siemens A.G.

D.5.2 Dividend

Upon proposal of the Board of Directors, the Annual General Meeting held on April 30, 2019, approved the payment in 2019 of a dividend of 1.70 euro per share on the 2018 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:

Fiscal period	Dividend paid per share
Dividend 2018 (paid in 2019)	1.70 €
Dividend 2017 (paid in 2018)	1.70 €
Dividend 2016 (paid in 2017)	1.60 €

D.5.3 Common stock

D.5.3.1 At June 30, 2019

As at June 30, 2019, on the basis of a decision of the Chairman and Chief Executive Officer dated as of June 30, 2019, the Company's issued common stock amounted to € 109,214,914 divided into 109,214,914 fully paid-up shares of € 1.00 par value each.

Since December 31, 2018, the share capital was increased by € 2,328,695 corresponding to the issuance of 2,328,695 new shares, split as follows:

- (i) 25,467 new shares resulting from the exercise of stock options, issuance premiums amounting to € 1,092,216.88 in the aggregate;
- (ii) 2,039,710 new shares resulting from the payment in shares of the dividend for the 2018 financial year, issuance premiums amounting to € 124,463,104 in the aggregate;
- (iii) 263,518 new shares resulting from the implementation of an employee shareholding plan (SHARE 2018), issuance premiums amounting to € 15,418,438.18 in the aggregate.

D.5.3.2 Thresholds crossings

Since January 1st, 2019, the Group was informed of the following thresholds crossings:

- (i) BlackRock, Inc., acting on behalf of clients and funds which it manages, declared having crossed, upwards on February 4, 2019, the thresholds of 5% of the share capital and voting rights of the Company (following the receipt of ATOS SE shares held as collateral). BlackRock, Inc. declared holding 5.03% of the share capital and voting rights of the Company;
- (ii) BlackRock, Inc., acting on behalf of clients and funds which it manages, declared having crossed, downwards, on February 6, 2019, the thresholds of 5% of the share capital and voting rights of the Company (following a decrease in the number of Atos SE shares held as collateral). BlackRock, Inc. declared holding 4.80% of the share capital and voting rights of the Company;
- (iii) Société Générale, declared having crossed, upwards, on April 12, 2019, the thresholds of 5% of the share capital and voting rights of the Company (following an acquisition of Atos SE shares off market). Société Générale declared holding 5.02% of the share capital and voting rights of the Company;
- (iv) Société Générale, declared having crossed, downwards, on May 17, 2019, the thresholds of 5% of the share capital and voting rights of the Company (following a disposal of Atos SE shares off market). Société Générale declared not holding any shares of the Company anymore;
- (v) BlackRock, Inc., acting on behalf of clients and funds which it manages, declared having crossed, upwards, on May 30, 2019, the thresholds of 5% of the share capital and voting rights of the Company (following the receipt of Atos SE shares held as collateral). BlackRock, Inc. declared holding 5.02% of the share capital and voting rights of the Company;
- (vi) BlackRock, Inc., acting on behalf of clients and funds which it manages, declared having crossed, downwards, on May 31, 2019, the thresholds of 5% of the share capital and voting rights of the Company (following the return of Atos SE shares held as collateral). BlackRock, Inc. declared holding 4.65% of the share capital and voting rights of the Company.

Name of entity notifying the threshold crossing	Date of reporting	Date of threshold crossing	Direction (↗↘)	Shares	% of share capital ¹	% of voting rights ²	Reference of AMF publication
BlackRock Inc.	02/05/2019	02/04/2019	↗	5,376,200	5.03%	5.03%	219C0217
BlackRock Inc.	02/07/2019	02/06/2019	↘	5,135,433	4.80%	4.80%	219C0234
Société Générale	04/17/2019	04/12/2019	↗	5,380,642	5.02%	5.02%	219C0670
Société Générale	05/22/2019	05/17/2019	↘	0	0%	0%	219C0840
BlackRock Inc.	05/31/2019	05/30/2019	↗	5,375,555	5.02%	5.02%	219C0901
BlackRock Inc.	06/04/2019	05/31/2019	↘	4,980,888	4.65%	4.65%	219C0916
<i>1 On the date of threshold crossing.</i>							
<i>2. Including treasury shares on that date pursuant to article 223-111. al. 2 of the Règlement Général de l'Autorité des Marchés Financiers (French Financial Market Authority General Regulations).</i>							

D.5.3.3 Treasury stock

Legal Framework

The 18th resolution of the Annual General Meeting of April 30, 2019 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 the 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:

- to ensure liquidity and an active market of the Company's shares through an investment services provider acting independently in the context of a liquidity contract, in accordance with the professional conduct charter accepted by the AMF;
- 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 or accepted 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) free awards of shares in particular under the framework set by articles L. 225-197-1 et seq. of the Commercial Code and (iv) French or foreign law shareholding plans, in particular in the context of a company savings plan, as well as to carry out all hedging operations relating to these operations, under the terms and conditions set 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 the 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 relating to the issuance of such securities, under the conditions set by market authorities and at such times as the Board of Directors or the person acting upon its delegation so decides;
- to keep them and subsequently use them in payment or exchange or other in the context of potential external growth operations; or
- to cancel them as a whole or in part through a reduction of the share capital authorized by the General Meeting, in particular pursuant to the 19th resolution of the Annual General Meeting held on April 30, 2019.

The maximum purchase price per share may not exceed € 120 (fees excluded).

The Board of Directors may adjust the aforementioned maximum 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 the free allocation of shares, as well as in the event of division of the nominal value of the share or share consolidation or any other transaction on equity, so as to take account of the impact of such transactions on the value of the shares.

As a result, the maximum amount of funds assigned to the share buyback program amounts to € 1,282,634,520 as calculated on the basis of the share capital as at December 31, 2018, this maximum amount may be adjusted to take into account the amount of the capital on the day of the General Meeting.

This authorization was granted for a period of eighteen (18) months as from April 30, 2019.

Treasury Stock

As at June 30, 2019, the Company owned 1,126,094 shares which amounted to 1% of the share capital with a portfolio value of € 82,790,430, based on June 30, 2019 market price, and with book value of € 80,521,928.89. These shares are assigned to the allocation of shares to employees or executive officers and Directors of the Company or its group, and correspond to the hedging of its undertakings under the LTI and MIP plans.

The Company proceeded to the purchase of 1,100,000 shares from May 9, 2019 to June 19, 2019 as part of a mandate given to a financial intermediary as announced by the Group on May 8, 2019.

From January 1st, 2019 to June 30, 2019 the Company transferred 3,748 shares of the Company to beneficiaries of LTI plans.

D.5.3.4 Potential common stock

Potential dilution

Based on 109,214,914 outstanding shares as of June 30, 2019, the share capital of the Group could be increased by 3,228,453 new shares, representing 2.96% of the share stock before dilution. This dilution could come from the exercise of stock subscription options granted to employees or from the acquisition of performance shares, as follows:

<i>(in shares)</i>	June 30, 2019	December 31, 2018	Change	% dilution
Number of shares outstanding	109,214,914	106,886,219	2,328,695	
From stock subscription options	-	25,467	- 25,467	0.0%
From performance shares	3,228,453	2,594,916	633,537	3.0%
Potential dilution	3,228,453	2,620,383	608,070	3.0%
Total potential common stock	112,443,367	109,506,602	2,936,765	

Stock options evolution

Number of stock subscription options at December 31, 2018	25,467
Stock subscription options granted as of June 30, 2019	-
Stock subscription options exercised as of June 30, 2019	25,467
Stock subscription canceled or forfeited as of June 30, 2019	0
Number of stock subscription options at June 30, 2019	0

As of June 30, 2019, all stock options granted by the Group had been exercised, canceled or forfeited.

Current authorizations to issue shares and other securities

Pursuant to the resolutions adopted by the General Meeting of May 24, 2018 and April 30, 2019, the following authorizations to modify the share capital, and to issue shares and other securities are in force as of July 24, 2019:

Authorization	Authorization amount (value)	Use of the authorizations (par value)	Unused balance (par value)	Authorization expiration date
EGM April 30, 2019 18 th resolution Authorization to buyback the Company shares	10% of the share capital adjusted at any moment	1,100,000	8.99%	10/30/2020 (18 months)
EGM April 30, 2019 19 th 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	06/30/2021 (26 months)
EGM April 30, 2019 20 th resolution Capital increase reserved to employees ¹	2,143,158	0	2,143,158	06/30/2021 (26 months)
EGM April 30, 2019 21 st resolution Authorization to allot free shares to employees and executive officers	964,421	907 500	56,921	06/30/2022 (38 months)
EGM April 30, 2019 22 nd resolution Authorization to grant stock options to employees and executive officers	214,315	209 200	5,115	06/30/2021 (26 months)
EGM May 24, 2018 14 th resolution Share capital increase with preferential subscription right	31,700,186	0	31,700,186	07/24/2020 (26 months)
EGM May 24, 2018 15 th resolution Share capital increase without preferential subscription right by public offer ^{1,2}	10,566,728	0	10,566,728	07/24/2020 (26 months)
EGM May 24, 2018 16 th resolution Share capital increase without preferential subscription right by private placement ^{1,2}	10,566,728	0	10,566,728	07/24/2020 (26 months)
EGM May 24, 2018 17 th resolution Share capital increase without preferential subscription right to remunerate contribution in kind ^{1,2}	10,566,728	0	10,566,728	07/24/2020 (26 months)
EGM May 24, 2018 18 th resolution Increase in the number of securities in case of share capital increase with or without preferential subscription right ^{1,2,3}	Extension by 15% maximum of the initial issuance	0	Extension by 15% maximum of the initial issuance	07/24/2020 (26 months)
EGM May 24, 2018 19 th resolution Share capital increase through incorporation of premiums, reserves, benefits or other	3,865 million	0	3,865 million	07/24/2020 (26 months)

¹ Any share capital increase pursuant to the 15th, 16th, 17th, 18th resolutions of the Combined General Meeting of May 24, 2018 and the 20th resolution of the Combined General Meeting of April 30, 2019 shall be deducted from the cap set by the 14th resolution of the Combined General Meeting of May 24, 2018.

² The share capital increases without preferential subscription right carried out pursuant to the 15th, 16th, 17th and 18th resolutions of the Combined General Meeting of May 24, 2018 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 24, 2018 (i.e. €10,566,728). Any share capital increase pursuant to these resolutions shall be deducted from this aggregate sub-cap.

³ 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 14th resolution of the Combined General Meeting of May 24, 2018, and (iii) in case of share capital increase without preferential subscription rights, the amount of the sub-cap mentioned at 2 here above.

The number of new authorized shares that may be issued pursuant to the above-mentioned delegation of authority (the 18th and 19th resolutions of the Annual General Meeting of May 24, 2018 being set aside) amounts to 32,878,923, representing 30.10% of the share capital updated on June 30, 2019.

E. Appendices

E.1 Contacts

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

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E.2 Financial calendar

October 24, 2019 Third quarter 2019 revenue

February 19, 2020 Full Year 2019 results

April 22, 2020 First quarter 2020 revenue

E.3 2018 Universal Registration Document cross-reference table

The cross-reference table below identifies the information required by appendices 1 and 2 of the Commission Delegated Regulation (EU) 2019/980 of March 14, 2019 in accordance with the structure of the Universal Registration Document and allows to cross-reference them with the sections of the 2018 Registration Document incorporated by reference in this Universal Registration Document.

N°	Appendices 1 and 2 of the commission delegated regulation (EU) 2019/980 of March 14, 2019	Sections in the 2018 Registration Document	Sections in the current 2018 URD
1.	Persons responsible, third party information, experts' reports and competent authority approval		
1.1.	Indication of persons responsible	A.4.1	C.1
1.2.	Declaration by persons responsible	A.4.2	C.2
1.3.	Name, address, qualification and material interest in the issuer of experts	N/A	N/A
1.4.	Confirmation of the accuracy of the source from a third party	N/A	N/A
1.5.	Statement from the designated authority with no prior approval	N/A	AMF box
2.	Statutory auditors		
2.1.	Names and addresses of the auditors	A.4.3	C.3
2.2.	Indication of the removal or resignation of auditors Information regarding changes of statutory auditors during the period	N/A	N/A
3.	Risk Factors	Section F	A.6
4.	Information about the issuer		
4.1.	The legal and commercial name of the issuer	G.1.2	-

N°	Appendices 1 and 2 of the commission delegated regulation (EU) 2019/980 of March 14, 2019	Sections in the 2018 Registration Document	Sections in the current 2018 URD
4.2.	The place and the number of registration	G.1.2	-
4.3.	The date of incorporation and the length of life of the issuer	G.1.2	-
4.4.	The domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office	G.1.2 ; G.5.4	-
5.	Business overview		
5.1.	Principal Activities		-
5.1.1.	Nature of the issuer's operations and its principal activities	A.1 ; A.2 ; B.1 ; C	-
5.1.2.	New products or services developed	C	-
5.2.	Principal market	A.1 ; A.2 ; B.3	-
5.3.	Importants business events	A.5.2 ; A.6.1	A.1 ; A.2
5.4.	Strategy and objectives	B.4 ; E.2 ; E.3	A.5
5.5.	Dependence on patents or licenses, industrial, commercial o financial contracts or new manufacturing processes	F.2.6.5 ; F.3.6.5	-
5.6.	Basis for statements made by the issuer regarding its competitive position	B.3	-
5.7.	Investements		
5.7.1.	Main investements	E.4.3.3 ; E.5.7.3 – Note 1	B.2.6.3 – Note 1
5.7.2.	Material investments of the issuer that are in progress or for which firm commitments have already been made, including the geographic distribution of these investments and the method of financing	N/A	N/A
5.7.3.	Main joint ventures and undertakings in which the issuer holds a proportion of the capital	N/A	N/A
5.7.4.	environmental issues	Section D.5	-
6.	Organizational Structure		
6.1.	Brief description of the Group	E.6.4 ; G.1.2	-
6.2.	List of significant subsidiaries	E.5.7.3 – Note 15	-
7.	Operating and financial review		
7.1.	Financial condition		
7.1.1.	Balanced and comprehensive alalysis of development and performance or position including both financial and, where appropriate, non-financial Key Performance Indicators	E.1 ; E.4	A.4 ; B.1
7.1.2.	Likely future development in the field of research and development	C.6	-
7.2.	Operating Results	E.1 ; E.4	A.4 ; B.1
7.2.1.	Unusual or unfrequent events or new developments materially affecting the issuer's income	B ; C ; E.1	A.4
7.2.2.	Narrative discussion about material changes in net sales or revenues	B ; C ; E.1	A.4
8.	Capital resources		
8.1.	Issuer's capital resources	E.4 ; G.5	B.1 ; D.5
8.2.	Sources and amounts of the issuer's cash flows	E.4.2	B.1.2
8.3.	Information on the borrowing requirements and funding structure	E.4.3	B.1.3
8.4.	Restrictions on the use of capital resources	N/A	N/A
8.5.	Anticipated sources of funds to fulfill commitments	N/A	N/A
9	Regulatory environment		
9.1.	Information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations	D1 ; D4	-
10.	Trend information		
10.1.	The most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year	B ; C ; E1	A.4
10.2.	Known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects	B ; C ; E1	A.4
11.	Profit forecasts or estimates		
11.1.	Profit forcecasts or estimates publication	E2 ; E3	A.5
11.2.	Statement setting out the principal assumptions upon which the issuer has based his forecast or estimate	E2 ; E3	A.5
11.3.	Statement pointing out the comparaisou with historial financial information consistent with the issuer's accounting policies	E.5.7.2	B.2.6
12.	Administrative, management and supervisory body and senior management.		
12.1.	Information regarding the members		
	Name, business addresses and functions	A.6.2 ; G.2.3	A.3 ; D.1 ; D.2
	Detail of the nature of any family relationship	G.2.3	-
	Relevant management expertise and management experience	G.2.3	-

N°	Appendices 1 and 2 of the commission delegated regulation (EU) 2019/980 of March 14, 2019	Sections in the 2018 Registration Document	Sections in the current 2018 URD
	Details of any convictions	G.2.3	-
12.2	Conflict of interest	G.2.3.9	-
13.	Remuneration and Benefits		
13.1.	Remuneration and benefits in kind	G.3	D.4
13.2.	Pension, retirement or similar benefits	G.3	-
14.	Board Practices		
14.1.	Current term office	G.2.3	D.2
14.2.	Contracts providing benefits upon termination of employment	G.2.3.7 ; G.2.3.8	-
14.3.	Information about audit and Remuneration Committee	G.2.4.3 ; G.2.4.4	-
14.4.	Statement related to corporate governance	G.2.1	-
14.5.	Potential material impacts on the corporate governance	N/A	-
15.	Employees		
15.1.	Number of employees	D.2 . E.1.6	A.4.6
15.2.	Shareholdings and stock options	G.3 ; G.5.1 ; G.5.2	D.4 ; D.5.3
15.3.	Arrangements involving the employees in the capital of the issuer	D.2.4.2	-
16.	Major shareholders		
16.1.	Identification of the main shareholders holding more than 5%	G.5.1 ; G.5.2 ; G.5.7	D.5.1.3 ; D.5.3.2
16.2.	Types of voting rights	G.5.1.2	-
16.3.	Ownership and control	G.5.1 ; G.5.2 ; G.5.7	-
16.4.	Arrangements which may result in a change in control of the issuer	G.5	-
17.	Related party transactions	E.5.7.3 – Note 14	A.7 ; B.2.6.3 – Note 13
18.	Financial Information concerning the issuer's assets and liabilities, financial position and profits and losses		
18.1.	Historical Financial Information		
18.1.1.	Audited historical financial information covering the latest three years	E.5	-
18.1.2.	Change of accounting reference date	N/A	N/A
18.1.3.	Accounting standards	E.5.7.2	B.2.6
18.1.4.	Change of accounting framework	E.5.7.2	B.2.6
18.1.5.	Financial information according to French accounting standards	E.5	-
18.1.6.	Consolidated financial statements	E.5	B.2
18.1.7.	Age of latest financial information	E.5	-
18.2.	Interim and other financial information		
18.2.1.	Quarterly or half-yearly financial information	N/A	B.2
18.3.	Auditing of historical annual financial information		
18.3.1.	Independent audit of historical annual financial information	E.5.1	-
18.3.2.	Indication of other information in the registration document that has been audited by auditors	N/A	N/A
18.3.3.	Source of information and reason for information not to be audited	N/A	N/A
18.4.	Pro forma financial information	N/A	N/A
18.5.	Dividend policy		
18.5.1.	Description of the issuer's policy on dividends	G.1.3	-
18.5.2.	Amount of dividend per share	G.5.3	D.5.2
18.6.	Legal and arbitration proceedings	F.4	A.6
18.7.	Significant changes in the issuer's financial position	E.5 – Note 16	-
19.	Additional information		
19.1.	Share Capital		
19.1.1.	Amount of issued capital	G.7.5.1	D.5.3.1
19.1.2.	Shares not representing capital	N/A	N/A
19.1.3.	Shares held by or on behalf of the issuer itself	G.5.7.6	D.5.3.3
19.1.4.	Convertible securities, exchangeable securities or securities with warrants	G.5.7.7	D.5.3.4
19.1.5.	Information about and terms of any acquisition rights and or obligations over authorized but unissued capital or an undertaking to increase the capital	N/A	N/A
19.1.6.	Information about any capital of any member of the Group which is under option or agreed conditionally or unconditionally to be put under option and details of such options including those persons to whom such options relate	N/A	N/A
19.1.7.	History of share capital	G.5.7.2	-
19.2.	Memorandum and Articles of Association		
19.2.1.	Register and entry number of the issuer and brief description of the issuer's object and purposes	G.1.2	-

N°	Appendices 1 and 2 of the commission delegated regulation (EU) 2019/980 of March 14, 2019	Sections in the 2018 Registration Document	Sections in the current 2018 URD
19.2.2.	Rights, preferences and restrictions attached to each share category	G.1.3.2 ; G.5.3	-
19.2.3.	Article of association, statutes, charter or bylaws delaying, deferring or preventing a change of control of the issuer	G.1	-
20.	Material Contracts	E.1.5	A.4.5
21.	Documents on Display	G.1 ; G.5	E.1

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