2017 financial report

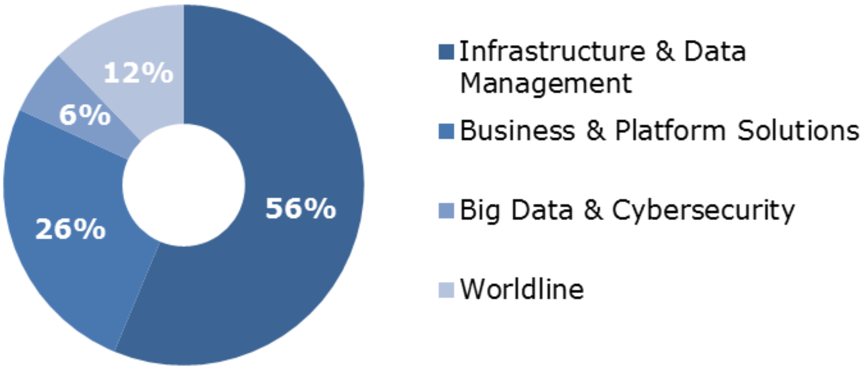
Table of content

A. Group overview

A.1 Revenue profile

A.1.1 By Division

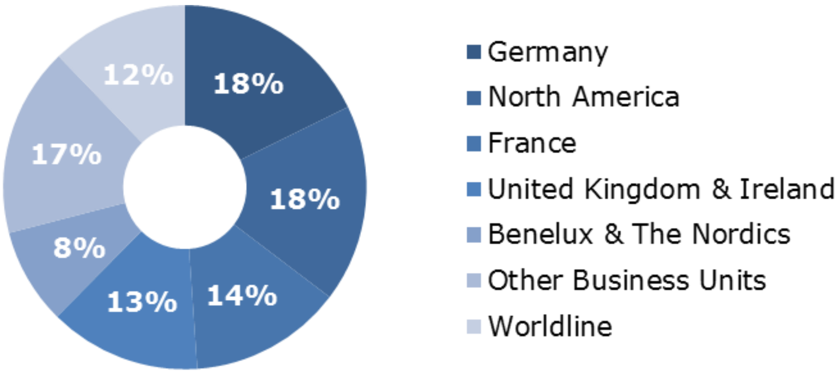
In 2017, 77% of the Group revenue was generated by multi-year contracts, deriving from Infrastructure & Data Management (56% of total revenue), 75% of Worldline transactional services (9%), Application Management contracts included in Business & Platform Solutions, and half of Big Data & Cybersecurity (respectively 9% and 3%).



(In € million)	**2017**
Infrastructure & Data Management	7,144
Business & Platform Solutions	3,243
Big Data & Cybersecurity	754
Worldline	1,550
TOTAL GROUP	**12,691**

A.1.2 By Business Unit

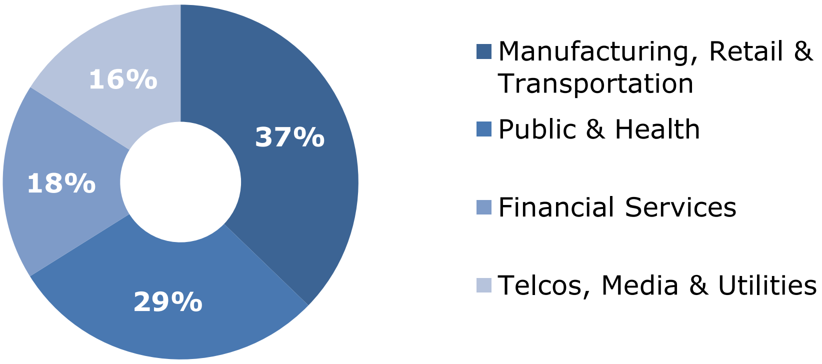
Europe and North America are the Group's main operational bases, generating 93% of total revenue in 2017.



(In € million)	**2017**
Germany	2,251
North America	2,231
France	1,725
United Kingdom & Ireland	1,715
Benelux & The Nordics	1,084
Other Business Units	2,136
Worldline	1,550
TOTAL GROUP	**12,691**

A.1.3 By Market

The Group provides high value-added digital services and solutions to many industry sectors. Customers are addressed through four global markets which are Manufacturing, Retail & Transportation; Public & Health; Telcos, Media & Utilities, and Financial Services.



(In € million)	**2017**
Manufacturing, Retail & Transportation	4,726
Public & Health	3,661
Financial Services	2,273
Telcos, Media & Utilities	2,032
TOTAL GROUP	**12,691**

A.2 Business profile

Atos SE (Societas Europaea) is a leader in digital transformation with circa 100,000 employees in 73 countries and pro forma annual revenue of circa € 13 billion. Serving a global client base, the Group provides Infrastructure & Data Management services, including Cloud services and Digital workplace services, Business & Platform Solutions, Big Data and Cybersecurity products and services as well as transactional services through its subsidiary Worldline. Atos is positioned as a European or global leader in most of those activities.

With its cutting edge technology expertise and industry knowledge, the Group supports the digital transformation of its clients across different business sectors: Defense, Financial Services, Health, Manufacturing, Media, Utilities, Public sector, Retail, Telecommunications, and Transportation. As an example, Atos is the Worldwide Information Technology Partner for the Olympic & Paralympic Games and

Atos' objective is to empower its clients on their digital journey thanks to its in-depth market knowledge and extensive portfolio of services. Pursuing this objective, Atos identified four key challenges that its customers face, whatever their industry sector and whatever their geography. Atos has the resources, the scale, and the expertise to help its customers meet all these challenges related to their digital transformation:

- Reinvent business model
- Improve the customer experience
- Ensure trust and compliance
- Reinforce operational excellence

The Group is listed on the Euronext Paris market. Atos operates under the brands Atos, Atos Consulting, Atos Worldgrid, Bull, Canopy, Unify, and Worldline.

A.2.1 Atos Digital Transformation Factory

In order to answer the holistic challenges and needs of large organizations in their digital transformation, the Group designed a Digital Transformation Factory based on four end-to-end offers relying on the joint skills and capabilities of all the Group divisions and the consistent sales organization focusing on its top clients.

With *Atos Canopy Orchestrated Hybrid Cloud*, Atos leverages all the Group strengths and the expertise of its unique and powerful ecosystem of partners. It proposes an industrial end-to-end approach to transform customer applications and infrastructures and to migrate them to a common framework managing and orchestrating the bi-modal landscape of legacy and multi-sources of cloud.

Leveraging 33 years of experience with SAP 12,000+ professionals in 40+ countries, the Group provides a unique end-to-end SAP HANA value proposition with a recognized set of tools and accelerators, flexible SAP HANA hosting and cloud services, and the leading SAP HANA appliance, the Bullion. With *SAP HANA by Atos* end-to-end approach from Consulting & Integration to Digital & Analytics, Atos accelerates innovation and transformation by simplifying and optimizing its clients IT costs with the combination of both classical SAP and new SAP HANA.

In a context of consumerization redefining the way we work and business requirements of the end user, the *Atos Digital Workplace* end-to-end offering is answering its clients' needs of productivity of employees, security, and costs. The Atos solution encompasses automated help & interaction centers, cloud & mobile solutions, unified communication and collaboration tools such as Circuit from Unify.

Atos Codex is a suite of business-driven analytics and IOT solutions and services which accelerates client´s Digital Transformation. It supports public and private sector organizations to transform data into actionable business insight using cognitive capabilities. In this field, the Atos difference relies on an open innovation model to collect the world's intelligence and make it work for its clients, made to measure platforms to perfectly fit to the unique business context of its clients, in a fully secured environment.

A.2.2 Atos expertise covers a wide range of specialties and always accompanying its customers for new opportunities and innovations

Infrastructure & Data Management (IDM): transforming today's IT landscapes to future hybrid IT environments

Atos is at the forefront of transforming its client's IT infrastructures to the new world of hybrid IT landscapes. This is built on Atos' expertise in delivering IT outsourcing for many years, strengthened by the *Atos Canopy Orchestrated Hybrid Cloud*. Atos has been recognized several times by independent analysts as the most visionary workplace services provider in Europe thanks to its *Atos Digital Workplace* offering leveraging on its unique unified communications capabilities from Unify, and as a leader in European and Asia-Pacific Datacenter Outsourcing and Infrastructure Utility Services as well as global leader in outsourcing services globally. Finally, Atos delivers Business Process Outsourcing (BPO) services in Medical and Financial areas.

Business & Platform Solutions (B&PS): transforming business through innovative business technologies

In order to better answer to market needs, Business & Platform Solutions has fundamentally changed the way it conducts its business. The organization focuses on global delivery with strengthened management for strategic accounts and offering development to ensure high quality standards, improve customer satisfaction and drive operational performance.

Business & Platform Solutions contributes to the Group Digital Transformation Factory and proposes an industrial end-to-end approach to transform customer applications and to migrate them in the scope of *Atos Canopy Orchestrated Hybrid Cloud* solutions. Through *SAP HANA by Atos*, it delivers innovation for key customer business processes with an innovative platform and a consulting approach based on design thinking. As part of the *Atos Digital Workplace* offering, Business & Platform Solutions delivers solutions for mobile apps and devices as well as SaaS integration. And finally, with *Atos Codex*, an analytics, cognitive & IoT solution allowing enterprises across all industries to minimize their time to value, B&PS delivers fast track solutions to identify and accelerate development of new use cases and scenarios that can scale massively on an open, industrial analytic platform fabric.

The Atos Consulting practice is part of the Business & Platform Solutions division and aims to transform business through innovative business technologies. As such, Atos helps its clients to deliver innovation to their customers, reduce costs, and improve effectiveness by leveraging business technologies. Much more than just a product implementation, Atos Consulting's comprehensive Digital Transformation solutions enable organizations to connect and collaborate both within and outside the organization much more effectively.

Big Data & Cybersecurity: Big Data as a business differentiator empowering digital transformation

Atos works with organizations in the private and public sectors, including manufacturing, telecommunications, financial services and defense to generate value from their growing volumes of data, with the highest levels of security. Through its technologies brought by Bull, Atos develops High Performance Computing platforms, security solutions, software appliances and services allowing its customers to monetize and protect their information assets.

Worldline: ePayment Services

Worldline [Euronext: WLN] is the European leader in the payments and transactional services industry. Worldline delivers new generation services, enabling its customers to offer smooth and innovative solutions to the end consumer. Key player for B2B2C industries, with over 40 years of experience, Worldline supports and contributes to the success of all businesses and administrative services in a perpetually evolving market. Worldline offers a unique and flexible business model built around a global and growing portfolio, thus enabling end-to-end support. Worldline activities are organized around three axes: Merchant Services & Terminals, Mobility & e-Transactional Services, Financial Processing & Software Licensing. Worldline employs circa 8,700 people worldwide, with estimated revenue of circa 1.6 billion euros on a yearly basis. Worldline is an Atos company.

A.2.3 Atos industry expertise

Atos forges long-term partnerships with both large groups and multinational and small and medium size companies. Its high technological expertise and industry knowledge allow the Group to work with clients in the following sectors:

Manufacturing, Retail & Transportation

Atos helps enterprises to transform and optimize their business processes and IT infrastructures. In the manufacturing sector, Atos designs, builds, and runs solutions covering the entire value chain. Atos' solutions include strong focus on Enterprise Resource Planning (ERP) and Manufacturing Execution Systems (MES) and drive improvements in Product Lifecycle Management (PLM) and Customer Relationship Management (CRM). Atos enables its Retail customers to meet the challenges presented by the increasingly empowered consumer. Atos' ubiquitous commerce and payment solutions help its clients to understand and address their customers via all available channels (Online, Store, Call Desk) in the most efficient manner. Across the Manufacturing, Retail & Services sectors, Atos offers the entire solution portfolio as a Cloud service and enables the mobile users with enterprise mobility services.

Public & Health

Atos is an active partner in business improvement and technology for governments, defense, healthcare, and education. Citizen and patient-centric services, cognitive and analytics platforms, effective application modernization, shared services and securing systems have become pivotal as cultural changes and new streamlined processes become the norm. In a rapidly transforming word, Atos helps its clients invent the public and health digital platforms of the future.

As an expert in powerful, secured and mission-critical systems, infrastructures and applications, Atos' products and commercial solutions under the Bull brand help defense and homeland security authorities and organizations to take current risks into account. From services (engineering and integration of complex hardware/software systems) to solutions, Atos helps nations and industrial players build the new defense systems and technologies of tomorrow. The Group has been involved in projects as diverse as the largest European supercomputers for nuclear simulations, countrywide border control, battlefield and warship information systems, mobile tactical communications, intelligence and reconnaissance systems.

Telcos, Media & Utilities

Across telecommunications, media, energy and utilities sectors, operators face the challenges of increased competition, deregulation, consolidation and disruptive technologies. Within this context, the pressure is on to establish new business models to maintain leading market positions or increase market share. Using IT to transform its clients' operations and customer relations, Atos helps them to increase their agility while reducing their costs. Atos powers progress for its clients by accelerating and securing the adoption of transformational technologies, such as data-centric approaches in telecommunications, multi-channel and interactive media delivery, and smart grid systems for energy and utilities.

Financial Services

Atos supports the world's leading Financial Services organizations globally by offering solutions to improve their operational performance and IT agility on the long term. It enables them to manage risks and ensuring compliancy with changing regulations across multiple geographies. In the world of the connected customer, Atos provides the banking and insurance sectors with end-to-end smart solutions to attract and engage customers across multiple channels and to understand them more intimately and respond quicker to their needs thereby building stronger loyalty rate.

B. Financials

B.1 Operational review

B.1.1 Statutory to constant scope and exchange rates reconciliation

2017 revenue was € 12,691 million, up +8.3% compared to 2016 reported statutory, +10.1% at constant exchange rates, and +2.3% organically, particularly led by the Atos Digital Transformation Factory which represented 23% of 2017 revenue (vs. 13% in 2016) answering the strong demand of large organizations for their digital transformation. Compared to 2016 restated statutory, 2017 revenue was up +4.6%.

Operating margin reached € 1,292 million (10.2% of revenue), up +17.0% compared to 2016 reported statutory and +17.6% compared to € 1,098 million (8.9% of revenue) in 2016 at constant scope and exchange rates. This improvement by +130 basis points notably came from a fast increasing hybrid or private cloud business, the continuous execution of the TOP transformation program, and the synergies with Equens and Unify. Compared to 2016 restated statutory, operating margin was up +15.2%. In 2017, the Group continued to execute its pension schemes optimization plan which resulted in operating margin one-offs for € 28 million, compared to € 41 million in 2016. Excluding these effects, the Group profitability was up +140 basis points at 10.0% in 2017.

In €million	2017	2016 Restated	% change	2016 Reported	% change
Statutory revenue	12,691	12,138	4.6%	11,717	8.3%
Exchange rates effect		-188		-187	
Revenue at constant exchange rates	**12,691**	**11,950**	**6.2%**	**11,530**	**10.1%**
Scope effect		467		887	
Exchange rates effect on acquired/disposed perimeters		-7		-8	
Revenue at constant scope and exchange rates	**12,691**	**12,410**	**2.3%**	**12,410**	**2.3%**
Statutory operating margin	1,292	1,122	15.2%	1,104	17.0%
Scope effect		-2		16	
Exchange rates effect		-21		-21	
Operating margin at constant scope and exchange rates	**1,292**	**1,098**	**17.6%**	**1,098**	**17.6%**
as % of revenue	*10.2%*	*8.9%*		*8.9%*	

The table below presents the effects on 2016 revenue of the restatement of Unified Communication & Collaboration (UCC, formerly Unify S&P), acquisitions and disposals, internal transfers reflecting the new Group organization, and change in exchange rates.

	FY 2016 revenue						
In €million	FY 2016 reported statutory	UCC integration (11 months)	FY 2016 restated statutory	Scope effects	Internal transfers	Exchange rates effects*	FY 2016 at constant scope and exchange rates
Germany	1,954	230	2,184	31			2,215
North America	2,061	28	2,088	163	-0	-44	2,208
United Kingdom & Ireland	1,790	10	1,801	22		-129	1,694
France	1,709	-0	1,709	4			1,712
Benelux & The Nordics	986	33	1,019	-2	72	3	1,092
Other Business Units	1,956	119	2,076	12	-72	-12	2,003
Worldline	1,261		1,261	237		-13	1,486
TOTAL GROUP	**11,717**	**420**	**12,138**	**467**	**0**	**-195**	**12,410**
Infrastructure & Data Management	6,595	424	7,019	211		-149	7,081
Business & Platform Solutions	3,194	-3	3,192	15	-15	-29	3,163
Big Data & Cybersecurity	666	-1	665	3	15	-3	680
Worldline	1,261		1,261	237		-13	1,486
TOTAL GROUP	**11,717**	**420**	**12,138**	**467**	**0**	**-195**	**12,410**

* *At 2017 average exchange rates*

The integration of Unified Communication & Collaboration (11 months) represented a FY 2016 revenue restatement of €+420 million.

Scope effects amounted to €+467 million for revenue. This was mostly related to the positive contribution of Unify Services and Unified Communication & Collaboration (January 2016 for €+63 million), Anthelio (9 months for €+133 million), Equens, Paysquare, and Komerçni Banka Smartpay (9 months for €+229 million). Other effects were related to the acquisitions of Pursuit Healthcare Advisors, Conduent's Healthcare Provider Consulting, and Conduent's Breakaway Group, First Data Baltics, Digital River, MRL Posnet, Engage ESM, zData, and Imakumo, on one side, and to the disposal of Cheque Service on the other side.

Internal transfers of (i) operations in Poland, Russia, and Lithuania from Other Business Units (Central & Eastern Europe) to Benelux & The Nordics, and (ii) Big Data consulting activities in Middle-East from Business & Platform Solutions to Big Data & Cybersecurity occurred as of January 1, 2017.

Currency exchange rates effects negatively contributed to revenue for €-195 million and mainly came from the British pound and the American dollar depreciating versus the Euro.

The integration of UCC represented a FY 2016 operating margin restatement of €+18 million. Exchange rates effect accounted for € -21 million and scope effects amounted to €-2 million. These effects and internal transfer impacts are detailed below:

	FY 2016 operating margin						
In €million	**FY 2016 reported statutory**	**UCC integration (11 months)**	**FY 2016 restated statutory**	**Scope effects**	**Internal transfers**	**Exchange rates effects***	**FY 2016 at constant scope and exchange rates**
Germany	201	-11	190	-18			172
North America	241	-2	239	13	-2	-5	246
United Kingdom & Ireland	239	-4	235	2		-17	220
France	125	-3	122	0	-1	0	122
Benelux & The Nordics	72	9	81	0	-4	-0	77
Other Business Units	127	28	155	-0	6	1	162
Global structures**	-98		-98			2	-96
Worldline	197		197	1		-2	196
TOTAL GROUP	**1,104**	**18**	**1,122**	**-2**	**0**	**-21**	**1,098**
Infrastructure & Data Management	683	18	701	-3	0	-17	681
Business & Platform Solutions	206		206	1	-1	-3	203
Big Data & Cybersecurity	112		112	-1	1	-0	111
Corporate costs	-94	-0	-94			1	-93
Worldline	197		197	1		-2	196
TOTAL GROUP	**1,104**	**18**	**1,122**	**-2**	**0**	**-21**	**1,098**

* *At 2017 average exchange rates*
** *Global structures include the IT Services Divisions global costs not allocated to the Business Units and Corporate costs. Worldline holds its own corporate costs*

B.1.2 Performance by Division

	Revenue			Operating margin		Operating margin %	
In €million	**2017**	**2016***	**Organic evolution**	**2017**	**2016***	**2017**	**2016***
Infrastructure & Data Management	7,144	7,081	0.9%	752	681	10.5%	9.6%
Business & Platform Solutions	3,243	3,163	2.5%	245	203	7.6%	6.4%
Big Data & Cybersecurity	754	680	10.9%	114	111	15.2%	16.3%
Corporate costs				-72	-93	-0.6%	-0.8%
Worldline	1,550	1,486	4.3%	253	196	16.3%	13.2%
Total	**12,691**	**12,410**	**2.3%**	**1,292**	**1,098**	**10.2%**	**8.9%**

* *At constant scope and exchange rates*

B.1.2.1 Infrastructure & Data Management

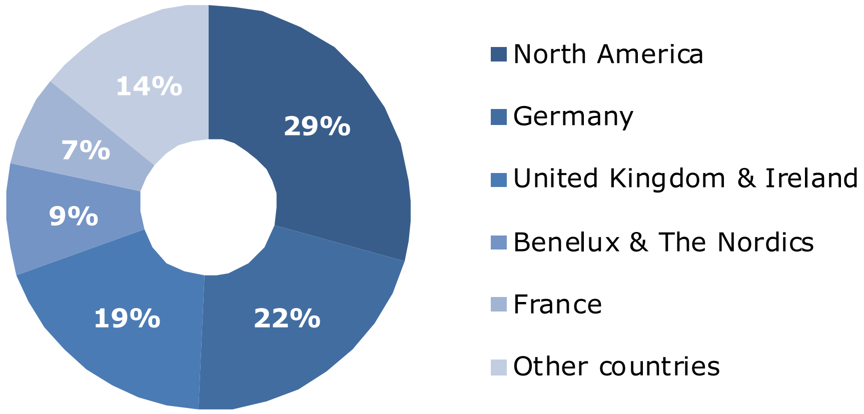
In €million	**2017**	**2016***	**Organic evolution**
Revenue	7,144	7,081	0.9%
Operating margin	752	681	
Operating margin rate	10.5%	9.6%	

**At constant scope and exchange rates*

Infrastructure & Data Management **revenue** was € 7,144 million, up +0.9% at constant scope and exchange rates, with a significant growth in strategic areas such as Cloud, Digital Workplace and projects in Technology Transformation Services. Indeed, growth was accelerated by new Digital Transformation Factory contracts won in several geographies as the Division continued to successfully transform the IT landscape of its main clients and to roll out automation and robotization. In particular, *Canopy Orchestrated Hybrid Cloud* showed a strong traction with clients such as BBC in the UK, Naval Group in France, Dutch Police and Akzo Nobel in Benelux & the Nordics, Henkel in Germany, and Vodafone in Central & Eastern Europe among others. *Atos Digital Workplace* and *SAP HANA by Atos* were also boosted by contracts with Siemens in Asia Pacific and The Vienna Hospital Association (KAV: Wiener Krankenanstaltenverbund) and Enel in Central & Eastern Europe.

Growth materialized primarily in the Public & Health sector, notably in North America thanks to increased volumes and additional scope from an Oracle Exadata implementation for the Texas Department of Information Resources, new contracts in France with Naval Group and the CEA (Commission for Atomic Energy and Alternative Energies), and higher volumes with Polish governmental institutions. Financial Services benefitted from the ramp-up of new large contracts such as Aegon in the UK, Kasbank in The Netherlands, and AXA in France, while growth in Asia Pacific was sustained by higher volumes with a large bank in Hong-Kong. Manufacturing, Retail & Transportation was stable. Increased volumes with Royal Mail Group in the UK and ramp-up of new contracts such as Rheinmetall in Germany, Monsanto in North America, Safran in France, as well as Philips and Akzo Nobel in Benelux & The Nordics compensated for lower volumes on Unified Communication & Collaboration. Telcos, Media & Utilities was impacted by the re-insourcing of parts of the BBC contract further to its renewal in Q2 and scope reduction with some customers in North America.

Infrastructure & Data Management revenue profile by geography



Operating margin in Infrastructure & Data Management was € 752 million, representing 10.5% of revenue. The improvement by +90 basis points compared to 2016 at constant scope and exchange rates (+100 basis points excluding pension one-offs) was the result of migration to cloud based infrastructures and highly automated/robotized delivery in a further industrialized setup. Operating margin improvement was also led by increased revenue, combined with continued tight cost monitoring and strong project management leading to higher delivery efficiency. Additionally, the Division benefitted from costs synergies with Unify.

Profitability improved across most of the geographies. In particular, France significantly increased its gross margin and continued to tightly monitor its indirect cost. Significant profitability improvement in Benelux & the Nordics derived from revenue growth. Germany also significantly improved mostly thanks to the Unify restructuring completion. United Kingdom & Ireland managed to maintain a high level of profitability despite the base effect related to the 2016 pension one-off and scope reductions. Finally, the US remained at double digit operating margin.

B.1.2.2 Business & Platform Solutions

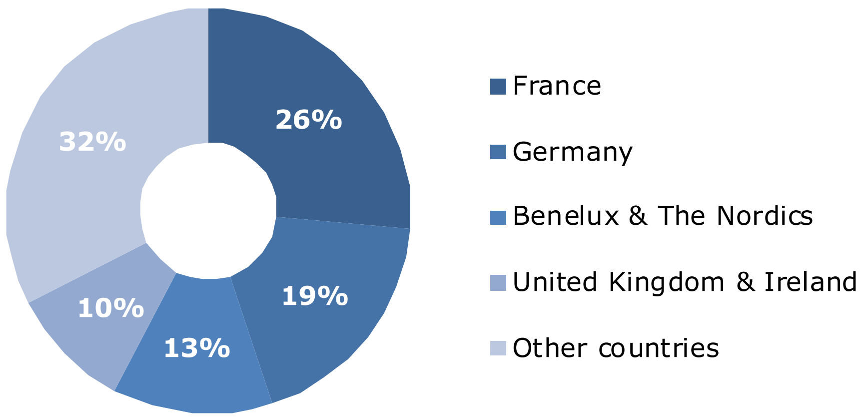
In € million	2017	2016*	Organic evolution
Revenue	3,243	3,163	2.5%
Operating margin	245	203	
Operating margin rate	7.6%	6.4%	

**At constant scope and exchange rates*

Business & Platform Solutions **revenue** reached € 3,243 million, +2.5% at constant scope and exchange rates, after +0.8% in 2016. Growth acceleration mainly came from the success of the Atos Digital Transformation Factory, in particular *Atos Codex* for SNCF, Engie, and CNES in France and Ferrovial in Spain, *SAP HANA by Atos* contracts in Germany with Siemens and SPIE, in Asia Pacific with Betagro and several customers in Benelux & the Nordics. To a lesser extent, *Digital Workplace* also contributed to the growth with several projects in France (Michelin, Sanofi and Renault) and in Germany (Ministry of Defense and the City of Munich).

Public & Health was the main growth contributor with the Olympic Games and Asian Martial Games projects contributing to the double digit growth in Other Business Units and increased volumes in North America. Manufacturing, Retail & Transportation also strongly grew thanks to the ramp-up of Rheinmetall and larger volumes with Siemens in Germany, and several contracts ramping-up such as Coca-Cola Hellenic Bottling Company in Central & Eastern Europe. In Telecom, Media & Utilities, the base effect of large transition projects delivered in 2016 to Telefonica and Nokia in Germany was only partly compensated by the ramp-up of contracts in Central & Eastern Europe, such as ACEA and Enel, and new business in Iberia and South America. The Financial Services sector was impacted by fewer projects mainly in France and in Iberia which were not fully compensated by the increased activity with NS&I in the UK.

Business & Platform Solutions revenue profile by geography



Operating margin was € 245 million, representing 7.6% of revenue. The strong improvement of +110 basis points compared to 2016 at constant scope and exchange rates (+150 basis points excluding pension one-offs) was mainly attributable to revenue growth, implementation of the RISE plan (application management industrialization), and successful workforce management materializing in an average daily rate improvement. The Division continued to invest in innovation, mostly for *Atos Codex* and *SAP HANA by Atos* offerings.

Main contributors to profitability improvement were France, North America, and Other Business Units. Conversely, United Kingdom & Ireland faced the base effect related to the 2016 pension one-off and Benelux & the Nordics were impacted by revenue decline.

B.1.2.3 Big Data & Cybersecurity

In €million	2017	2016*	Organic evolution
Revenue	754	680	10.9%
Operating margin	114	111	
Operating margin rate	15.2%	16.3%	

**At constant scope and exchange rates*

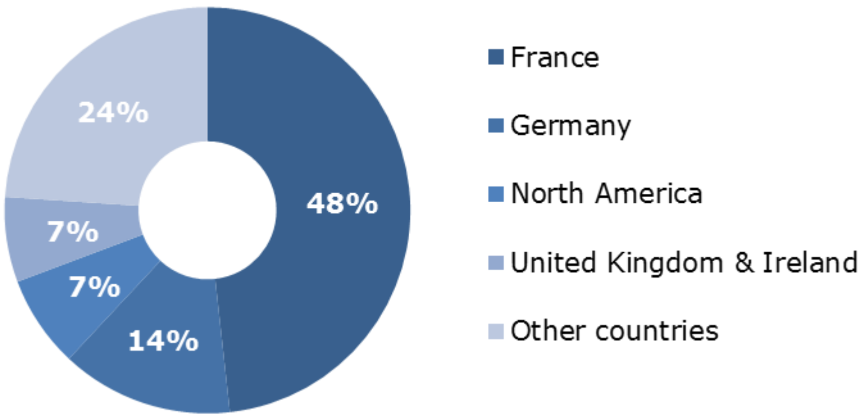
Revenue in Big Data & Cybersecurity was € 754 million, up +10.9% organically, pulled by the extension of the Division's markets both in terms of industries served and geographies.

In particular, growth was driven by Cybersecurity services where customers' investments are increasing to face more and more sophisticated cyberattacks. The activity was particularly strong with the signature of new projects with customers such as Xerox in North America, Department of Energy & Climate Change and BBC in the United Kingdom, as well as Nokia in Germany.

The performance was also driven by the sale of 'BullSequana', one the most powerful computers in the world, to the Jülich Research Center in Germany, to GENCI and Safran in France, and new business in Africa, which more than compensated the decrease of licenses sales achieved in 2016 for legacy servers in France and in Benelux & the Nordics.

Mission critical systems remained stable thanks to new business with the German government compensating a decrease of projects delivered in Switzerland.

Big Data & Cybersecurity revenue profile by geography



Operating margin was € 114 million broadly stable compared to 2016 and representing 15.2% of revenue. The Division managed to record a double digit growth while investing in innovative solutions and products as well as extending its international footprint to geographies such as Germany, North America, and Middle East & Africa.

B.1.2.4 Worldline

A detailed review of Worldline full year 2017 results can be found at worldline.com, in the "Investors" section.

In €million	2017	2016*	Organic evolution
Revenue	1,550	1,486	4.3%
Operating margin	253	196	
Operating margin rate	16.3%	13.2%	

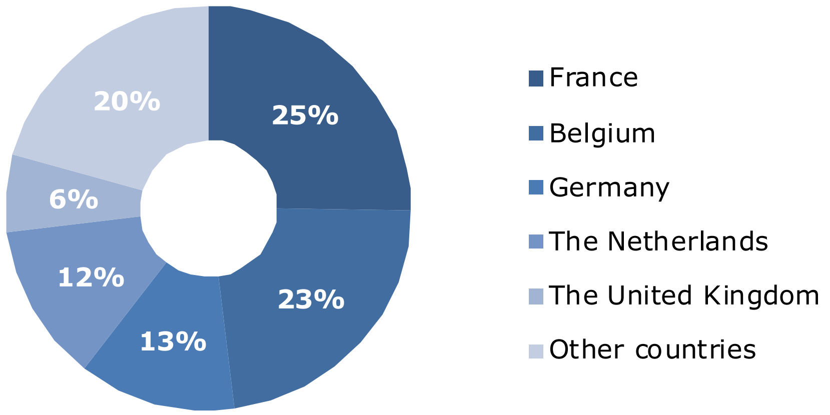
**At constant scope and exchange rates*

From a contributive perspective to Atos, Worldline **revenue** was € 1,550 million, improving by +4.3% at constant scope and exchange rates, representing 12.2% of the Group revenue. Growth was led by increased transactions volumes within *Merchant Services* and *Financial Processing* business lines:

- *Merchant Services* grew by +5.4% organically and reached € 531 million. The growth mainly came from Merchant Payment Services, which benefitted from a strong momentum in India with the demonetization impact leading to higher volumes of transactions and from positive business trends in Continental Europe. The good operational performance more than compensated the pricing/volume mix effect of the first semester in Belgium in Commercial Acquiring, when the Group decided to retrocede the interchange fee reduction benefit to its clients;
- *Financial Processing* reached € 705 million, up +6.6% organically. Revenue in Issuing Processing grew thanks to transactions volume growth, successful sales of authentication services, a high level of software licenses and projects in Asia. Acquiring Processing was also particularly dynamic in France and in Italy. Digital banking grew mainly thanks to good fertilization on projects in France and in the UK. Finally, Accounts Payments increased along with transactions volumes of Sepa payments in the Netherlands and in Germany, as well as significant volume growth on iDeal activity in the Netherlands, a business operated by equensWorldline;
- *Mobility & e-Transactional Services* revenue was € 314 million, down -2.0% organically, as the Trusted Digitization business line was impacted during the first semester by the termination of the "Radars" contract in France that occurred in June 2016. Excluding that effect, the growth of Mobility & e-Transactional Services would have reached +9% thanks to a double-digit underlying growth recorded in Trusted Digitization, notably in France with government agencies and in Latin America in healthcare services and tax collection activities. E-Consumer & Mobility performed a double-digit growth thanks to the ramp up of projects in France and in Germany while e-Ticketing performed less projects for rail companies in the UK.

Worldline contributed to the Group Digital Transformation Factory, especially with *Atos Codex*. Indeed new contracts were signed in Connected Living with customers such as Renault in France, Siemens in Germany and BSH Home Appliance in China, as well as in fraud risk management in Belgium.

Worldline revenue profile by geography



Operating margin was € 253 million or 16.3% of revenue, improving by +310 basis points led by the strong performance of *Financial Processing*, thanks to top line growth combined with the fast delivery of equensWorldline costs synergies fully in line with the plan presented at the time of the acquisition. *Merchant Services* operating margin benefitted from transactions volume growth and positive pricing effect in Commercial Acquiring while in Belgium the interchange fees structure was changed. Finally, *Mobility & e-Transactional Services* operating margin improved benefitting from higher volumes in both Connected Living and e-Ticketing. The Division recorded a € 7 million pension one-off during the first half of the year; excluding this effect, the Division's operating margin improved by +270 basis points.

B.1.3 Performance by Business Unit

In €million	Revenue			Operating margin		Operating margin %	
	2017	2016*	Organic evolution	2017	2016*	2017	2016*
Germany	2,251	2,215	1.6%	190	172	8.5%	7.8%
North America	2,231	2,208	1.1%	266	246	11.9%	11.1%
France	1,725	1,712	0.7%	163	122	9.4%	7.1%
United Kingdom & Ireland	1,715	1,694	1.2%	181	220	10.6%	13.0%
Benelux & The Nordics	1,084	1,092	-0.8%	94	77	8.7%	7.1%
Other Business Units	2,136	2,003	6.6%	224	162	10.5%	8.1%
Global structures**				-79	-96	-0.7%	-0.9%
Worldline	1550	1486	4.3%	253	196	16.3%	13.2%
Total	**12,691**	**12,410**	**2.3%**	**1,292**	**1,098**	**10.2%**	**8.9%**

** At constant scope and exchange rates*

*** Global structures include the IT Services Divisions global costs not allocated to the Business Units and Corporate costs. Worldline holds its own corporate costs*

B.1.3.1 Germany

In €million	2017	2016*	Organic evolution
Revenue	2,251	2,215	1.6%
Operating margin	190	172	
Operating margin rate	8.5%	7.8%	

**At constant scope and exchange rates*

In 2017, the Business Unit achieved a revenue organic growth of +1.6%, leading to € 2,251 million, with a continuous improvement recorded over the year, reaching a solid growth of +2.8% in the fourth quarter. Growth was primarily fueled by new contracts in Business & Platform Solutions as well as in Big Data & Cybersecurity, while Infrastructure & Data Management was impacted by the revenue evolution of Unified Communication & Collaboration.

In Infrastructure & Data Management, revenue benefitted from the ramp-up of the new *Digital Workplace* contract with Rheinmetall in Manufacturing, Retail & Transportation. Financial services grew, supported by large deliveries of services and hardware equipment. Telecom Media & Utilities was impacted by the reduced activity with Nokia, partially mitigated by increased volumes delivered to Telefonica. Finally in Public & Health, the Business Unit delivered contracts to several new clients in Healthcare.

Business & Platform Solutions achieved a solid growth in almost all Markets. In particular, a double digit growth was achieved in Manufacturing, Retail & Transportation, notably driven by increased *SAP HANA by Atos* businesses. Strong growth was also posted in Public & Health, notably thanks to the *Atos Codex* new contract with a German governmental agency, and to a lesser extent in Financial Services, while Telecom, Media & Utilities faced a base effect related to large transition and transformation projects delivered in 2016 to customers such as Nokia and Telefonica.

Big Data & Cybersecurity showed a solid momentum, led by Public and Telecom sectors. This performance was achieved thanks to new businesses in cybersecurity for longstanding large telcos customers and in mission critical services with government agencies. Additionally the Business Unit was successful in High Performance Computing with notably the sale of the 'BullSequana X1000' to Jülich Research Center.

Operating margin reached € 190 million, representing 8.5% of revenue, +70 basis points compared to 2016 at constant scope and exchange rates. Profitability improvement resulted from revenue growth, notably in Big Data & Cybersecurity, combined with continued improvement of the workforce management and strong actions on costs optimization in all Divisions. Additionally, Infrastructure & Data Management benefitted from the execution of the Unify restructuring plan.

B.1.3.2 North America

In €million	2017	2016*	Organic evolution
Revenue	2,231	2,208	1.1%
Operating margin	266	246	
Operating margin rate	11.9%	11.1%	

** At constant scope and exchange rates*

Revenue reached € 2,231 million, +1.1% organically. Growth was attributable to the good performance of Big Data & Cybersecurity and Business & Platform Solutions, reflecting the progressive diversification of the Business Unit, while Unified Communication & Collaboration within Infrastructure & Data Management was still negatively oriented.

In Infrastructure & Data Management, Public & Health sector grew thanks to increased volumes with the Texas Department of Information Resources and the support of Anthelio (acquired in 2016) healthcare capabilities. Manufacturing, Retail & Transportation benefitted from additional business and projects with Monsanto and Conduent which compensated most of revenue decline in Unified Communication & Collaboration. The situation remained challenging in Telecom, Media & Utilities, affected by scope or price reductions and ends of contracts with some large customers. The Business Unit was able to sign significant new contracts and major renewals which will sustain its future development. In particular, strong increase was recorded within *Canopy Orchestrated Hybrid Cloud* and *Digital Workplace* activities, confirming the Business Unit ability to deliver the digital transformation of the IT landscape of large customers.

In Business & Platform Solutions, the Business Unit managed to pursue the development of the Atos Digital Transformation Factory. The increased digital business mainly materialized in Public & Health, also sustained by the positive contribution from new acquisitions in Healthcare.

Big Data & Cybersecurity pursued its strong development, benefitting from continued strong demand for the Group solutions in both Cybersecurity and Big Data. Growth materialized in all Markets and more particularly in Manufacturing, Retail & Transportation.

Operating margin continued to improve to reach 11.9% of revenue (+80 basis points) at €266 million. The Business Unit benefitted from revenue increase in Big Data & Cybersecurity and Business & Platform Solutions, as well as continuous strong actions to reduce the cost base in Infrastructure & Data Management when migrating customers to Cloud. This allowed maintaining a high level of profitability despite the revenue effect from Unify Communication & Collaboration.

B.1.3.3 France

In €million	2017	2016*	Organic evolution
Revenue	1,725	1,712	0.7%
Operating margin	163	122	
Operating margin rate	9.4%	7.1%	

**At constant scope and exchange rates*

At € 1,725 million, **revenue** in France improved by +0.7% organically. The performance of the Business Unit was driven by Infrastructure & Data Management thanks to a continued solid performance over the year.

Indeed Infrastructure & Data Management achieved +8.1% organic growth, with an improvement in all Markets. The growth was primarily recorded in Public & Health, thanks to the ramp-up of the Naval Group contract, as well as a larger demand for Atos Escala Cloud servers in the healthcare sector. Growth also came from Financial Services with notably the ramp-up of the Axa contract and higher volumes with Groupama. Other Markets showed a sustainable performance supported by solid outsourced activities and new *Canopy Orchestrated Hybrid Cloud* businesses for clients such as Safran.

Business & Platform Solutions was more challenged mainly due to a reduced project activity with some customers in Financial Services. Other Markets remained roughly stable. In Manufacturing, Retail & Transportation, the ramp-up of PSA and Sanofi contracts compensated for the ones completed the year before and for some volumes reductions. Public & Health benefitted from new businesses compensating the effect of a large contract with the Ministry of Defense delivered in the prior year. Telecom, Media & Utilities benefitted from *Digital Workplace* and *Atos Codex* projects with large companies such as Orange and EDF.

Big Data & Cybersecurity was broadly stable. Manufacturing, Retail & Transportation sector grew thanks to High Performance Computing solutions delivered to customers such as Safran, the ramp-up of new contracts with Thales, and new mission critical projects. Public & Health faced a comparable basis effect due to 2016 strong sales activity and the completion of projects did not repeat to the same extent in 2017.

Operating margin reached € 163 million, representing 9.4% of revenue, increasing by +230 basis points. Profitability improved in almost all Divisions. Infrastructure & Data Management was led by the positive revenue growth combined with efficient cost savings actions. Operating margin in Business & Platform Solutions increased thanks to stronger actions in workforce management and successful cost reduction programs.

B.1.3.4 United Kingdom & Ireland

In €million	2017	2016*	Organic evolution
Revenue	1,715	1,694	1.2%
Operating margin	181	220	
Operating margin rate	10.6%	13.0%	

**At constant scope and exchange rates*

Revenue was € 1,715 million, up +1.2% at constant scope and exchange rates. Growth was primarily derived from the strong dynamism of Big Data & Cybersecurity while other Divisions achieved to remain stable in spite of several headwinds. The Business Unit signed Digital Transformation Factory contracts, in *Canopy Orchestrated Hybrid Cloud* and *Digital Workplace*.

Infrastructure & Data Management remained globally stable, with growth in Financial Services with the ramp-up of new contracts such as the one with Aegon and in Manufacturing, Retail & Transportation with increased volumes with the Royal Mail Group and several other new engagements in the Cloud area. In Public & Health, the ramp-up of new Cloud contracts notably with University College London Hospitals combined with increased volumes and project business with longstanding customers such as the Ministry of Justice mostly offset the ramp-down from other legacy customers. This strong performance compensated for the decrease in Telcos, Media & Utilities, impacted by re-insourcing of parts of the BBC contract further to its renewal in Q2. Significant new contracts signed in 2017 such as Aviva, combined with the strong momentum with key longstanding customers on *Digital Workplace* solutions, led to an improved starting position for 2018.

Business & Platform Solutions also remained broadly stable, with growth in Financial Services thanks to projects in *Digital Workplace* and *Atos Codex* for existing Infrastructure & Data Management customers such as NS&I and Aegon, and in Manufacturing, Retail & Transportation, thanks to new SAP projects. The situation was more mixed in Public & Health with new significant digital transformation contracts won, such as with University City London Hospitals, and some contracts scope reduced with existing customers. In Telecom, Media & Utilities, contracts signed with new customers such as Anglian Water and Northern Ireland Electric did not fully compensate for the re-insourcing of parts of the BBC contract.

Big Data & Cybersecurity had a very successful year in United Kingdom & Ireland, driven by a continued strong demand in Cybersecurity for existing customers in Manufacturing, Retail & Transportation and Public & Health, and the delivery of a High Performance Computing project to STCF (Science Technology Facilities Council).

Operating margin was € 181 million and represented 10.6% of the revenue, including a positive € 21 million pension one-off recorded in the second semester (9.3% excluding pension one-off), comparing to 13.0% in 2016 at constant scope and exchange rates (10.5% excluding pension one-off). The Business Unit benefitted from the revenue growth and managed to maintain a high level of profitability despite contractual price or scope reductions mainly in Infrastructure & Data Management. In particular, strong management actions were implemented to pursue the efforts on costs savings through TOP transformation program, especially in automation and robotization, as well as tight project management on large contracts.

B.1.3.5 Benelux & The Nordics

In €million	2017	2016*	Organic evolution
Revenue	1,084	1,092	-0.8%
Operating margin	94	77	
Operating margin rate	8.7%	7.1%	

**At constant scope and exchange rates*

At € 1,084 million, 2017 **revenue** was slightly down organically, closing the year with an upturn in the fourth quarter at +0.7%, a significant improvement compared to the 2016 organic performance (-7.3%).

Infrastructure & Data Management pursued its recovery and performed a solid growth of +3.7%. From a Markets perspective, the growth was led by Public & Health, benefitting from higher volumes achieved with Polish institutions as well as contracts ramping-up with the European Union in Belgium and new businesses with Dutch University Hospitals. Manufacturing, Retail & Transportation also increased, fueled by the ramp-up of new contracts with Philips and Akzo Nobel, as well as Financial Services, growing thanks to the contribution of new contracts with local banks.

Business & Platform Solutions revenue decreased organically. Technology Services which are local to local business faced a lower demand, notably in the Financial Services. In Public & Health, projects activity dropped, in particular in Poland, while the Business Unit succeeded in delivering projects to Dutch Ministry of Foreign Affairs. In Telcos, Media & Utilities, the Business Unit signed a new contract with T-Mobile which was delivered during the year but was impacted by lower projects with KPN in The Netherlands and volumes reductions with Orange in Poland.

Big Data & Cybersecurity revenue slowed down further to successful deliveries achieved in 2016. The activity in this Division started three years ago in Benelux and therefore remains volatile with its current size.

Operating margin reached € 94 million, representing 8.7% of revenue, improving by +160 basis points compared to 2016 at constant scope and exchange rates. Infrastructure & Data Management operating margin growth was driven by a favorable mix of sales coupled with a strong monitoring of the costs base. Operating margin remained almost stable in Business & Platform Solutions while it was affected by revenue decrease in Big Data & Cybersecurity.

B.1.3.6 Other Business Units

In € million	2017	2016*	Organic evolution
Revenue	2,136	2,003	6.6%
Operating margin	224	162	
Operating margin rate	10.5%	8.1%	

** At constant scope and exchange rates*

Revenue in "Other Business Units" reached € 2,136 million, up +6.6% organically with a sustained activity in all Divisions and especially in Business & Platform Solutions.

Infrastructure & Data Management achieved a solid organic growth including the negative effect of Unified Communication & Collaboration which however managed to return to growth in Q4 2017. Financial Services was driven by higher volumes with its banking customers in Hong Kong and in Morocco. Public & Health recorded a double digit growth thanks to projects delivered in several countries of Central & Eastern Europe together with the ramp-up of the Western Australian Government migration to *Canopy Orchestrated Hybrid Cloud*. Manufacturing, Retail & Transportation was more challenged in spite of the ramp-up on new contracts signed in Switzerland. Finally, Telecom, Media & Utilities remained stable.

Business & Platform Solutions revenue posted a strong growth in almost all Markets. The Public & Health double digit growth was reached thanks to new deliveries for the Asian Martial Arts Games in Ashgabat and for the Taiwan University Games, to SAP HANA projects for the Vienna Hospital Association and for Airports of Thailand. Manufacturing, Retail & Transportation as well as Telcos, Media & Utilities posted significant growth, mainly driven by new projects, especially in Italy and Iberia, as well as the delivery of the new Coca-Cola Hellenic Bottling Company contract from Bulgaria. This largely compensated for fewer projects in Financial Services.

Big Data & Cybersecurity continued to grow, benefitting from High Performance Computing solutions delivered to public agencies in several African countries and to a large bank in Hong Kong. The Division also performed Cybersecurity projects for Major Events and Central & Eastern Europe customers.

Operating margin was € 224 million, representing 10.5% of revenue, improving by +240 basis point compared to 2016 at constant scope and exchange rates. Margin mainly benefitted from the contribution of the revenue growth, primarily in Infrastructure & Data Management and in Business & Platform Solutions, as well as from tight monitoring of costs across the entire Business Unit.

B.1.3.7 Global structure costs

Global structures costs reached €-79 million, a decrease by € 17 million compared to 2016 at constant scope and exchange rates, reaching -0.6% of the IT Services Divisions revenue (Worldline holding its own corporate costs), reflecting the continued efforts in costs optimization and a better monitoring both in procurement and real estate costs.

B.1.4 Revenue by Market

In €million	2017	2016*	Organic evolution
Manufacturing, Retail & Transportation	4,726	4,627	2.1%
Public & Health	3,661	3,419	7.1%
Financial Services	2,273	2,179	4.3%
Telcos, Media & Utilities	2,032	2,184	-7.0%
Total	**12,691**	**12,410**	**2.3%**

** At constant scope and exchange rates*

B.1.4.1 Manufacturing, Retail & Transportation

Manufacturing, Retail & Transportation was the largest Market of the Group (37%) with revenue at € 4,726 million in 2017, up by +2.1% organically, benefitting from the ramp-up of large contracts, in particular in Germany and in North America. The Market revenue growth was particularly strong in Business & Platform Solutions and Big Data & Cybersecurity Divisions.

In this Market, the top 10 clients represented 18% of revenue, namely Siemens, Conduent, BASF, Xerox, Renault Nissan, Rheinmetall, Philips, Johnson & Johnson, Daimler, and Airbus.

B.1.4.2 Public & Health

Public & Health was the second market of the Group (29%) with revenue of € 3,661 million, up by +7.1% compared to 2016 at constant scope and exchange rates. This strong growth mainly came from North America through increased volumes with Texas DIR and from the Healthcare submarket across all geographies. In particular, strong performance was recorded within Infrastructure & Data Management and Business & Platform Solutions Divisions.

35% of the revenue in this Market was realized with the first 10 main clients: Department for Work & Pensions (DWP), Texas Department of Information Resources, Ministry of Justice (UK), European Union Institutions, McLaren Health Care Corporation, Commissariat à l'énergie atomique et aux énergies alternatives (French Commission for Atomic Energy and Alternative Energies), Nuclear Decommissioning Authority (UK), SNCF, Ministry of Defense (France), and AllScripts.

B.1.4.3 Financial Services

Financial Services was the third Market of the Group and represented 18% of the total Group revenue at € 2,273 million. The +4.3% organic growth was notably driven by the ramp-up of Aegon contract in the UK and higher volumes with a large bank in Hong-Kong. Worldline and Infrastructure & Data Management were the most contributive Divisions to this Market.

In this market, 43% of the revenue was generated with the 10 main clients: National Savings & Investments, Deutsche Bank, a large bank in Hong-Kong, BNP Paribas, ING, ICBPI SpA Group, Crédit Agricole, La Poste, Société Générale, and S&P Global.

B.1.4.4 Telcos, Media & Utilities

Telcos, Media & Utilities represented 16% of the total Group revenue and reached € 2,032 million, down by -7.0% compared to 2016 at constant scope and exchange rates. Revenue decrease was attributable to the re-insourcing of parts of the BBC contract further to its renewal in Q2, to scope or price reductions and ends of contracts with some large customers in North America, and to base effects related to large transition projects delivered in 2016 to customers such as Nokia and Telefonica. This was partially offset by a revenue increase in Central & Eastern Europe notably with the ramp-up of the *Canopy Orchestrated Hybrid Cloud* Enel contract. In particular, strong performance was recorded within Big Data & Cybersecurity.

The top 10 clients were BBC, EDF, Telefonica/O2, Orange, The Walt Disney Company, Nokia, Enel, Telecom Italia, Deutsche Telekom and Engie, representing 52% of the total Telcos, Media & Utilities Market revenue.

B.1.5 Portfolio

B.1.5.1 Order entry and book to bill

In 2017, the Group **order entry** totaled **€ 13,908 million**, up **+6.8% year-on-year**, representing a **book to bill ratio** of **110%**, consistent between the first and second semesters, and with 123% registered in the fourth quarter.

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

	Order entry			Book to bill		
In €million	**H1 2017**	**H2 2017**	**FY 2017**	**H1 2017**	**H2 2017**	**FY 2017**
Infrastructure & Data Management	4,012	3,618	7,629	112%	102%	107%
Business & Platform Solutions	1,657	2,074	3,731	103%	127%	115%
Big Data & Cybersecurity	431	511	942	121%	129%	125%
Worldline	769	837	1,606	102%	106%	104%
Total	**6,869**	**7,039**	**13,908**	**109%**	**110%**	**110%**

For IT services activities, book to bill ratio was 107% for Infrastructure & Data Management, 115% for Business & Platform Solutions, while Big Data & Cybersecurity reported a 125% book to bill ratio.

Several large new contracts were signed over the period in Infrastructure & Data Management, which contributed to the continued growth of the Atos Digital Transformation Factory. In particular main order entries were achieved this year with Aviva, the Ministry of Justice and Northern Ireland Electricity in the United Kingdom, with National Police and University Medical Centers in Benelux & the Nordics, with Johnson & Johnson and a large car rental company in North America, with Safran in France, as well as with Henkel and Siemens in Germany. Business & Platform Solutions signed new contracts with PSA (Peugeot) and Pôle Emploi in France, as well as with Nokia in Germany and Northern Ireland Electricity in the United Kingdom. Big Data & Cybersecurity pursued its strong commercial dynamics reaching 125% book to bill ratio in 2017. Worldline managed to achieve 104% over the period, with new contracts in the Public sector and in Financial Services mainly.

Renewals of the year included several large contracts in Infrastructure & Data Management such as Allscripts, the Walt Disney Company and Morgan Stanley in North America, as well as the renewal of BBC in the United Kingdom and the contract with EDF in France. Worldline renewed several Issuing Processing contracts notably with Belfius.

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

	Order entry			Book to bill		
In €million	**H1 2017**	**H2 2017**	**FY 2017**	**H1 2017**	**H2 2017**	**FY 2017**
Manufacturing, Retail & Transportation	2,694	2,182	4,877	113%	31%	103%
Public & Health	2,023	1,965	3,988	114%	105%	109%
Telcos, Media & Utilities	1,158	1,325	2,482	114%	130%	122%
Financial Services	993	1,568	2,561	88%	137%	113%
Total	**6,869**	**7,039**	**13,908**	**109%**	**110%**	**110%**

B.1.5.2 Full backlog

In line with the positive evolution of Atos commercial activity, the **full backlog** at the end of December 2017 including the integration of the acquisitions increased by **+6.0%** compared to December 2016, and amounted to **€ 22.7 billion**, representing **1.8 year of revenue**.

B.1.5.3 Full qualified pipeline

The **full qualified pipeline** was **€ 7.4 billion** at the end of 2017 including the integration of the acquisitions, a strong increase by **+14.7%** compared to the end of 2016, representing **7 months of revenue**.

B.1.6 Human Resources

The total headcount was 97,267 at the end of December 2017 compared to 100,096 at the end of December 2016. The Group total workforce decreased by -2.8% (or – 2,830 staff), after considering +1,069 staff from acquisitions, of which +399 in Worldline (from FirstData Baltics, DRWP and MRL Postnet), +361 in North America (from Pursuit Healthcare Advisors, Conduent's Healthcare Provider Consulting business and Conduent's Breakaway Group, and zData), +199 in France (from ImaKumo), and +110 in the UK (from Engage ESM). Excluding acquisitions, the total decrease amounted to -3.9%. Hiring is anticipating the implementation of automation, while focusing on digital transformation skills. The Group pursued the digital skilling and training of its teams with a strong increase of certification in this field. In Big Data & Cybersecurity, staff increased by +13% during the year.

In 2017, the Group hired 12,693 staff (95% were direct employees). The hirings were mainly achieved in the "Other Business Units" (totaling 60% of direct hirings), notably in offshore countries such as India, Poland, Romania and the Philippines, and also in the US and the UK; 55% of the direct hirings over the period were performed in Infrastructure & Data Management.

Attrition rate was 11.7% at Group level, of which 17.8% in offshore countries (respectively 12.3% and 19.1% in 2016).

The number of restructured or dismissed employees over the period was 3,047.

Headcount evolution in 2017 by Business Units and by Divisions was as the following:

	End of December 2016	UCC integration	Internal transfers	Scope	Hiring	Leavers, dismissals & restructuring	End of December 2017
Infrastructure & Data Management	46,824	1,416		279	6,564	-9,406	45,678
Business & Platform Solutions	32,564			293	3,869	-5,448	31,279
Big Data & Cybersecurity	3,726			22	638	-165	4,221
Functions	122				6	2	130
Worldline	8,132			346	940	-736	8,682
Total Direct	**91,369**	**1,416**		**940**	**12,018**	**-15,753**	**89,989**
Germany	8,592	356			81	-532	8,497
North America	11,704	93	-1,630	315	1,421	-3,303	8,600
France	11,950	17		199	719	-1,618	11,267
United Kingdom & Ireland	8,330	57		80	1,249	-1,366	8,350
Benelux & The Nordics	4,844	118	1,452		363	-1,089	5,688
Other Business Units	37,398	775	178		7,202	-7,144	38,409
Global structures	418				43	35	496
Worldline	8,132			346	940	-736	8,682
Total Direct	**91,369**	**1,416**	**0**	**940**	**12,018**	**-15,753**	**89,989**
Total Indirect	**5,969**	**1,343**		**129**	**675**	**-838**	**7,277**
Unify Communication & Collaboration	2,759	-2,759					
TOTAL GROUP	**100,096**	**0**	**0**	**1,069**	**12,693**	**-16,592**	**97,267**

The number of direct employees at the end of 2017 was 89,989, representing 92.5% of the total Group headcount, similar to 92.7% at the end of December 2016. Indirect staff was 7,277 end of December 2017, decreasing by -2.2% compared to the end of December 2016 when excluding the impact from acquisitions.

B.2 2018 objectives

In 2018, taking into account the effect of IFRS 15, the Group targets ambitious objectives for its 3 key financial criteria in line with its 2019 Ambition:

Revenue organic growth: +2% to +3%;

Operating margin: 10.5% to 11% of revenue;

Free cash flow: circa 60% of operating margin.

B.3 Financial review

B.3.1 Income statement

The Group reported a net income (attributable to owners of the parent) of € 601 million for 2017, which represented 4.7% of Group revenue and an increase of 3.8% compared to 2016 (+10.7% excluding the gain on the sale of the Visa share in 2016). The normalized net income before unusual, abnormal and infrequent items (net of tax) for the period was € 866 million, representing 6.8% of 2017 Group revenue.

(in €million)	**12 months ended 31 December 2017**	**%**	**12 months ended 31 December 2016 (*)**	**%**
Operating margin	**1,292**	**10.2%**	**1,122**	**9.2%**
Other operating income/(expenses)	-417		-295	
Operating income	**875**	**6.9%**	**827**	**6.8%**
Net financial income/(expenses)	-62		-55	
Tax charge	-149		-141	
Non-controlling interests and associates	-63		-52	
Net income – Attributable to owners of the parent	**601**	**4.7%**	**579**	**4.8%**
Normalized net income – Attributable to owners of the parent (**)	**866**	**6.8%**	**783**	**6.4%**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

(**) The normalized net income is defined hereafter

B.3.1.1 Operating margin

Income and expenses are presented in the Consolidated Income Statement by nature to reflect the specificities of the Group's business more accurately. Below the line item presenting revenues, ordinary operating expenses are broken down into staff expenses and other operating expenses.

These two items together are deducted from revenues to obtain operating margin, one of the main Group business performance indicators.

Operating margin represents the underlying operational performance of the on-going business and is analyzed in detail in the operational review.

B.3.1.2 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 € 417 million in 2017. The following table presents this amount by nature:

(In €million)	12 months ended 31 December 2017	12 months ended 31 December 2016 (*)
Staff reorganization	-83	-89
Rationalization and associated costs	-38	-42
Integration and acquisition costs	-43	-32
Amortization of intangible assets (PPA from acquisitions)	-109	-106
Equity based compensation	-86	-50
Other items	-59	24
Total	**-417**	**-295**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

The € 83 million **staff reorganization** expense was mainly the consequence of the adaptation of the Group workforce in several countries such as France, the Netherlands and the United Kingdom.

The € 38 million **rationalization and associated costs** primarily resulted from the closure of office premises and data centers consolidation, mainly in North America (€ 9 million), Germany (€ 9 million) and France (€ 8 million).

The € 43 million **integration and acquisition costs** mainly related to the execution of Unify, equensWorldline, Paysquare and Anthelio integrations, and to the migration and standardization of internal IT platforms from acquired companies.

The 2017 **amortization of intangible assets** recognized in the Purchase Price Allocation (PPA) of € 109 million was mainly composed of:

- € 28 million of SIS customer relationships amortized over 4 to 12 years starting July 1, 2011;
- € 20 million of Xerox ITO customer relationships amortized over 6 to 12 years starting July 1, 2015;
- € 20 million of Unify customer relationships and technologies amortized over 2 to 10 years starting February 1, 2016;
- € 16 million of Bull customer relationships and patents amortized over respectively 9.3 years and 7 to 10 years starting September 1, 2014;
- € 10 million of Equens and Paysquare customer relationships amortized over 6.5 to 9.5 years starting October 1, 2016; and
- € 9 million of Anthelio customer relationships amortized over 6 to 12 years starting October 1, 2016.

The **equity based compensation** expense amounted to € 86 million compared to € 50 million from the previous period. The increase related to the scope expansion, the stock price evolution, as well as the achievement of performance conditions.

In 2016, the gain on the sale of Worldline's share in Visa Europe to Visa Inc. for € 51 million was included in **other items**. In 2017, following the acceleration of significant cyberattacks such as WannaCry and NotPetya as well as to prepare a faster implementation of GDPR (General Data Protection Regulation), the Group ran specific programs to reinforce its skills; this exceptional effort amounted to approximately € 20 million. The Group also decided to settle several longstanding litigations and incurred expenses related to specific semi retirement schemes for respectively around € 10 million and € 10 million.

B.3.1.3 Net financial expense

Net financial expense amounted to € 62 million for the period (compared to € 55 million prior year) and was composed of a net cost of financial debt of € 24 million and non-operational financial costs of € 38 million.

Net cost of financial debt was € 24 million (compared to € 20 million in 2016) and resulted from the following elements:

- the average gross borrowing of € 2,190 million compared to € 2,010 million in 2016 bearing an average expense rate of 1.49% compared to 1.61% last year. The average gross borrowing expenses were mainly explained by:
  - the used portion of the syndicated loan combined with the Negociable European Commercial Papers (NEU CP) program started in June 2017 for an average of € 1,103 million (compared to an average of € 1,059 million in 2016) bearing an effective interest rate of 0.31%, benefiting from the attractive remuneration applied to the NEU CP;
  - a € 600 million bond issued in July 2015 bearing a coupon rate of 2.375%;
  - a € 300 million bond issued in October 2016 bearing a coupon rate of 1.444%;
  - other sources of financing, including securitization, for an average of € 191 million, bearing an effective interest rate of 4.75%;
- the average gross cash increased from € 1,302 million in 2016 to € 1,339 million in 2017 bearing an average income rate of 0.67% compared to 0.92% in 2016.

Non-operational financial costs amounted to € 38 million compared to € 35 million in 2016 and were mainly composed of pension related interest (€ 30 million compared to € 33 million expense in 2016) and a net foreign exchange loss (including hedges) of € 3 million versus a net foreign exchange gain (including hedges) of € 7 million in 2016. The pension financial cost represented the difference between interest costs on pension obligations and interest income on plan assets.

B.3.1.4 Corporate tax

The Group effective tax rate was 18.3% corresponding to a tax charge of € 149 million with a profit before tax of € 813 million.

Please refer to Note 7 Income tax for further explanations.

B.3.1.5 Non-controlling interests

Non-controlling interests included shareholdings held by joint venture partners and other associates of the Group. Non-controlling interests amounted to € 64 million in December 2017 (compared to € 53 million in December 2016). Excluding the gain on the sale of the Visa share by Worldline in the prior year, minority interests increased by € 27 million. This increase was mostly related to the 12 months effect of the non-controlling interests in equensWorldline (3 months in 2016) and the improved performance of Worldline overall.

B.3.1.6 Normalized net income

The normalized net income excluding unusual, abnormal, and infrequent items (net of tax) was € 866 million, increasing by 10.6% compared to previous year.

(in € million)	**12 months ended 31 December 2017**	**12 months ended 31 December 2016 (*)**
Net income - Attributable to owners of the parent	**601**	**579**
Other operating income and expenses net of tax	-265	-204
Normalized net income - Attributable to owners of the parent	**866**	**783**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

B.3.1.7 Earnings per share

(In € million and shares)	**12 months ended 31 December 2017**	**% Margin**	**12 months ended 31 December 2016 (*)**	**% Margin**
Net income – Attributable to owners of the parent [a]	**601**	**4.7%**	**579**	**4.8%**
Impact of dilutive instruments	-		-	
Net income restated of dilutive instruments - Attributable to owners of the parent [b]	**601**	**4.7%**	**579**	**4.8%**
Normalized net income – Attributable to owners of the parent [c]	**866**	**6.8%**	**783**	**6.4%**
Impact of dilutive instruments	-		-	
Normalized net income restated of dilutive instruments - Attributable to owners of the parent [d]	**866**	**6.8%**	**783**	**6.4%**
Average number of shares [e]	105,081,802		103,766,609	
Impact of dilutive instruments	376,158		506,003	
Diluted average number of shares [f]	105,457,960		104,272,612	
(In €)				
Basic EPS [a] / [e]	**5.72**		**5.58**	
Diluted EPS [b] / [f]	**5.70**		**5.55**	
Normalized basic EPS [c] / [e]	**8.24**		**7.54**	
Normalized diluted EPS [d] / [f]	**8.21**		**7.51**	

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

Further to the strong increase of net income as detailed above, basic and diluted Earning per Share (EPS) reached respectively € 5.72 (€ 5.58 in 2016) and € 5.70 (€ 5.55 in 2016). Normalized basic and diluted EPS reached respectively € 8.24 (€ 7.54 in 2016) and € 8.21 (€ 7.51 in 2016).

B.3.2 Cash Flow

Free cash flow representing the change in net cash or net debt, excluding net acquisitions/disposals, equity changes, and dividends paid to shareholders, reached € 714 million versus € 569 million achieved in 2016.

(in €million)	**12 months ended 31 December 2017**	**12 months ended 31 December 2016 (*)**
Operating Margin before Depreciation and Amortization (OMDA)	**1,608**	**1,374**
Capital expenditures	-526	-456
Change in working capital requirement	-25	-8
Cash from operation (CFO)	**1,057**	**910**
Tax paid	-133	-131
Net cost of financial debt paid	-24	-20
Reorganization in other operating income	-95	-85
Rationalization & associated costs in other operating income	-22	-43
Integration and acquisition costs	-40	-22
Other changes (**)	-30	-40
Free Cash Flow (FCF)	**714**	**569**
Net (acquisitions) / disposals	-403	-809
Proceeds from the disposal of the Visa share	-	36
Capital increase / (decrease)	38	28
Share buy-back	-59	-
Dividends paid to owners of the parent	-168	-47
Change in net cash/(debt)	**123**	**-223**
Opening net cash/(debt)	**329**	**546**
Change in net cash/(debt)	123	-223
Foreign exchange rate fluctuation on net cash/(debt)	-144	6
Closing net cash/(debt)	**307**	**329**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

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

Cash from Operations (CFO) amounted to € 1,057 million and increased by € 147 million compared to prior year. This increase resulted from the change of the three following components:

- OMDA (€+234 million) mainly reflecting the increase in operating margin, the scope effect on depreciation of fixed assets, as well as a strong decrease in net provision releases and in pension one-offs;
- capital expenditures (€ -70 million) mainly reflecting the scope increase of the Group operations;
- change in working capital requirement (€-17 million).

OMDA of € 1,608 million represented 12.7% of revenue, compared to 11.3% of revenue last year:

(in €million)	**12 months ended 31 December 2017**	**12 months ended 31 December 2016 (*)**
Operating margin	**1,292**	**1,122**
+ Depreciation of fixed assets	448	414
+ Net book value of assets sold/written off	14	34
+/- Net charge/(release) of pension provisions	-82	-105
+/- Net charge/(release) of provisions	-65	-91
OMDA	**1,608**	**1,374**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

Capital expenditures amounted to € 526 million or 4.1% of the revenue compared to € 456 million in 2016. The Group continued to invest, especially in its payment platforms within Worldline extended scope, as well as in its infrastructure business, in particular in Cloud architectures.

The **change in working capital requirement** amounted to € 25 million. The DSO ratio reached 35 days compared to 33 days at the end of December 2016. DSO has been positively impacted by the implementation of financial arrangements on large customer contracts by 21 days compared to 15 days in December 2016. The DPO reached 81 days compared to 80 days at the end of December 2016.

Cash out related to **tax paid** reached € 133 million and was slightly higher than last year. This increase was lower than the progression of the profit before tax, further to the decrease in the effective tax rate over the last few years.

The **cost of net debt** reached € 24 million compared to € 20 million in 2016. This was mainly explained by a slight reduction in the interest rate on the deposits.

Reorganization, rationalization and associated costs, and integration and acquisition costs reached € 157 million compared to € 150 million in 2016, in line with the target of 1% of Group revenue plus the cost planned to generate the synergies with Equens (circa € 20 million in 2017).

Other changes amounted to €-30 million and decreased by € 10 million, relating mainly to the exceptional costs (circa € 20 million) linked to specific programs to reinforce Group skills and offerings, further to the acceleration of significant cyberattacks such as WannaCry and NotPetya, as well as to prepare a faster implementation of GDPR (General Data Protection Regulation).

As a result, the **Group Free Cash Flow (FCF)** generated during the year 2017 was € 714 million.

The net debt impact resulting from **acquisitions net of disposals** amounted to € 403 million and corresponded mainly to the acquisition of MRL Posnet, First Data, Digital River, Siemens Convergence Creators (CVC), Pursuit HealthCare, and Conduent HealthCare companies.

Capital increase totaled € 38 million in 2017 compared to € 28 million in 2016, mainly reflecting the Group shareholding program SPRINT for employees as well as still some proceeds from equity based compensation resulting from stock options exercised on old plans.

Share buy-back was implemented in 2017 for € 59 million in order to deliver performance shares with no dilution for shareholders.

The Group paid in cash a **dividend** of € 168 million to its shareholders, in line with the increase of the dividend per share and the full payment in cash.

Foreign exchange rate fluctuation determined on debt or cash exposure by country represented a decrease in net cash of €-144 million, mainly coming from the exchange rate of the Euro against US dollar, British pound, and several Asian currencies.

As a result, the **Group net cash position** was € 307 million at the end of December 2017, stable compared to € 329 million at the end of December 2016.

B.3.3 Financing policy

Atos has implemented a strict financing policy which is reviewed by the Group Audit Committee, with the objective to secure and optimize the Group's liquidity management. Each decision regarding external financing is approved by the Board of Directors. Under this policy, all Group treasury activities, including cash management, short-term investments, hedging and foreign exchange transactions, as well as off-balance sheet financing through operating leases, are centrally managed through the Group Treasury department. Following a cautious short term financial policy, the Group did not make any short term cash investment in risky assets.

B.3.3.1 Financing structure

Atos' policy is to fully cover its expected liquidity requirements by long-term committed loans or other appropriate long-term financial instruments. Terms and conditions of these loans include maturity and covenants leaving sufficient flexibility for the Group to finance its operations and expected developments.

On June 2, 2017, Atos issued a Negotiable European Commercial Paper program (NEU CP) in order to optimize financial expenses and improve Group liquidity management, for an initial maximum amount of € 900 million raised to € 1.2 billion in October 2017.

On September 29, 2016, Atos issued a Euro private placement bond of € 300 million with a seven-year maturity and with a 1.444% fixed interest rate. Atos and the bonds are unrated. There are no financial covenants.

On July 2, 2015 Atos issued a bond of € 600 million with a five-year maturity. The coupon rate is 2.375%. Atos and the bonds are unrated. There are no financial covenants.

On November 6, 2014, Atos signed with a number of major financial institutions a five-year € 1.8 billion credit facility maturing in November 2019 with an option for Atos to request the extension of the Facility maturity date until November 2021. The first option of extension for one year was exercised in 2015 and the second option of extension for one year has been exercised in 2016. Therefore the new maturity of the € 1.8 billion credit facility is November 2021. The facility is available for general corporate purposes and replaced the existing € 1.2 billion facility signed in April 2011.

The revolving credit facility includes one financial covenant which under the terms is the consolidated leverage ratio (net debt divided by Operating Margin before Depreciation and Amortization) which may not be greater than 2.5 times.

Atos securitization program of trade receivables has been renewed for 5 years on June 18, 2013 with a maximum amount of receivables sold of € 500 million and a maximum amount of financing of € 200 million.

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

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

As of December 31, 2017, the Group has sold:

- in the compartment "ON" € 277 million receivables for which € 10 million were received in cash. The sale is with recourse, thus re-consolidated in the balance sheet;
- in the compartment "OFF" € 40 million receivables which qualify for de-recognition as substantially all risks and rewards associated with the receivables were transferred.

Financial covenants of the Atos securitization program are the consolidated leverage ratio (net debt divided by Operating Margin before Depreciation and Amortization) which may not be greater than 2.5 times and the consolidated interest cover ratio (Operating Margin divided by the net cost of financial debt) which may not be less than 4 times.

B.3.3.2 Bank covenants

The Group was well within its borrowing covenant for the multi-currency revolving credit facility, with a consolidated leverage ratio (net debt divided by OMDA) of -0.19 at the end of December 2017 (the ratio is negative due to the net cash position of the Group at the end of December 2017). The consolidated leverage ratio must not be greater than 2.5 times under the terms of the multi-currency revolving credit facility.

The Group was also well within the limit of the consolidated interest cover ratio which apply only to the Atos securitization program of trade receivables. The consolidated interest cover was 54.75 (Operating Margin divided by the net cost of financial debt which may not be less than 4 times).

B.3.3.3 Investment policy

Atos has a policy to lease its office space and data processing centers. Some fixed assets such as IT equipment and company cars may be financed through leases. The Group Treasury department evaluates and approves the type of financing for each new investment.

B.3.3.4 Hedging policy

Atos' objective is also to protect the Group against fluctuations in interest rates by swapping to fixed rate a portion of the existing floating-rate financial debt. Authorized derivative instruments used to hedge the debt are swap contracts, entered into with leading financial institutions and centrally managed by the Group Treasury department.

At the end of 2017, the Group did not have any interest hedging contract.

B.4 Consolidated financial statements

B.4.1 Statutory auditors' report on the consolidated financial statements for the year ended December 31, 2016

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the annual general meeting of Atos Company,

Opinion

In compliance with the engagement entrusted to us by your annual general meetings, we have audited the accompanying consolidated financial statements of Atos Company for the year ended December 31, 2017.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2017 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1st, 2017, to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of ethics (code de déontologie) for statutory auditors.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Revenue recognition on long term fixed-price contracts

Note 'Accounting rules and policies – Revenue recognition' of consolidated financial statements

Key Audit Matter	Our audit approach
Regarding fixed-price contracts performed over the course of several years, particularly related to outsourcing, consulting and system integration activities, revenues are recognized, in accordance with IAS 11 'Construction contracts' based on the costs incurred to date as a percentage of the total estimated costs to fulfil the contract. For multi-element service contracts, which may be a combination of different services, revenue is recognized separately for each of the service when it is separately identifiable. Total contract costs and expected remaining costs are subject to regular monitoring to determine whether the stage of completion and margin recognized should be revised. If these estimates indicate that the contract will be unprofitable, the entire estimated loss for the remainder of the contract is recorded immediately through a provision for estimated losses on completion. We consider revenue recognition on long-term contracts and the associated costs as a key audit matter as estimated costs on these contracts are based on operational assumptions and their estimation has a direct impact on revenue and margin recognized in the consolidated financial statements.	We assessed the internal control environment relating to contract accounting. We tested the effectiveness of the key controls implemented by the financial controllers and the operational managers, in particular those relating to the costs incurred on contract and those relating to the costs to complete. For a number of contracts that were selected based upon quantitative and qualitative criteria (contracts that experienced technical difficulties or low profitability), we performed the following procedures: • For new contracts, we corroborated initial budget margin to the financial data within the signed contract and the associated cost estimation. When a contract included multiple elements, we corroborated the company's analysis and accounting treatment with the contractual provisions and our understanding of the services provided. • For contracts in progress: - we reconciled the financial data (revenue, billing and work-in-progress) including in the workprogress spreadsheet that is updated monthly by the financial controller to the accounting records; - we corroborated the amount of costs incurred with the data from the timesheet application system; - we analyzed standard hourly rates' calculation methodology; - we performed interviews with financial controllers and / or operational managers to assess the estimated costs yet to be incurred and the percentage of completion on the contract, which is the basis on which revenue and margin is recognized, we have furthermore analyzed the appropriateness of these estimates by comparing the forecasted data with the actual performance of the contract and by reconciling, if necessary, to the discussions with the client since the contract was signed; - when necessary, we analyzed assumptions used by management to determine the loss recognized on any unprofitable contracts and confirmed these assumptions with historical performance on the contract and the remaining technical milestones to be achieved.

Goodwill valuation

Note 'Accounting rules and policies – Goodwill' and note 11 of consolidated financial statements

Key Audit Matter	Our audit approach
As of December 31, 2017, the Goodwill is recorded in the balance sheet at a net book value of € 4,384.4 million, or 32.5% of the total assets. These assets are not amortized and are subject to an impairment test at least once a year. The annual impairment test is based on the value-in-use of each cash-generating unit (CGU), determined on the basis of an estimate of discounted future cash flows, requiring the use of assumptions and estimates. CGUs correspond to the geographical areas in which the Atos Group operates, with the exception of the Worldline CGU. We considered the valuation of goodwill as a key audit matter, given the weight of these assets in the consolidated balance sheet, the importance of management's judgment in determining cash flow assumptions, discount rates and long-term average growth rate, as well as the sensitivity of the valuation of their value-in-use to these assumptions.	As part of our audit, we examined the process implemented by the Company regarding the performance of impairment tests. We performed the following procedures, on the impairment tests for each CGUs: • we reconciled the cash-flow projections with the three year financial plan; • we analyzed the overall consistency of assumptions used with the performance history of the Group and / or the CGUs concerned and strengthened, especially through interviews with Management, future growth prospects, including the estimation of the perpetual growth rate used ; • we assessed, with the support of our valuation specialists, the appropriateness of the valuation model and the discount rates used in relation with market benchmarks; • we performed our own sensitivity calculations, to corroborate the analysis performed by Management, and verified the information disclosed in note 11 related to the assumption used and the sensitivity analysis is appropriate.

Valuation of defined benefits plans

Note 'Accounting rules and policies – Pensions and similar benefits' and note 20 to the consolidated financial statements

Key Audit Matter	Our audit approach
Certain employees and former employees of the Group benefit from defined benefit pension plans, which can be prepaid through plan assets (pension funds or insurance companies). The net obligations recognized in the Group balance sheet in respect of pension plans amount to € 1,179.1 million at December 31, 2017. The Group amends on a regular basis, by collective agreement or options to beneficiaries, the lump sum payments or annuities rights of certain plans. The main amendments performed in 2017 and their related impacts are disclosed in note 20 to the consolidated financial statements. We have considered the valuation of defined benefit pension plans as a key audit matter, based on: the technical expertise required to assess inflation, discount, and longevity assumptions underlying the valuation of the plans, and the impacts that could result from a change in those assumptions on the recognized obligations. the estimates related to beneficiaries' behaviors made by management to assess the impact of certain plan amendments, which could lead to significant impacts in operating margin, in case of variances with actual behaviors observed.	We reviewed the pension plans valuation process, and the methodology used by the Group to set up the underlying actuarial assumptions. With the support of our actuarial experts: • we assessed the actuarial assumptions used, in particular the consistency between the financial (inflation and discount rates) and demographic (mortality table) assumptions, in comparison with market indices and benchmarks, and; • for the plans we considered as the most significants, we reviewed the independent actuaries reports. We also reconciled the fair-value of plan assets with their market value (listed shares, bonds, swaps) or other external reports (real estate, unlisted shares, investments in infrastructure projects). We also verified that the recorded amendments of rights reflected the agreements signed with the beneficiaries of the plans. For amendments implying estimates on the beneficiaries' behaviors, we corroborated those estimates with the ones observed on similar plan amendments. Then, we verified that the information disclosed on the note 20 to the consolidated financial statements, in particular the description and changes on plans, the actuarial assumptions, and the sensitivity analysis disclosed, was appropriate.

Valuation of equity-based compensation plans *Note 'Accounting rules and policies – Equity-based compensation' and note 5 to the consolidated financial statements*	
Key Audit Matter	**Our audit approach**
Free share plans are granted to management and certain employees at regular intervals. Those equity-based compensations are measured at fair value based on the stock-exchange price at the grant date, taking into account assumptions on the beneficiaries' turnover and the achievement of multi-year performance conditions set by the Board of Directors. The fair value of those plans is recognized in "Other operating expenses" over the vesting period of corresponding rights. For the period ended December 31, 2017, accruals related to free share plans amounted to € 85.8 million. We consider the valuation of equity based compensation plans as a key audit matter, with respect to the sensitivity of the fair value of the plans to assumptions used, in particular the probability of achievement of the multi-year performance conditions, and the potential impact on the net income that may result from any adjustment on these assumptions.	We obtained the minutes of the Board of Directors' meetings and the plan rules to identify new plans granted during the period and the related achievement conditions attached to those plans. We reviewed the assumptions retained by the management, and, in particular, assessed the consistency of: • the beneficiaries' turnover assumption with respect to the historical turnover observed, and; • the probability of achievement of the multi-year performance conditions in comparison with Group forecasts and mid-term plans. We also verified the integrity of the computation models, including the correct modelling of the assumptions retained, with the support of our actuarial experts. We then verified that the information disclosed within note 5 to the consolidated financial statements was appropriate.

Verification of the Information Pertaining to the Group Presented in the Management Report

As required by law, we have also verified in accordance with professional standards applicable in France the information pertaining to the Group presented in the management report.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We have been appointed as statutory auditors of the Company by your General Shareholders' meetings held on December 16, 1993 for Deloitte & Associés, and on October 31, 1990 for Grant Thornton.

As at December 31, 2017, Deloitte & Associés was in its 24th year mandate, of total uninterrupted engagement, and for Grant Thornton in its 22nd year mandate, total uninterrupted engagement, and for both statutory auditors, on 22 years of exercise of mandate since the Company securities were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine, February 21, 2018

The statutory auditors

French original signed by

Deloitte & Associés	Grant Thornton *French member of Grant Thornton International*
Jean-Pierre Agazzi	Virginie Palethorpe

B.4.2 Consolidated income statement

(in € million)	Notes	12 months ended 31 December 2017	12 months ended 31 December 2016 (*)
Revenue	**Note 2**	**12,691.1**	**12,137.7**
Personnel expenses	Note 3	-5,557.5	-5,564.5
Operating expenses	Note 4	-5,841.6	-5,451.2
Operating margin		**1,292.1**	**1,122.0**
% of revenue		**10.2%**	**9.2%**
Other operating income and expenses	Note 5	-417.2	-295.1
Operating income		**874.9**	**826.9**
% of revenue		**6.9%**	**6.8%**
Net cost of financial debt		-23.6	-20.3
Other financial expenses		-72.2	-78.0
Other financial income		33.8	43.1
Net financial income	Note 6	-62.0	-55.2
Net income before tax		**812.9**	**771.7**
Tax charge	Notes 7-8	-149.0	-141.3
Share of net profit/(loss) of associates		1.2	1.4
Net income		**665.1**	**631.8**
Of which:			
- attributable to owners of the parent		**600.7**	**578.8**
- non-controlling interests	Note 9	64.4	53.0

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

(in € and number of shares)	Notes	12 months ended 31 December 2017	12 months ended 31 December 2016 (*)
Net income - Attributable to owners of the parent	**Note 10**		
Weighted average number of shares		105,081,802	103,766,609
Basic earnings per share		**5.72**	**5.58**
Diluted weighted average number of shares		105,457,960	104,272,612
Diluted earnings per share		**5.70**	**5.55**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

B.4.3 Consolidated statement of comprehensive income

(in € million)	**12 months ended 31 December 2017**	**12 months ended 31 December 2016 (*)**
Net income	**665.1**	**631.8**
Other comprehensive income		
- to be reclassified subsequently to profit or loss (recyclable):	**-254.8**	**-87.6**
Cash flow hedging	0.5	5.1
Change in fair value of available for sale financial assets	3.7	-43.5
Exchange differences on translation of foreign operations	-260.8	-51.5
Deferred tax on items recyclable recognized directly on equity	1.8	2.3
- not reclassified to profit or loss (non-recyclable):	**115.5**	**-231.4**
Actuarial gains and losses generated in the period on defined benefit plan	156.9	-300.4
Deferred tax on items non-recyclable recognized directly in equity	-41.4	69.0
Total other comprehensive income	**-139.3**	**-319.0**
Total comprehensive income for the period	**525.8**	**312.8**
Of which:		
- attributable to owners of the parent	**463.3**	**277.3**
- non-controlling interests	62.5	35.5

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

B.4.4 Consolidated statement of financial position

(in € million)	Notes	December 31, 2017	December 31, 2016 (*)
ASSETS			
Goodwill	Note 11	4,384.4	4,184.9
Intangible assets	Note 12	1,309.5	1,362.4
Tangible assets	Note 13	692.8	759.6
Non-current financial assets	Note 14	280.9	264.6
Non-current financial instruments	Note 23	0.0	0.1
Deferred tax assets	Note 8	380.9	454.4
Total non-current assets		**7,048.5**	**7,026.0**
Trade accounts and notes receivables	Note 15	2,660.3	2,743.5
Current taxes		33.0	36.0
Other current assets	Note 16	1,474.9	1,568.3
Current financial instruments	Note 23	7.6	10.0
Cash and cash equivalents	Note 18	2,260.1	2,016.5
Total current assets		**6,435.9**	**6,374.3**
TOTAL ASSETS		**13,484.4**	**13,400.3**

(in € million)	Notes	December 31, 2017	December 31, 2016 (*)
LIABILITIES AND SHAREHOLDERS' EQUITY			
Common stock		105.4	104.9
Additional paid-in capital		2,740.2	2,713.1
Consolidated retained earnings		1,497.8	948.4
Translation adjustments		-282.2	-29.4
Net income attributable to the owners of the parent		600.7	578.8
Equity attributable to the owners of the parent		**4,661.9**	**4,315.8**
Non-controlling interests		564.1	519.4
Total shareholders' equity		**5,226.0**	**4,835.2**
Provisions for pensions and similar benefits	Note 20	1,349.6	1,549.5
Non-current provisions	Note 21	113.0	167.8
Borrowings	Note 22	1,241.3	1,509.5
Deferred tax liabilities	Note 8	119.0	135.5
Non-current financial instruments	Note 23	0.0	1.4
Other non-current liabilities		4.6	6.3
Total non-current liabilities		**2,827.5**	**3,370.0**
Trade accounts and notes payables	Note 24	2,060.0	2,064.2
Current taxes		100.4	81.5
Current provisions	Note 21	173.0	223.7
Current financial instruments	Note 23	7.3	7.5
Current portion of borrowings	Note 22	711.8	178.8
Other current liabilities	Note 25	2,378.4	2,639.4
Total current liabilities		**5,430.9**	**5,195.1**
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		**13,484.4**	**13,400.3**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

B.4.5 Consolidated cash flow statement

(in €million)	Notes	12 months ended 31 December 2017	12 months ended 31 December 2016 (*)
Profit before tax		**812.9**	**771.7**
Depreciation of assets	Note 4	448.4	414.2
Net charge / (release) to operating provisions		-146.7	-196.7
Net charge / (release) to financial provisions		37.0	12.8
Net charge / (release) to other operating provisions		23.4	20.2
Purchase Price Allocation amortization (PPA)	Note 5	109.0	106.1
Losses / (gains) on disposals of fixed assets		0.1	-40.3
Net charge for equity-based compensation		85.8	49.9
Losses / (gains) on financial instruments		1.3	-0.8
Net cost of financial debt	Note 6	23.6	20.3
Cash from operating activities before change in working capital requirement, financial interest and taxes		**1,394.7**	**1,157.5**
Tax paid		-132.7	-130.6
Change in working capital requirement		-24.8	-8.0
Net cash from / (used in) operating activities		**1,237.2**	**1,018.9**
Payment for tangible and intangible assets		-526.3	-455.8
Proceeds from disposals of tangible and intangible assets		25.4	30.6
Net operating investments		**-500.9**	**-425.3**
Amounts paid for acquisitions and long-term investments		-410.8	-782.0
Cash and cash equivalents of companies purchased during the period		14.0	-13.2
Proceeds from disposals of financial investments		5.0	39.5
Cash and cash equivalents of companies sold during the period		-2.9	-0.7
Dividend received from entities consolidated by equity method		1.5	1.5
Net long-term investments	Note 26	**-393.2**	**-754.9**
Net cash from / (used in) investing activities		**-894.1**	**-1,180.2**
Capital Increase		-	-
Common stock issues on the exercise of equity-based compensation		18.3	25.4
Capital increase subscribed by non-controlling interests		20.1	3.1
Purchase and sale of treasury stock		-59.3	-
Dividends paid to owners of the parent		-167.6	-47.3
Dividends paid to non-controlling interests		-1.8	-3.1
New borrowings	Note 22	588.7	314.3
New finance lease	Note 22	5.7	8.6
Repayment of long and medium-term borrowings	Note 22	-293.0	-53.2
Net cost of financial debt paid		-23.6	-20.3
Other flows related to financing activities	Note 22	2.8	20.7
Net cash from / (used in) financing activities		**90.4**	**248.2**
Increase / (decrease) in net cash and cash equivalents		**433.4**	**87.0**
Opening net cash and cash equivalents		**1,899.6**	**1,826.5**
Increase / (decrease) in net cash and cash equivalents	Note 22	433.4	87.0
Impact of exchange rate fluctuations on cash and cash equivalents		-151.0	-13.8
Closing net cash and cash equivalents		**2,182.1**	**1,899.6**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

B.4.6 Consolidated statement of changes in shareholders' equity

(in € million)	Number of shares at period-end *(thousands)*	Common Stock	Additional paid-in capital	Consolidated retained earnings	Translation adjustments	Items recognized directly in equity	Net income	Total	Non controlling interests	Total shareholders' equity
December 31, 2015	**103,520**	**103.5**	**2,626.1**	**663.0**	**18.3**	**25.6**	**406.2**	**3,842.7**	**254.4**	**4,097.1**
* Common stock issued	1,389	1.4	87.0	-66.2	-	-	-	22.2	8.5	30.7
* Appropriation of prior period net income	-	-	-	406.2	-	-	-406.2	0.0	-	0.0
* Dividends paid	-	-	-	-47.3	-	-	-	-47.3	-3.1	-50.4
* Equity-based compensation	-	-	-	41.4	-	-	-	41.4	2.0	43.4
* Changes in treasury stock	-	-	-	0.2	-	-	-	0.2	-	0.2
* Equens impact	-	-	-	178.5	-	-	-	178.5	221.8	400.3
* Other	-	-	-	0.8	-	-	-	0.8	0.3	1.1
Transactions with owners	**1,389**	**1.4**	**87.0**	**513.6**	**0.0**	**0.0**	**-406.2**	**195.8**	**229.5**	**425.3**
* Net income	-	-	-	-	-	-	578.8	578.8	53.0	631.8
* Other comprehensive income	-	-	-	-226.9	-47.7	-26.9		-301.5	-17.5	-319.0
Total comprehensive income for the period	**-**	**-**	**-**	**-226.9**	**-47.7**	**-26.9**	**578.8**	**277.3**	**35.5**	**312.8**
December 31, 2016	**104,908**	**104.9**	**2,713.1**	**949.7**	**-29.4**	**-1.3**	**578.8**	**4,315.8**	**519.4**	**4,835.2**
* Common stock issued	537	0.5	27.1	-	-	-	-	27.7	10.9	38.6
* Appropriation of prior period net income	-	-	-	578.8	-	-	-578.8	0.0	-	0.0
* Dividends paid	-	-	-	-167.6	-	-	-	-167.6	-1.8	-169.4
* Equity-based compensation	-	-	-	64.0	-	-	-	64.0	2.1	66.1
* Changes in treasury stock	-	-	-	-59.3	-	-	-	-59.3	-	-59.3
* Acquisition of Non controlling interest without a change in control	-	-	-	18.1	-	-	-	18.1	-29.0	-10.9
Transactions with owners	**537**	**0.5**	**27.1**	**434.0**	**0.0**	**0.0**	**-578.8**	**-117.1**	**-17.8**	**-134.9**
* Net income	-	-	-				600.7	600.7	64.4	665.1
* Other comprehensive income	-	-	-	112.1	-252.8	3.3		-137.4	-1.9	-139.3
Total comprehensive income for the period	**-**	**-**	**-**	**112.1**	**-252.8**	**3.3**	**600.7**	**463.3**	**62.5**	**525.8**
December 31, 2017	**105,444**	**105.4**	**2,740.2**	**1,495.8**	**-282.2**	**2.0**	**600.7**	**4,661.9**	**564.1**	**5,226.0**

B.4.7 Notes to the consolidated financial statements

B.4.7.1 General information

Atos SE, the Group's parent company, is a société européenne (public limited company) incorporated under French law, whose registered office is located at 80, Quai Voltaire, 95870 Bezons, France. It is registered with the Registry of Commerce and Companies of Pontoise under the reference 323623603. Atos SE shares are traded on the Euronext Paris market under ISIN code FR0000051732. The shares are not listed on any other stock exchange. The Company is administrated by a Board of Directors.

The consolidated financial statements of the Group for the twelve months ended December 31, 2017 comprise the Group and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and jointly controlled entities.

These consolidated financial statements were approved by the Board of Directors on February 20, 2018. The consolidated financial statements will then be submitted to the approval of the General Meeting of Shareholders scheduled to take place on May 24, 2018.

B.4.7.2 Basis of preparation and significant accounting policies

Basis of preparation

Pursuant to European Regulation No. 1606/2002 of July 19, 2002, the consolidated financial statements for the twelve months ended December 31, 2017 have been prepared in accordance with the applicable international accounting standards, as endorsed by the European Union as at December 31, 2017. 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).

Accounting policies applied by the Group comply with those standards and interpretations, which can be found at: https://ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606-2002/law-details_en

As of December 31, 2017, the accounting standards and interpretations endorsed by the European Union are similar to the compulsory standards and interpretations published by the International Accounting Standards Board (IASB). Consequently, the Group's consolidated financial statements are prepared in accordance with the IFRS standards and interpretations, as published by the IASB. The new standards, interpretations or amendments whose application was mandatory for the Group effective for the fiscal year beginning January 1, 2017 had no material impact on the consolidated financial statements:

- Amendment to IAS 7 - Disclosure Initiative;
- Amendment to IAS 12 - Recognition of Deferred Tax Assets for Unrealized Losses;
- Annual improvements to IFRSs 2014-2016 Cycle – various standards (Amendment to IFRS 12).

A number of new standards are effective for annual periods beginning as of January 1, 2018 and an earlier application is permitted. However, the Atos Group has not early applied the following new or amended standards in preparing these consolidated statements.

IFRS 15

IFRS 15, applicable to Atos Group starting January 1, 2018 is expected to have a material impact on the Group's financial statements.

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Constructions Contracts and IFRIC 13 Customers Loyalty Programs. IFRS 15 is effective for Atos Group starting January 1, 2018. Atos took part in Syntec Numérique task force to assess the impacts of this new standard in the computer services companies and conducted an analysis in its contracts portfolio to identify impacts in its consolidated financial statements which are the following:

Principal versus agent

The Group has performed an analysis of the nature of its relationship with its customers to determine if it is acting as principal or as an agent in the delivery of its contracts when the Group is reselling hardware, software or IT services.

Under IAS 18, the Group currently applies a risks and rewards analysis to determine whether it is acting as an agent or as principal in a transaction. Under IFRS 15, the Group is considered as acting as principal if it controls goods and services before delivering them to the client.

Identification of the performance obligations in the multiple arrangements services contracts

Contracts delivered by Infrastructure & Data Management and Business & Platform Solutions Divisions often embed transition and transformation phases prior to delivery of recurring services. The new standard clarifies the treatment of such activities performed before delivering recurring services.

Under IFRS 15, when such transition and transformation phases represent added value to the customer resulting in a transfer of control, then revenue relating to those phases can be recognized. When this is not the case, costs incurred on those phases have to be capitalized when criteria required are met and amortized over the life of the contracts. The cash collected for such phases would have to be considered as advance payment.

Under IAS 18, Atos Group used to recognize revenue on some transition phases when the Group had right to be paid for the work performed to date. Under IFRS 15, transition phases will now be capitalized as contract assets and amortized over the life of the contract. This restatement is not material at Group level.

Costs to acquire a contract

Under IFRS 15, incremental costs to acquire a contract have to be capitalized. Such change has no major impacts at Group level.

Financial impacts at Group level

The Group will adopt the full retrospective method with restatement of 2017 comparative figures. 2017 revenue will decrease by circa -5%, most of the impact being generated by principal versus agent restatements. The cumulative effect in equity as of January 1, 2017 will be nil.

IFRS 16

IFRS 16, applicable to Atos Group starting January 1, 2019 is expected to have a material impact on the Group's financial statements.

The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted. 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. There are recognition exemptions for short-term leases and leases of low-value items.

IFRS 16 introduces a single on-balance sheet lease accounting model for lessees. Atos Group, as a lessee, will have to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Group has completed an intitial assessment of potential impact on its consolidated financial statements but has not yet completed its detailed assessment. So far, the most significant impact identified it that the Group will recognize assets and liabilities for its operating leases of Real Estate and IT equipment. In addition, the nature of expenses related to those leases will now change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge of right-of-use assets and interest expense on lease liablities.

IFRS 9

The Group is required to adopt IFRS 9 Financial Instruments from January 1, 2018. IFRS 9 application will have no material impact on the Group consolidated Fiancial Statements.

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement. The following three main areas have been amended by IFRS 9.

Classification of Financial assets

IFRS 9 defines a new classification and measurement approach for financial assets. There are three principal classification categories for financial assets: measured at amortized cost, Fair Value Through OCI (FVOCI), Fair Value through Profit and Loss (FVTPL). Based on its current assessment, the Group does not believe that the new classification requirements will have a material impact on its accounting for trade receivables, loans, investments in receivables, contract assets, loans, and cash and cash equivalent.

Impairment of financial assets and contract assets

IFRS 9 introduces a new forward-looking "expected loss" impairment model which will replace the existing "incurred loss" impairment model.

Trade and other receivables, including contract assets

The Group has assessed the actual credit losses experienced over the past several years and estimated that the application of IFRS 9's impairment requirement at 1 January 2018 results in no material impact over the impairment recognized under IAS 39.

Cash and cash equivalent

The cash and cash equivalents are held with bank and financial institution counterparties, majority of which are rated from A- to AA-. The Group used not to depreciate such assets. The estimated impairment on cash and cash equivalent was calculated based on the S&P default probability and is not material on the Group consolidated financial statements.

Hedge accounting

While initially applying IFRS 9, the Group has to choose as its accounting policy to continue to apply the hedge accounting requirement of IAS 39 instead of the requirements in IFRS 9. The Group has elected to apply the new requirements of IFRS 9.

The Group uses forward foreign exchange contracts to hedge the variability in cash flows arising from changes in foreign exchanges rates relating to foreign currency sales and purchases.

The Group designates only the change in fair value of the spot element of the forward exchange contract as the hedging instrument in cash flow hedging relationship. Under IAS 39, the change in fair value of the forward element of the forward exchange contracts is recognized immediately in profit and loss.

On adoption of IFRS 9 requirements, the Group has elected to separately account for the forward points as a cost of hedging. Consequently, the changes in forward points will be recognized in OCI and accumulated in a cost of hedging reserve as a separate component within equity and accounted for subsequently as gain and losses accumulated in the cash flow hedge reserve.

The estimated impact on reserves and retained earnings at 1 January 2018 as result of the application of IFRS 9 hedge accounting requirements is decrease in reserves and retained earnings and an increase in OCI by € 6.3 million.

Other standards

The following other standards, non-mandatory as of January 1, 2017 and potentially applicable to the Group consolidated financial statements, are not expected to have a significant impact on Atos Group's consolidated financial statements.

- Annual Improvement to IFRSs 2014-2016 Cycle – Amendements to IFRS 1 and IAS 28;
- Amendment to IFRS 2 Classification and Measurement of Share-based Payment;
- Transfers of Investment property (Amendment to IAS 40);
- Sale or Contribution of Assets between an Investor and its Associate or Joint venture (Amendment to IFRS 10 and IAS 28);
- IFRIC 22 Foreign Currency Transactions and Advance Consideration;
- IFRIC 23 Uncertainty over Income Tax treatments.

Ceased discontinued operations and held for sale classifications of Unified Communication & Collaboration (UCC – former Unify S&P)

The Atos Group decided, as early as the Unify acquisition date, on January 20, 2016, to put up for sale the Software & Platforms business (UCC). The UCC business has been treated as discontinued operations from February 1, 2016 in accordance with IFRS 3 and IFRS 5 requirements. As of December 31, 2016, Atos was still engaged in an active process to sell UCC business and was in discussion with potential buyers. As such, the discontinued treatment was maintained.

In the published 2016 consolidated financial statements, the flows relating to the services rendered by the continuing operations to UCC were eliminated at the UCC level. As a result, the External Revenue of the Atos Group included revenue related to such flows. In the 2016 consolidated statement of financial position, the net assets allocated to the UCC were presented on the line "Assets held for sale" and net liabilities on the line "Liabilities held for sale". The net income of the UCC business from February 1 to December 31, 2016 was presented under the "net income from discontinued operations" caption of the published consolidated income statement.

In April 2017 based on the status of the discussions with the potential buyers, the Board of Directors decided to terminate those discussions, considering that integrating UCC in Atos operations would represent a higher value for Atos shareholders.

Therefore the sale was not any more highly probable and consequently the accounting treatment as discontinued operations and held for sale was no longer justified. The 2017 consolidated financial statements, including notes, include a full restatement of the 2016 consolidated financial statements as if UCC was fully consolidated in 2016.

Change in intermediation activities of Worldline

Acquiring is part of the business of Worldline consisting in contracting with merchants for payment card acceptance. The key role of an acquirer is to transfer to the merchant's bank account the funds received in a card transaction from the cardholder's issuing bank.

Through this intermediation activity, Worldline and its affiliates are facing cash fluctuations due to the lag that may exist between the payment to the merchants and the receipt of the funds from the payment schemes (Visa, MasterCard or other schemes). Payment Schemes also define interchange fees that apply except if there is a bilateral agreement between the acquirer and the issuer. Worldline has no such bilateral agreement with the Issuers. Interchange fees are consequently completely driven by the rates defined by the Schemes.

In the past, the Group had elected to net the assets and liabilities related to its intermediation activities (funds received in advance and payables to merchants). With respect to interchange fees collected from merchants, the Group used to consider them as a cash item and to recognize a liability for the corresponding payments to be made to the issuers. Interchange fees positions were not netted.

In recent years, Worldline completed several acquisitions in the acquiring business and witnessed that in some instances the time lag of intermediation flows was not as short as that experienced by the Company in the past. In addition, the Company noted that the de-netted presentation of the flows had become a common practice among large acquiring listed players publishing their Financial Statements in IFRS or US Gaap.

In order to take into account the new variety of its acquiring activities and allow for a better comparability of its financial statements with its main peers, Atos and Worldline decided to stop netting and to change the presentation of its balance sheet by isolating in dedicated lines assets and liabilities related to its intermediation activities (including interchange fees for consistency purposes). Atos and Worldline believe that this change provides reliable and more relevant information about effects of acquiring transactions on Atos and Worldline consolidated financial position. This change has been applied retrospectively and Atos has restated its opening statement of financial position accordingly presenting those intermediation positions in other current assets and other current liabilities.

The effects of the change of presentation on the cash are: €-47 million on 2016 opening net cash, €-3.9 million on 2016 free cash flow, and €-51 million on 2017 opening net cash.

The impact on other current assets (assets linked to intermediation activities) presented in Note 16 is the same in the other current liabilities in Note 25.

Presentation

These consolidated financial statements are presented in euro, which is the Group's functional currency. All figures are presented in € million with one decimal. This may in certain circumstances lead to non-material differences between the sum of the figures and the subtotals that appear in the tables. The policies set out below have been applied in consistency with all years presented.

Accounting estimates and judgments

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expense in the financial statements and disclosures of contingent assets and liabilities at the closing date. The estimates, assumptions and judgments that may result in a significant adjustment to the carrying amounts of assets and liabilities are essentially related to:

Goodwill impairment tests

The Group tests at least annually whether goodwill has suffered any impairment, in accordance with the accounting policies stated below. The recoverable amounts of cash generating units are determined based on value-in-use calculations or on their fair value reduced by the costs of sales. These calculations require the use of estimates as described in Note 11 Goodwill.

Measurement of recognized tax loss carry-forwards

Deferred tax assets are recognized on tax loss carry-forwards when it is probable that taxable profit will be available against which the tax loss carry-forwards can be utilized. Estimates of taxable profits and utilizations of tax loss carry-forwards were prepared on the basis of profit and loss forecasts as included in the 3-year business plans (other durations may apply due to local specificities).

Revenue recognition and associated costs on long-term contracts

Revenue recognition and associated costs, including forecast losses on completion are measured according to policies stated below. Total projected contract costs are based on various operational assumptions such as forecast volume or variance in the delivery costs that have a direct influence on the level of revenue and possible forecast losses on completion that are recognized.

Pensions

The Group uses actuarial assumptions and methods to measure pension costs and provisions. The value of plan assets is determined based on valuations provided by the external custodians of pension funds and following complementary investigations carried-out when appropriate. The estimation of pension liabilities, as well as valuations of plan assets requires the use of estimates and assumptions.

Customer relationships

An intangible asset related to the customer relationships and backlog brought during a business combination is recognized as customer relationships. The value of this asset is based on assumptions of renewal conditions of contract and on the discounted flows of these contracts. This asset is amortized on an estimation of its average life.

Consolidation methods

Subsidiaries

Subsidiaries are entities controlled directly or indirectly by the Group. Control is defined by the ability to govern the financial and operating policies generally, but not systematically, combined with a shareholding of more than 50 percent of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible, the power to appoint the majority of the members of the governing bodies and the existence of veto rights are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

Segment reporting

According to IFRS 8, reported operating segments profits are based on internal management reporting information that is regularly reviewed by the chief operating decision maker, and is reconciled to Group profit or loss. The chief operating decision maker assesses segments profit or loss using a measure of operating profit. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the company CEO and Chairman of the Board of Directors who makes strategic decisions.

The internal management reporting is built on two axes: Global Business Units and Divisions (Business & Platform Solutions (B&PS), Infrastructure & Data Management (IDM), Big Data & Cybersecurity (BDS), Worldline. Global Business Units have been determined by the Group as key indicators by the Chief operating decision maker. As a result and for IFRS 8 requirements, the Group discloses Global Business Units as operating segments.

A Business Unit is defined as a geographical area or the aggregation of several geographical areas - except for the Worldline activities which contains one or several countries, without taking into consideration the activities exercised within each country. Each Business Unit is managed by dedicated members of the Executive Committee.

The measurement policies that the Group uses for segmental reporting under IFRS 8 are the same as those used in its financial statements. Corporate entities are not presented as an operating segment. Therefore, their financial statements are used as a reconciling item (refer Note 2 of the financial statements). Corporate assets which are not directly attributable to the business activities of any operating segments are not allocated to a segment, which primarily applies to the Group’s headquarters. Shared assets such as the European mainframe are allocated to the Business Unit where they are physically located even though they are used by several Business Units.

Presentation rules

Current and non-current assets and liabilities

Assets and liabilities classified as current are expected to be realized, used or settled during the normal cycle of operations, which can extend beyond 12 months following period-end. All other assets and liabilities are classified as non-current. Current assets and liabilities, excluding the current portion of borrowings, financial receivables and provisions represent the Group’s working capital requirement.

Assets and liabilities held for sale and discontinued operations

Should there be assets and liabilities held for sale or discontinued operations, they would be presented on separate lines in the Group’s balance sheet, without restatements for previous periods. They are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and liabilities are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the assets and liabilities are available for immediate sale in their present condition.

Should these assets and liabilities represent either a complete business line or a business unit, the profit or loss from these activities are presented on a separate line of the income statement, and is restated in the cash flow statement and the income statement.

Translation of financial statements denominated in foreign currencies

The balance sheets of companies based outside the euro zone are translated at closing exchange rates. Income statement items are translated based on average exchange rates for the period. Balance sheet and income statement translation adjustments arising from a change in exchange rates are recognized as a separate component of equity under “Translation adjustments”.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of that foreign entity and translated into euro at the closing date.

The Group does not consolidate any entity operating in a hyperinflationary economy.

Translation of transactions denominated in foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement under the heading “Other financial income and expenses”, except where hedging accounting is applied as explained in the paragraph “Financial assets – Derivative financial instruments”.

Business combination and goodwill

A business combination may involve the purchase of another entity, the purchase of all the net assets of another entity or the purchase of some of the net assets of another entity that together form one or more businesses.

Major services contracts involving staff and asset transfers that enable the Group to develop or significantly improve its competitive position within a business or a geographical sector are accounted for as business combinations.

Valuation of assets acquired and liabilities assumed of newly acquired subsidiaries

Business combinations are accounted for according to the acquisition method. The consideration transferred in exchange for control of the acquired entity is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree.

Direct transaction costs related to a business combination are charged to the income statement when incurred.

Non-controlling interests may, on the acquisition date, be measured either at fair value or based on their stake in the fair value of the identifiable assets and liabilities of the acquired entity. The choice of measurement basis is made on a transaction-by-transaction basis.

During the first consolidation, all the assets, liabilities and contingent liabilities of the subsidiary acquired are measured at their fair value.

In step acquisitions, any equity interest held previously by the Group is remeasured at fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss is recognized in net income.

Purchase of non-controlling interests and sale of interests in a controlled subsidiary

Purchase of non-controlling interests and sale transactions of interests in a controlled subsidiary that do not change the status of control are recorded through shareholders' equity (including direct acquisition costs).

If control in a subsidiary is lost, any gain or loss is recognized in net income. Furthermore, if an investment in the entity is retained by the Group, it is re-measured to its fair value and any gain or loss is also recognized in net income.

Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, of the amount of any non-controlling interests in the acquiree and of the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Goodwill is allocated to Cash Generating Units (CGU) for the purpose of impairment testing. Goodwill is allocated to those CGUs that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. CGUs correspond to geographical areas where the Group has operations – except for the Worldline activities.

The recoverable value of a CGU is based on the higher of its fair value less costs to sell and its value in use determined using the discounted cash-flows method. When this value is less than its carrying amount, an impairment loss is recognized in the operating income.

The impairment loss is first recorded as an adjustment of the carrying amount of the goodwill allocated to the CGU and the remainder of the loss, if any, is allocated pro rata to the other long term assets of the unit.

The Cash Generating Units used for the impairment test are not larger than operating segments determined in accordance with IFRS 8 Operating segments.

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.

Intangible assets other than goodwill

Intangible assets other than goodwill consist primarily of software and user rights acquired directly by the Group, software and customer relationships acquired as part of a business combination as well as internally developed IT solutions.

To assess whether an internally generated intangible asset meets the criteria for recognition, the Group classifies the generation of the asset into:

- a research phase; and
- a development phase.

Under IAS 38, no intangible asset arising from research (or from the research phase of an internal project) shall be recognized. Such expenditure is therefore recognized as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) shall be recognized if, and only if, an entity can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and to use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development expenditure refers to IT solutions developed for the Group's own use, to specific implementation projects for specific customers or innovative technical solutions made available to a group of customers. Development projects are analyzed on a case-by-case basis and the only costs which are capitalized are those attributable to the creation, production and preparation of the asset to be capable of operating in the manner intended by management.

Capitalized development expenditure is accounted for at cost less accumulated depreciation and any impairment losses. It is amortized on a straight-line basis over a useful life between 3 and 12 years, for which two categories can be identified:

- for internal software development with fast technology serving activities with a shorter business cycle and contract duration, the period of amortization will be between 3 and 7 years, the standard scenario being set at 5 years in line with the standard contract duration;
- for internal software development with slow technology obsolescence serving activities with a long business cycle and contract duration, the period of amortization will be between 5 and 12 years with a standard scenario of 7 years. It is typically the case for large mutualized payment platforms.

Customer relationships are valued as per the multi-period excess earning method that consists in summing future operating margins attributable to contracts, after tax and capital employed.

Intangible assets are amortized on a straight-line basis over their expected useful life, generally not exceeding 5 to 7 years for internally developed IT solutions in operating margin. Customer relationships, patents and trademarks acquired as part of a business combination are amortized on a straight-line basis over their expected useful life, generally not exceeding 12 years; any related depreciation is recorded in other operating expenses.

Tangible assets

Tangible assets are recorded at acquisition cost. They are depreciated on a straight-line basis over the following expected useful lives:

- buildings 20 years;
- fixtures and fittings 5 to 10 years;
- computer hardware 3 to 5 years;
- vehicles 4 years;
- office furniture and equipment 5 to 10 years;

Although some outsourcing contracts may involve the transfer of computing equipment to Atos, control of the asset usually remains with the customer as they generally retain the asset. When ownership of the computing equipment is transferred to the Group a payment generally occurs at the beginning of the contract. Therefore IFRIC 18 does not have a significant impact on the Group accounts.

Leases

Asset leases where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease’s inception at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Assets acquired under finance lease are depreciated over the shorter of the assets’ useful life and the lease term.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases.

Impairment of assets other than goodwill

Assets that are subject to amortization are tested for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset’s carrying value exceeds its recoverable value.

Financial assets

Financial assets are accounted for at trade date.

Investments in non-consolidated companies

The Group holds shares in companies without exercising significant influence or control. Investments in non-consolidated companies are treated as assets available for sale and recognized at their fair value. For listed shares, fair value corresponds to the share price at the closing date. In the absence of an active market for the shares, investments in non-consolidated companies are carried at historical cost. An impairment charge is recognized when there is objective evidence of a permanent or significant loss of value. The most common financial criteria used to determine fair value are equity and earnings outlooks. Gains and losses arising from variations in the fair value of available for sale assets are recognized as “items recognized directly in equity”. If there is evidence that an asset is permanently impaired, the cumulative loss is written off in the income statement under “other financial income and expense”.

Available-for-sale financial assets

Available-for-sale financial assets include equity investments in non-consolidated entities. They are measured at fair value, with changes in fair value recognized in other comprehensive income. When an available-for-sale financial asset is sold or impaired, the cumulative fair value adjustment recognized in other comprehensive income is transferred to the income statement. For securities listed on an active market, fair value is considered to equal market value. If no active market exists, fair value is generally determined based on appropriate financial criteria for the specific security. If the fair value of an available-for-sale financial asset cannot be reliably measured, it is recognized at cost.

Loans, trade accounts and notes receivable

Loans are part of non-current financial assets. Loans, trade accounts and notes receivable are recorded initially at their fair value and subsequently at their amortized value. The nominal value represents usually the initial fair value for trade accounts and notes receivable. In case of deferred payment over one year, where the effect is significant on fair value, trade accounts and notes receivables are discounted. Where appropriate, a provision is raised on an individual basis to take likely recovery problems into account.

Certain service arrangements might qualify for treatment as lease contracts if they convey a right to use an asset in return for payments included in the overall contract remuneration. If service arrangements contain a lease, the Group is considered to be the lessor regarding its customers. Where the lease transfers the risks and rewards of ownership of the asset to its customers, the Group recognizes assets held under finance lease and presents them as Trade accounts and notes receivable for the amount that will be settled within 12 months, and non-current financial assets for the amount to be settled beyond 12 months.

Assets securitization

Assets securitization programs, in which the Group retains substantially all the risks and rewards of ownership of the transferred assets, do not qualify for de-recognition. A financial liability for the consideration received is recognized. The transferred assets and the financial liability are valued at their amortized costs.

Derivative financial instruments

Derivative instruments are recognized as financial assets or liabilities at their fair value. Any change in the fair value of these derivatives is recorded in the income statement as a financial income or expense, except when they are eligible for hedge accounting, whereupon:

- for fair value hedging of existing assets or liabilities, the hedged portion of an instrument is measured on the balance sheet at its fair value. Any change in fair value is recorded as a corresponding entry in the income statement, where it is offset simultaneously against changes in the fair value of hedging instruments;
- for cash flow hedging, the effective portion of the change in fair value of the hedging instrument is directly offset in shareholders' equity as "items recognized directly in equity". The change in value of the ineffective portion is recognized in "Other financial income and expenses". Amounts deferred in equity are taken to the income statement at the same time as the related cash flow.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and financial instruments such as money market securities. Such financial instruments are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. They are held for the purpose of meeting short-term cash commitments and have a short maturity, in general three months or less from the date of acquisition. Some instruments, such as term deposits, that have at inception a longer maturity but provide for early withdrawal and a capital guarantee may also be classified as cash equivalents under certain circumstances. Money market securities are recognized at their fair value. Changes in fair value are recorded in the income statement under "Other financial income and expenses".

Cash and cash equivalents are measured at their fair value through profit and loss.

For entities having subscribed to the Group cash pooling agreement, the cash/debt balance sheet positions which are linked to this agreement are mutualized and only the net position is presented in the consolidated balance sheet.

Treasury stock

Atos shares held by the parent company are recorded at their acquired cost as a deduction from consolidated shareholders' equity. In the event of a disposal, the gain or loss and the related tax impacts are recorded as a change in consolidated shareholders' equity.

Pensions and similar benefits

Employee benefits are granted by the Group through defined contribution and defined benefit plans. Costs relating to defined contribution costs are recognized in the income statement based on contributions paid or due in respect of the accounting period when the related services have been provided by beneficiaries.

The valuation of Group defined benefit obligations is based on a single actuarial method known as the "projected unit credit method". This method relies in particular on projections of future benefits to be paid to Group employees, by anticipating the effects of future salary increases. Its implementation further includes the formulation of specific assumptions, detailed in Note 20, which are periodically updated, in close liaison with external actuaries used by the Group.

Plan assets usually held in separate legal entities are measured at their fair value, determined at closing.

The fair value of plan assets is determined based on valuations provided by the external custodians of pension funds and following complementary investigations carried-out when appropriate.

From one accounting period to the other, any difference between the projected and actual pension plan obligation and their related assets is combined at each benefit plan's level to form actuarial differences. These actuarial differences may result either from changes in actuarial assumptions used, or from experience adjustments generated by actual developments differing, in the accounting period, from assumptions determined at the end of the previous accounting period. All actuarial gains and losses on post-employment benefit plans generated in the period are recognized in other comprehensive income.

Benefit plan costs are recognized in the Group's operating income, except for interest costs on obligations, net of expected returns on plans assets, which are recognized in other financial income and expenses.

Provisions

Provisions are recognized when:

- the Group has a present legal, regulatory, contractual or constructive obligation as a result of past events and;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- the amount has been reliably quantified.

Provisions are discounted when the time value effect is material. Changes in discounting effects at each accounting period are recognized in financial expenses.

Borrowings

Borrowings are recognized initially at fair value, net of debt issuance costs. Borrowings are subsequently stated at amortized costs. The calculation of the effective interest rate takes into account interest payments and the amortization of the debt issuance costs.

Debt issuance costs are amortized in financial expenses over the life of the loan. The residual value of issuance costs for loans repaid in advance is expensed in the year of repayment.

Bank overdrafts are recorded in the current portion of borrowings.

Non-controlling interests purchase commitments

Firm or conditional commitments under certain conditions to purchase non-controlling interests are similar to a purchase of shares and are recorded in borrowings with an offsetting reduction of non-controlling interests.

For puts granted after January 1, 2010, when the cost of the purchase exceeds the amount of non-controlling interests, the Group chooses to recognize the balance in equity (attributable to owners of the parent). Any further change in the fair value of the non-controlling interests purchase commitment will also be recorded in equity (attributable to owners of the parent).

Revenue Recognition

The Group provides Information Technology (IT) and Business Process Outsourcing (BPO) services. Depending on the structure of the contract, revenue is recognized according to the following principles:

Variable vs fixed price contracts

Revenue based on variable IT work units is recognized as the services are rendered.

Where the outcome of fixed price contracts can be estimated reliably, revenue is recognized using the percentage-of-completion (POC) method. Under the POC method, revenue is recognized based on the costs incurred to date as a percentage of the total estimated costs to fulfil the contract. Revenue relating to these contracts is recorded in the consolidated balance sheet under "Trade accounts and notes receivable" for services rendered in excess of billing, and billing exceeding services rendered is recorded as deferred income under "Other current liabilities". Where the outcome of a fixed price contract cannot be estimated reliably, contract revenue is recognized to the extent of contracts costs incurred that are likely to be recoverable.

Revenue with a long-term fixed price is recognized when services are rendered.

If circumstances arise that change the original estimates of revenues, costs, or the degree of progress toward completion, then revisions to the estimates are made. The Group performs ongoing profitability analyses of its services contracts in order to determine whether the latest estimates of revenue, costs and profits, require updating. If at any time these estimates indicate that the contract will be unprofitable, the entire estimated loss for the remainder of the contract is recorded immediately through a provision for estimated losses on completion.

Principal vs agent

Revenue is reported net of supplier costs when the Group is acting as an agent between the client and the supplier. Factors generally considered to determine whether the Group is a principal or an agent, are most notably whether it is the primary obligor to the client, it assumes credit and delivery risks, or it adds meaningful value to the supplier's product or service.

Multiple-element arrangements

The Group may enter into multiple-element arrangements, which may include combinations of different services. Revenue is recognized for the separate elements when these elements are separately identifiable. A group of contracts is combined and treated as a single contract when that group of contracts is negotiated as a single package and the contracts are so closely interrelated that they are, in effect, part of a single project with an overall profit margin, and the contracts are performed concurrently or in a continuous sequence.

Upfront payments

Upfront payments to clients made at the inception of a contract are recorded in "Other current assets" and spread as a reduction of revenue over the length of the contract. Upfront payments received from clients at the inception of a contract are recorded in "Other current liabilities" and spread as an increase in revenue over the term of the contract.

Transition costs

Transition costs are either expensed as incurred or recognized in revenue on a POC basis over the transition phase. In the rare event that services rendered during the transition phase cannot be separately identified, costs can be deferred and expensed over the contract term if it can be demonstrated that there are recoverable. Capitalized transition costs are classified in "Trade accounts and notes receivable" in the consolidated balance sheet and amortization expenses are recorded in "Operating expenses" in the consolidated income statement.

In the event the contract turns out to be loss-making, capitalized transition costs are impaired for an amount equal to the related forecast loss, before recognizing an additional provision for estimated losses on completion when necessary.

Operating margin

The underlying operating performance of ongoing activities is presented within operating margin, while unusual operating income/expenses are separately identified and presented below operating margin, in line with the ANC's (Autorité des Normes Comptables) recommendation n°2009-R-03 (issued on July 2nd, 2009) regarding the presentation of financial statements.

Other operating income and expenses

"Other operating income and expenses" covers income or expense items that are unusual, abnormal and infrequent. They are presented below operating margin.

Charges to (or releases from) restructuring and rationalization plans and associated costs are classified in the income statement according to the nature of the plan:

- plans directly related to operations are classified within Operating margin;
- plans relating to business combinations or qualified as unusual, infrequent and abnormal are classified in Operating income;
- if a restructuring plan qualifies for Operating income, the related real estate rationalization & associated costs regarding premises are also presented in Operating income.

When accounting for business combinations, the Group may record provisions for risks, litigations, etc. in the opening balance sheet for a period of 12 months beyond the business combination date. After the 12-month period, unused provisions arising from changes in circumstances are released through the income statement under "Other operating income and expenses".

Other operating income and expenses also include major litigations, and non-recurrent capital gains and losses on the disposal of tangible and intangible assets, significant impairment losses on assets other than financial assets, the amortization of customer relationships and trademarks, equity based compensation expenses and any other item that is deemed infrequent, unusual or abnormal.

Equity-based compensation

Stock options are granted to management and certain employees at regular intervals. These equity-based compensations are measured at fair value at the grant date using the binomial option-pricing model. Changes in the fair value of options after the grant date have no impact on the initial valuation. The fair value of share options is recognized in "other operating income and expense" on a straight-line basis over the period during which those rights vest, using the straight-line method, with the offsetting credit recognized directly in equity.

In some tax jurisdictions, Group entities receive a tax deduction when stock options are exercised, based on the Group share price at the date of exercise.

In those instances, a deferred tax asset is recorded for the difference between the tax base of the employee services received to date (being the future tax deduction allowed by local tax authorities) and the current carrying amount of this deduction, being nil by definition. Deferred tax assets are estimated based on the Group's share price at each closing date, and are recorded in income tax provided that the amount of tax deduction does not exceed the amount of the related cumulative stock option expenses to date. The excess, if any, is recorded directly in the equity.

Employee Share Purchase Plans offer employees the opportunity to invest in Group's shares at a discounted price. Shares are subject to a five-year lock-up period restriction. Fair values of such plans are measured taking into account:

- the exercise price based on the average opening share prices quoted over the 20 trading days preceding the date of grant;
- the 20 percent discount granted to employees;
- the consideration of the five-year lock-up restriction to the extent it affects the price that a knowledgeable, willing market participant would pay for that share; and
- the grant date: the date on which the plan and its term and conditions, including the exercise price, is announced to employees.

Fair values of such plans are fully recognized in "Other operating income and expenses" at the end of the subscription period.

The Group has also granted to management and certain employees free share plans. The fair value of those plans corresponds to the value of the shares at the grant date and takes into account employee turnover during the vesting period as well as the value of the lock-up period restriction when applicable. Free share plans result in the recognition of an other operating income expense spread over the vesting period.

Corporate income tax

The income tax charge includes current and deferred tax expenses. Deferred tax is calculated wherever temporary differences occur between the tax base and the consolidated base of assets and liabilities, using the liability method. Deferred tax is valued using the enacted tax rate at the closing date that will be in force when the temporary differences reverse.

In case of a change in tax rate, the deferred tax assets and liabilities are adjusted through the income statement except if those changes relate to items recognized in other comprehensive income or in equity.

Deferred tax assets and liabilities are netted off at the taxable entity level, when there is a legal right to offset. Deferred tax assets corresponding to temporary differences and tax losses carried forward are recognized when they are considered to be recoverable during their validity period, based on historical and forecast information.

Deferred tax liabilities for taxable temporary differences relating to goodwill are recognized to the extent they do not arise from the initial recognition of goodwill.

Deferred tax assets are tested for impairment at least annually at the closing date based on December actuals, business plans and impairment test data.

Earnings per share

Basic earnings per share is calculated by dividing the net income (attributable to owners of the parent) by the weighted average number of ordinary shares outstanding during the period. Treasury shares deducted from consolidated equity are not taken into account in the calculation of basic or diluted earnings per share.

Diluted earnings per share is calculated by dividing the net income attributable to owners of the parent, adjusted for the financial cost net of tax of dilutive debt instruments, by the weighted average number of ordinary shares outstanding during the period, plus the average number of shares which, according to the share buyback method, would have been outstanding had all the issued dilutive instruments been converted (stock options and convertible debt).

The dilutive impact of each convertible instrument is determined in order to maximize the dilution of basic earnings per share. The dilutive impact of stock options is assessed based on the average price of Atos shares over the period.

Related party transactions

Related party transactions include in particular transactions with:

- persons or a close member of that person's family if that person is a key member of Group management, defined as persons who have the authority and responsibility for planning, directing and controlling the activities of the Group, including members of the Board of Directors, Supervisory Board and Management Board, as well as the Executive Senior Vice-Presidents;
- entities, if one of the following conditions apply:
    - the entity is a member of the Group,
    - the entity is a joint venture in which the Group is participating,
    - the entity is a post-employment benefit plan for the benefit of employees of the Group,
    - the entity is controlled or jointly controlled by a person belonging to the key management.

B.4.7.3 Financial risk management

The Group's activities expose it to a variety of financial risks including liquidity risk, interest rate risk, credit risk and currency risk. Financial risk management is carried out by the Group Treasury department and involves minimizing potential adverse effects on the Group's financial performance.

Liquidity risk

Liquidity risk management involves maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities.

Atos' policy is to cover in full its expected liquidity requirements by long-term committed loans or other appropriate long-term financial instruments. Terms and conditions of these loans include maturity and covenants leaving sufficient flexibility for the Group to finance its operations and expected developments.

Credit facilities are subject to financial covenants that are carefully followed by the Group Treasury department.

An analysis of the maturity of financial liabilities is disclosed in Note 22.

Interest rate risk

Interest rate risk arises mainly on borrowings. The management of exposure to interest rate risk encompasses two types:

- a price risk on fixed-rate financial assets and liabilities. For example, by contracting a fixed-rate liability, the Group is exposed to potential opportunity losses should interest rates fall. A change in interest rates would impact the market value of fixed-rate financial assets and liabilities. However, this loss of opportunity would not impact financial income and expenses as reported in the consolidated income statement and, as such, future net income of the Group up to maturity of these assets.
- a risk on floating-rate financial assets and liabilities should interest rates increase.

The main objective of managing overall interest rate risk on the Group's debt is to minimize the cost of debt and to protect the Group against fluctuations in interest rates by swapping to fixed rate a portion of the floating-rate financial debt. Authorized derivative instruments used to hedge the debt are swap contracts entered with leading financial institutions.

Credit risk

The Group has no significant concentrations of credit risk. The client selection process and related credit risk analysis is fully integrated within the global risk assessment project conducted throughout the life cycle of a project. Derivative counterparties and cash transactions are limited to high-credit quality financial institutions.

Currency risk

The Group's financial performance is not materially influenced by fluctuations in exchange rate since a significant portion of the business takes place within the Eurozone and costs and revenues are generally denominated in the same currency.

The Group has established a policy for managing foreign exchange positions resulting from commercial and financial transactions denominated in currencies different from the local currency of the relevant entity. According to this policy, any material exposure must be hedged as soon as it occurs. In order to hedge its foreign exchange rate exposure, the Group uses a variety of financial instruments, mainly forward contracts and foreign currency swaps.

Price risk

The Group has no material exposure to the price of equity securities, nor is it exposed to commodity price risks.

B.4.7.4 Notes to the consolidated financial statements

Note 1 Changes in the scope of consolidation

Unify acquisition

The Services activities of Unify have been integrated in the Atos Division "Infrastructure & Data Management" from February 1, 2016 and the UCC (former S&P) activities have been accounted for as discontinued operations.

Further to the decision of the Board of Directors in April 2017 to terminate the discussions with the potential buyers, UCC is no longer held for sale and has been fully consolidated starting January 1, 2017 leading to an update of the purchase price allocation. 2016 consolidated financial statements were restated as if UCC was fully consolidated in 2016.

Identifiable assets acquired and liabilities assumed at the date of acquisition

(in € million)	**Assets acquired and liabilities assumed at the end of the measurement period**
Intangible assets	197.9
Tangible assets	16.9
Non-current financial assets	57.4
Total non-current assets	**272.2**
Trade accounts and notes receivables	291.4
Current taxes	6.0
Other current assets	465.8
Cash and cash equivalents	102.8
Total current assets	**866.0**
TOTAL ASSETS (A)	**1,138.2**
Provisions for pensions and similar benefits	226.9
Non-current provisions	178.8
Borrowings	11.1
Deferred tax liabilities	39.7
Total non-current liabilities	**456.5**
Trade accounts and notes payables	195.0
Other current liabilities	613.3
Total current liabilities	**808.3**
TOTAL LIABILITIES (B)	**1,264.7**
Fair value of acquisition (A) - (B)	**-126.6**

The valuation of assets acquired and liabilities assumed for Unify resulted in the recognition of customer relationships and backlog for an amount of € 108.6 million. The customer relationships is amortized over a period from 2 to 10 years. Trade name and trademarks have been recognized for € 55.7 million and technologies for € 33.4 million. Those valuations have been performed by an independent expert.

The amortization of the customer relationships, backlog and technologies is € 19.6 million in 2017.

Final goodwill

Goodwill was recognized as follows:

(in € million)	**At the end of the measurement period**
Consideration paid [A]	346.5
Fair value of identifiable net assets [B]	-126.6
Final Goodwill [A] - [B]	**473.0**

The goodwill arising from this acquisition is not tax deductible.

Equens and Paysquare acquisition

After the completion of the regulatory processes in the Netherlands, in Belgium, and in Czech Republic the transactions with Equens, Paysquare were finalized on September 30, 2016. The business combination was made up of two components:

equensWorldline

The merger of the Financial Services Business of Worldline with Equens resulted in the creation of equensWorldline held at 63.6% by Worldline and 36.4% by Equens' previous shareholders. equensWorldline was held at 44.6% by Atos Group at October 1, 2016.

In accordance with IFRS 3, this operation has been treated as a business combination with the takeover of equensWorldline by the Group and the sale to the previous shareholders of Equens of a non-controlling interest in the Financial Services Business.

As the transaction is non cash, the consideration transferred by the Group to the previous shareholders of Equens corresponds to 36.4% of the fair value of the Financial Services Business (on the basis of a valuation of € 700.0 million by an independent expert for the full business) and to the counterpart received by the Group of 63.6% of the fair value of Equens (on the basis of a valuation of € 400.3 million by an independent expert for the full business).

The net assets and liabilities acquired from Equens have been booked at fair value in the Group consolidated financial statements. The net assets and liabilities of the Financial Services Business are kept at their net book value before business combination as well as the part transferred to the previous Equens' Shareholders for € 5.5 million.

The impacts of the Business combination in the equity of the Group are as follows:

(in € million)	Consideration transferred from Worldline	Consideration transferred from Equens	Total consideration
Group share	-5.5	178.5	173.1
Non controlling interests	5.5	221.8	227.2
Total shareholder's equity	**0.0**	**400.3**	**400.3**

Paysquare

On September 30, 2016, Worldline acquired from Equens 100% of its commercial acquiring subsidiary Paysquare. The cash consideration paid is € 116.4 million. Paysquare is fully consolidated in Atos Group since October 1, 2016. Paysquare was held at 70.12% by Atos Group at October 1, 2016.

The fair value of Equens and Paysquare net assets acquired are set out in the table below:

(in € million)	Assets acquired and liabilties assumed at the end of the measurement period
Fixed assets	178.2
Net debt	36.6
Provisions	-55.3
Other net assets	-48.4
Fair value of acquisition	**111.1**

Identifiable assets acquired and liabilities assumed have been further analyzed during the window period, which finished at the end of September 2017, based on the better understanding of Equens-Paysquare acquired business. This analysis led to decrease by € 36.7 million of the equity acquired mainly due to impairment of assets, originating prior to September 30, 2016.

Goodwill

The Group has opted to measure the non-controlling interests at fair value (full Goodwill method).

(in € million)	**Goodwill**
Consideration transferred for Equens	178.5
Consideration transferred for Paysquare	116.4
Total Consideration [A]	**294.9**
Fair Value of Non controlling Interest [B]	**221.8**
Equity acquired (Equens & Paysquare)	42.7
Customer Relationships acquired net of deferred tax	68.4
Fair Value of net assets [C]	**111.1**
Total [A] + [B] - [C]	**405.6**

The customer relationships was recognized for an amount of € 92.0 million and is amortized over a period from 6.5 to 9.5 years. Those valuations have been performed by an independent expert.

The Goodwill arising from this acquisition is not tax deductible.

Other acquisitions

North America

- Anthelio

On September 12, 2016, Atos acquired (and fully consolidated starting on October 1, 2016) Anthelio Healthcare solutions (Anthelio), the largest independent provider of healthcare technology solutions in North America for a consideration paid of € 269.3 million generating a Goodwill of € 180.4 million. The valuation of assets acquired and liabilities assumed at their fair value has resulted in the recognition of new intangible assets for a total amount of € 91.5 million of which € 88.4 million for customer relationships determined by an independent expert amortized over 5 to 12 years.

- Zdata

On February 17, 2017, Atos acquired Zdata, a leader in Big Data consulting and solutions for both commercial and enterprise corporations in the US. This entity is fully consolidated starting on March 1, 2017.

- Pursuit & Conduent (healthcare consulting companies)

During the second half of 2017, following the acquisition of Anthelio Healthcare Solutions in 2016, Atos acquired Pursuit Healthcare Advisors (Pursuit), as well, and Conduent's Healthcare Provider Consulting business and Conduent's Breakaway Group business (Conduent) on September 29, 2017 (and fully consolidated starting on October 1, 2017). These companies bring recognized industry expertise within healthcare consulting to enable Atos to expand its presence in the fast-growing US digital health IT market. The consideration amounted to € 80.1 million generating a preliminary goodwill of € 60.8 million. The valuation of assets acquired and liabilities assumed at their fair value has resulted in the recognition of new intangible assets for a total amount of € 12 million of which € 7.3 million for customer relationships determined by an independent expert amortized.

United Kingdom: Engage ESM

On December 30, 2016, Atos acquired Engage ESM in the United Kingdom, a leading provider in the enterprise-service management sector and a ServiceNow Gold Services Partner. This acquisition will enable Atos to offer enterprise and emerging customers an enhanced portfolio of cloud-based service-management solutions and further solidifies the position of Atos as Europe's number one brand in IT and digital services. This entity is fully consolidated since January 1, 2017.

France: Imakumo

During the second half of 2017, Atos acquired Imakumo, a "Gold ServiceNow Partner" with circa 70 certified consultants mainly based in France. This entity is fully consolidated starting on October 1, 2017.

Worldline: First Data Baltics, Digital River World Payments and MRL Posnet

During the second half of 2017, Atos completed acquisitions of First Data Baltics ("FDB"), Digital River World Payments ("DRWP") and MRL Posnet ("MRL"). FDB is consolidated since October 1, 2017 and DRWP and MRL since November 1, 2017. Those acquisitions led to the recognition of customer relationships and technologies for € 59.5 million amortized respectively over a period from 14 to 16 years and from 8 to 9 years. The preliminary goodwill amounted to € 126.0 million. The total consideration was € 218.8 million.

Through those acquisitions, Atos gains leading positions in fast-growing countries such as the Baltics countries or India and significant development perspectives in online payments. Numerous synergy levers with Atos portfolio have also been identified allowing the acceleration of both revenue and profitability.

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 Chairman and CEO of the Board of Directors who makes strategic decisions.

In 2017, activities in Belarus, Lithuania, Poland and Russia were transferred to the Business Unit "Benelux & The Nordics".

Operating segments in 2016	Bridge	Operating segments in 2017
Other Business Units	Belarus, Lithuania, Poland and Russia	Benelux & The Nordics

As a result of these changes, the Group segment organization in 2017 was the following:

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

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties. The revenues from each external contract amounted to less than 10% of the Group's revenue.

The operating segment information for the periods was the following:

(in €million)	United Kingdom and Ireland	France	Germany	North America
12 months ended 31 December 2017				
External revenue by segment	**1,714.6**	**1,725.0**	**2,251.2**	**2,230.9**
% of Group revenue	13.5%	13.6%	17.7%	17.6%
Inter-segment revenue	234.9	337.7	442.7	377.3
Total revenue	1,949.5	2,062.7	2,693.9	2,608.2
Segment operating margin	**181.3**	**162.5**	**190.5**	**265.7**
% of margin	10.6%	9.4%	8.5%	11.9%
Total segment assets	**919.9**	**1,892.8**	**1,497.1**	**986.7**
Other information on income statement				
Depreciation of assets	-42.3	-24.8	-66.8	-115.9
Other informations				
Year end headcount	9,009	11,948	9,540	9,279
Capital expenditure	31.6	44.2	102.6	94.6
Net cash	174.9	131.1	339.9	103.7
12 months ended 31 December 2016 (*)				
External revenue by segment	**1,800.6**	**1,708.6**	**2,184.0**	**2,088.3**
% of Group revenue	14.8%	14.1%	18.0%	17.2%
Inter-segment revenue	189.4	308.0	345.5	228.0
Total revenue	1,990.0	2,016.6	2,529.5	2,316.3
Segment operating margin	**235.1**	**122.6**	**188.8**	**237.7**
% of margin	13.1%	7.2%	8.6%	11.4%
Total segment assets	**961.2**	**1,755.1**	**1,653.9**	**1,261.0**
Other information on income statement				
Depreciation of assets	-49.0	-29.4	-56.4	-113.1
Other informations				
Year end headcount	9,063	12,714	10,140	10,875
Capital expenditure	45.1	28.0	106.7	81.6
Net cash	160.5	72.2	343.6	210.2

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and signifi

Benelux & The Nordics	Other Business Units	Worldline	Total Operating segments	Global Structures	Elimination	Total Group
1,083.6	**2,135.9**	**1,550.0**	**12,691.1**	**0.0**		**12,691.1**
8.5%	16.8%	12.2%	100.0%			100.0%
246.3	1,592.3	44.2	3,275.5	112.7	-3,388.2	0.0
1,329.9	3,728.2	1,594.2	15,966.6	112.7	-3,388.2	12,691.1
94.3	**224.0**	**253.1**	**1,371.4**	**-79.3**		**1,292.1**
8.7%	10.5%	16.3%	10.8%			10.2%
662.9	**1,615.3**	**2,256.9**	**9,831.7**	**978.8**	**-**	**10,810.4**
-30.9	-58.1	-90.5	-429.3	-19.1		-448.4
6,216	40,497	9,467	95,956.3	1,310		97,267
64.9	61.0	106.6	505.4	20.9		526.3
81.5	778.8	304.7	1,914.6	-1,607.2		307.4

1,091.2	**2,003.5**	**1,261.5**	**12,137.7**	**0.0**		**12,137.7**
9.0%	16.5%	10.4%	100.0%			100.0%
222.0	1,206.5	49.4	2,548.8	86.7	-2,635.6	-
1,313.2	3,210.0	1,310.9	14,686.6	86.7	-2,635.6	12,137.7
77.1	**161.4**	**196.9**	**1,219.7**	**-97.7**		**1,122.0**
7.1%	8.1%	15.6%	10.0%			9.2%
711.7	**1,630.3**	**1,942.7**	**9,915.8**	**977.6**	**-**	**10,893.4**
-34.8	-64.7	-54.6	-401.9	-12.3		-414.2
6,972	40,382	8,725	98,871	1,225		100,096
41.8	56.9	83.4	443.4	12.4		455.8
36.3	658.7	347.7	1,829.2	-1,500.5		328.7

cant accounting policies"

The assets detailed above by segment are reconciled to total assets as follows:

(in €million)	**December 31, 2017**	**December 31, 2016 (*)**
Total segment assets	**10,810.4**	**10,893.4**
Tax Assets	413.9	490.4
Cash & Cash Equivalents	2,260.1	2,016.5
Total Assets	**13,484.4**	**13,400.3**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

The Group revenues from external customers are split into the following Divisions:

(in €million)	Infrastructure and Data Management	Business & Platform Solutions	Big Data & Cyber-security	Worldline	**Total Group**
12 months ended 31 December 2017					
External revenue by segment	**7,143.8**	**3,243.3**	**753.9**	**1,550.0**	**12,691.1**
% of Group revenue	56.3%	25.6%	5.9%	12.2%	100.0%
12 months ended 31 December 2016 (*)					
External revenue by segment	**7,019.3**	**3,191.5**	**665.5**	**1,261.5**	**12,137.7**
% of Group revenue	57.8%	26.3%	5.5%	10.4%	100.0%

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

Note 3 Personnel expenses

(In €million)	**12 months ended 31 December 2017**	**% Revenue**	**12 months ended 31 December 2016 (*)**	**% Revenue**
Wages and salaries	-4,443.7	35.0%	-4,452.3	36.7%
Social security charges	-1,166.9	9.2%	-1,183.1	9.7%
Tax, training, profit-sharing	-31.7	0.2%	-42.9	0.4%
Net (charge)/release to provisions for staff expenses	2.7	0.0%	-0.2	0.0%
Net (charge)/release of pension provisions	82.1	-0.6%	114.1	-0.9%
Total	**-5,557.5**	**43.8%**	**-5,564.5**	**45.8%**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

Note 4 Non personnel operating expenses

(In €million)	**12 months ended 31 December 2017**	**% Revenue**	**12 months ended 31 December 2016 (*)**	**% Revenue**
Subcontracting costs direct	-1,979.1	15.6%	-1,833.3	15.1%
Hardware and software purchase	-1,516.4	11.9%	-1,398.0	11.5%
Maintenance costs	-562.6	4.4%	-523.7	4.3%
Rent & Lease expenses	-579.7	4.6%	-550.6	4.5%
Telecom costs	-313.8	2.5%	-298.7	2.5%
Travelling expenses	-165.7	1.3%	-165.6	1.4%
Company cars	-59.3	0.5%	-67.4	0.6%
Professional fees	-233.6	1.8%	-228.0	1.9%
Taxes & Similar expenses	-22.3	0.2%	-27.3	0.2%
Others expenses	-107.4	0.8%	-103.6	0.9%
Subtotal expenses	**-5,539.9**	**43.7%**	**-5,196.3**	**42.8%**
Depreciation of assets	-448.4	3.5%	-414.2	3.4%
Net (charge)/release to provisions	61.8	-0.5%	91.5	-0.8%
Gains/(Losses) on disposal of assets	-5.9	0.0%	-26.1	0.2%
Trade Receivables write-off	-30.1	0.2%	-15.7	0.1%
Capitalized Production	120.9	-1.0%	109.7	-0.9%
Subtotal other expenses	**-301.7**	**2.4%**	**-254.9**	**2.1%**
Total	**-5,841.6**	**46.0%**	**-5,451.2**	**44.9%**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

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 € 417.2 million in 2017. The following table presents this amount by nature:

(In € million)	**12 months ended 31 December 2017**	**12 months ended 31 December 2016 (*)**
Staff reorganization	-82.9	-88.7
Rationalization and associated costs	-37.9	-42.3
Integration and acquisition costs	-42.5	-32.5
Amortization of intangible assets (PPA from acquisitions)	-109.0	-106.1
Equity based compensation	-85.8	-49.9
Other items	-59.1	24.3
Total	**-417.2**	**-295.1**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

The € 82.9 million **staff reorganization** expense was mainly the consequence of the adaptation of the Group workforce in several countries such as France, the Netherlands and the United Kingdom.

The € 37.9 million **rationalization and associated costs** primarily resulted from the closure of office premises and data centers consolidation, mainly in North America (€ 9.3 million), Germany (€ 9.2 million) and France (€ 8.4 million).

The € 42.5 million **integration and acquisition costs** mainly related to the execution of Unify, equensWorldline, Paysquare and Anthelio integrations, and to the migration and standardization of internal IT platforms from acquired companies.

The 2017 **amortization of intangible assets recognized in the Purchase Price Allocation (PPA)** of € 109.0 million was mainly composed of:

- € 27.9 million of SIS customer relationships amortized over 4 to 12 years starting July 1, 2011;
- € 20.0 million of Xerox ITO customer relationships amortized over 6 to 12 years starting July 1, 2015;
- € 19.6 million of Unify customer relationships and technologies amortized over 2 to 10 years starting February 1, 2016;
- € 16.5 million of Bull customer relationships and patents amortized over respectively 9.3 years and 7 to 10 years starting September 1, 2014;
- € 10.0 million of Equens and Paysquare customer relationships amortized over 6.5 to 9.5 years starting October 1, 2016; and
- € 8.9 million of Anthelio customer relationships amortized over 6 to 12 years starting October 1, 2016.

In 2016, the gain on the sale of Worldline's share in Visa Europe to Visa Inc. for € 51 million was included in **other items**. In 2017, following the acceleration of significant cyberattacks such as WannaCry and NotPetya as well as to prepare a faster implementation of GDPR (General Data Protection Regulation), the Group ran specific programs to reinforce its skills; this exceptional effort amounted to approximately € 20 million. The Group also decided to settle several longstanding litigations and incurred expenses related to specific semi retirement schemes for respectively around € 10 million and € 10 million.

Equity-based compensation

The € 85.8 million expense recorded within other operating income relating to equity-based compensation (€ 49.9 million in 2016) is made up of:

- € 77.9 million related to free shares plans granted from 2013 until 2017 of which € 9.3 million of 2017 free shares plans granted;
- € 7.9 million related to stock options plans implemented from 2012 until 2016.

The equity-based compensation plans are detailed by year and by nature as follows:

(In €million)	**12 months ended 31 December 2017**	**12 months ended 31 December 2016**
By years :		
Plans 2017	9.3	-
Plans 2016	31.6	10.1
Plans 2015	22.8	13.7
Plans 2014	16.5	19.7
Plans 2013	5.3	6.8
Plan 2012	0.3	-0.7
Plan 2011	-	0.3
Total	**85.8**	**49.9**
By category of plans :		
Free share plans	77.9	37.8
Stock options	7.9	9.5
Employee share purchase plans	-	2.6
Total	**85.8**	**49.9**

Free shares plans

In 2017, the Groups Atos and Worldline implemented each two grants detailed as follows:

Grant Date	**Worldline 2 January 2017**	**Worldline 24 July 2017**	**Atos 24 July 2017**	**Atos 25 July 2017**
Number of shares granted	229,500	441,000	38,738	777,910
Share price at grant date (€)	26.78	33.24	123.15	127.58
Vesting date	1 February 2019 1 September 2019 1 April 2020	24 July 2020	24 July 2020	25 July 2020
Expected life (years)	2.0 / 2.65 / 3.25	3	3	3
Lock-up period (years)	-	-	-	-
Risk free interest rate (%)	-	-	-	-
Borrowing-lending spread (%)	-	-	-	-
Expected dividend yield (%)	1.1	1.1	1.2	1.2
Fair value of the instrument (€)	**26.17 / 26.00 / 25.84**	**32.16**	**118.80**	**123.07**
Expense recognized in 2017 (in € million)	**1.3**	**1.6**	**0.7**	**5.7**

Atos free shares plans

Rules governing the free share plans in Group Atos are as follows:

- To receive the share, the grantee must generally be an employee or a corporate officer of the Group or a company employee related to Atos;
- Vesting is also conditional on both the continued employment condition and the achievement of performance criteria, financial and non-financial ones;
- The financial performance criteria are the following :
  - Group Free Cash Flow (FCF);
  - Group Operating Margin (OM); and
  - Group revenue growth.
- The vesting period varies according to the plans rules but never exceeds 4.5 years;
- The lock-up period is 0 to 2 years;
- Atos free share plans are equity-settled.

Previous plans impacting 2017 P&L charge detailed as follows:

Grant Date	Atos 24 July 2013 Foreign plan	Atos 28 July 2014 Foreign plan	Atos 1 July 2015 Foreign plans	
Number of shares granted	391,105	389,805	15,623	21,194
Share price at grant date (€)	57.93	55.74	66.98	
Vesting date	24 July 2017	28 July 2018	1 January 2017	1 July 2017
Expected life (years)	4	4	1.5	2
Lock-up period (years)	-	-	-	-
Risk free interest rate (%)	-	-	-	-
Borrowing-lending spread (%)	-	-	-	-
Expected dividend yield (%)	1.2	1.2	1.2	
Fair value of the instrument (€)	**56.08**	**53.13**	**65.79**	**65.39**
Expense recognized in 2017 (in € million)	**2.4**	**4.2**	**0.5**	

Grant Date	Atos 28 July 2015 French plan	Foreign plan	Atos 26 July 2016
Number of shares granted	358,000	510,000	947,884
Share price at grant date (€)	69.07		86.05
Vesting date	2 January 2018	2 January 2020	26 July 2019
Expected life (years)	2.5	4.5	3
Lock-up period (years)	2.0	-	-
Risk free interest rate (%)	0.15	-	-
Borrowing-lending spread (%)	4.0	-	-
Expected dividend yield (%)	1.2		1.2
Fair value of the instrument (€)	**61.31**	**65.89**	**83.00**
Expense recognized in 2017 (in € million)	**21.5**		**27.3**

Subsidiaries free share plans

Rules governing the subsidiaries free share plans are as follows:

- To receive the share, the grantee must generally be an employee or a corporate officer of the subsidiaries or a company employee related to the subsidiaries;
- Vesting is also conditional on both the continued employment condition and the achievement of performance criteria, financial and non-financial ones;
- The financial performance criteria are the following :
  - Free Cash Flow (FCF);
  - Operating Margin before Depreciation and Amortization (OMDA) for Worldline plans or Operating Margin (OM) for Bull plans; and
  - Revenue growth.
- The vesting period varies according to the plans rules but never exceeds 3.5 years;
- Worldline free share plans are equity-settled whereas for Bull free share plans, following the acquisition date, Bull beneficiaries can either convert their shares into Atos shares or obtain a cash payment indexed on Atos share through the terms defined in the liquidity contract;
- The number of shares are subject to a multiplier from 50% to 150% according to an under/over performance;
- The lock-up period is 0 to 2 years.

Subsidiaries previous plans impacting 2017 P&L charge detailed as follows:

Grant Date	**Bull** **9 August 2013**	**Bull** **1 July 2014**	**Worldline** **25 July 2016** **French plan**	**Foreign plan**
Number of shares granted	319,000	1,115,000	229,250	133,000
Share price at grant date (€)	4.90	4.90	26.865	
Vesting date	9 August 2015	31 December 2017	25 July 2018	25 July 2019
Expected life (years)	2	3.5	2	3
Lock-up period (years)	2	-	1	-
Risk free interest rate (%)	-	-	-0.047	-
Borrowing-lending spread (%)	-	-	4.0	-
Expected dividend yield (%)	-	-	1.1	1.1
Fair value of the instrument (€)	**10.99**	**10.99**	**26.28**	**25.99**
Expense recognized in 2017 (in € million)	**1.3**	**7.6**	**2.9**	**0.9**

With regards to the liquidity contract stipulating the conversion of shares either in Atos share or in cash from the acquisition date, the breakdown for the Bull free share plans acquired was as follows at December 31, 2017:

		Conversion in Atos shares		**Conversion in Cash**		
	Number of shares initially granted	**Number of shares**	**Total cost (in € million)**	**Number of shares**	**Total cost (in € million)**	**Number of outstanding shares not converted as of 31 December 2017**
9 August 2013	319,000	9,600	0.1	194,000	2.1	54,500
1 June 2014	1,115,000	-	-	-	-	820,897
Total	**1,434,000**	**9,600**	**0.1**	**194,000**	**2.1**	**875,397**

Stock options plans

The Group recognized a total expense of € 7.9 million during the year related to former stock options plans implemented in Worldline and Bull entities detailed as follows:

Grant date	Number of options initially granted	Vesting Date	Number of options vested	2017 expense (in € million)
Bull				
2 March 2012	985,000	2 March 2016	687,500	0.3
1 March 2013	755,000	1 March 2017	576,250	0.5
9 August 2013	600,000	9 August 2017	443,750	0.9
8 November 2013	70,000	8 November 2017	70,000	0.2
14 March 2014	200,000	14 March 2018	N/A	0.5
1 July 2014	2,030,000	1 July 2018	N/A	4.2
Worldline				
1 September 2015	1,558,500	15 May 2017	1,404,000	0.8
25 May 2016	196,000	25 May 2018	N/A	0.4
16 August 2016	45,000	25 May 2018	N/A	0.1
Total				**7.9**

Atos stock options plans

The change in outstanding share options for Atos SE during the period was the following:

	12 months ended 31 December 2017		12 months ended 31 December 2016	
	Number of shares	Weighted average strike price (in €)	Number of shares	Weighted average strike price (in €)
Outstanding at the beginning of the year	**648,629**	**34.1**	**1,294,524**	**40.0**
Exercised during the year	-241,705	32.9	-496,607	35.1
Expired during the year	-217	43.2	-149,288	60.0
Outstanding at the end of the year	**406,707**	**34.0**	**648,629**	**34.1**
Exercisable at the end of the year, below year-end stock price (*)	**406,707**	**34.0**	**648,629**	**34.1**

(*) Year-end stock price: € 121.35 at December 31, 2017 and € 100.25 at December 31, 2016.

Bull stock options plans

Rules governing the stock options plans are as follows:

- To exercise the option, the grantee must generally be an employee or corporate officer of the former Group Bull;
- Vesting is also conditional on the continued employment condition;
- Four vesting periods by portion of 25% of the total of the plan;
- Following the acquisition date, beneficiaries of Bull stock options can either convert their shares into Atos shares or obtain a cash payment indexed on Atos share through a liquidity contract upon exercise of their options.

Grant Date	**2 March 2012**	**1 March 2013**	**9 August 2013**
Number of shares granted	985,000	755,000	600,000
Share price at grant date (€)	4.90	4.90	4.90
Strike price (€)	3.16	3.28	2.50
Vesting date	25% 2 March 2013 25% 2 March 2014 25% 2 March 2015 25% 2 March 2016	25% 1 March 2014 25% 1 March 2015 25% 1 March 2016 25% 1 March 2017	25% 9 August 2014 25% 9 August 2015 25% 9 August 2016 25% 9 August 2017
Expected volatility (%)	28.77	34.43	34.50
Expected maturity of the plan (year)	4.5	4.5	4.5
Risk free interest rate (%)	0.08	0.13	0.17
Expected dividend yield (%)	-	-	-
Fair value of the option granted at 31 December 2017 (€)	**-**	**-**	**8.49**
Fair value of the option acquired - Average at 31 December 2017 (€)	**3.03**	**6.22**	**8.44**
Expense recognized in 2017 (in € million)	**0.3**	**0.5**	**0.9**

Grant Date	**8 November 2013**	**14 March 2014**	**1 July 2014**
Number of shares granted	70,000	200,000	2,030,000
Share price at grant date (€)	4.90	4.90	4.90
Strike price (€)	3.20	3.81	4.99
Vesting date	25% 8 Nov. 2014 25% 8 Nov. 2015 25% 8 Nov. 2016 25% 8 Nov. 2017	25% 14 March 2015 25% 14 March 2016 25% 14 March 2017 25% 14 March 2018	25% 1 July 2015 25% 1 July 2016 25% 1 July 2017 25% 1 July 2018
Expected volatility (%)	34.36	34.47	35.39
Expected maturity of the plan (year)	4.5	4.5	4.5
Risk free interest rate (%)	0.19	0.23	0.27
Expected dividend yield (%)	-	-	-
Fair value of the option granted at 31 December 2017 (€)	**-**	**7.19**	**6.02**
Fair value of the option acquired - Average at 31 December 2017 (€)	**8.18**	**-**	**-**
Expense recognized in 2017 (in € million)	**0.2**	**0.5**	**4.2**

With regards to the liquidity contract stipulating the conversion of options either in Atos share or in cash from the acquisition date, the breakdown for the Bull stock options plans acquired was as follows at December 31, 2017:

	Number of options initially granted	Conversion in Atos shares Number of options	Total cost (in € million)	Conversion in Cash Number of options	Total cost (in € million)	Number of outstanding options not converted as of 31 December 2017
2 March 2012	985,000	26,250	0.1	661,250	2.0	-
1 March 2013	755,000	25,000	0.2	551,250	3.4	-
9 August 2013	600,000	17,500	0.2	293,750	2.5	132,500
8 November 2013	70,000	35,000	0.3	35,000	0.3	-
Total	**2,410,000**	**103,750**	**0.8**	**1,541,250**	**8.2**	**132,500**

Worldline stock options plans

Rules governing the stock options plans are as follows:

- To exercise the option, the grantee must generally be an employee or corporate officer of the Group Worldline or a company employee related to Worldline;
- Vesting is also conditional on the achievement of performance criteria, financial and non-financial ones;
- The financial performance criteria are the following :
  - Free Cash Flow (FCF);
  - Operating Margin before Depreciation and Amortization (OMDA); and
  - Revenue growth.
- The vesting period varies according to the plans rules but never exceeds 2 years;
- The option expiration date varies according to the plans rules but never exceeds 8.5 years after the vesting date;
- The exercise of the option is equity-settled.

The characteristics of each current stock options plans of Worldline are detailed as follows:

Grant Date	1 September 2015	25 May 2016	16 August 2016
Number of shares granted	1,558,500	196,000	45,000
Share price at grant date (€)	21.38	27.10	27.35
Strike price (€)	22.87	26.82	28.58
Vesting date	15 May 2017	25 May 2018	25 May 2018
Expected volatility (%)	21	21	21
Expected maturity of the plan (year)	5	5	5
Risk free interest rate (%)	0.352	-0.196	-0.325
Expected dividend yield (%)	1.1	1.1	1.1
Fair value of the option granted (€)	**2.94**	**4.21**	**3.67**
Expense recognized in 2017 (in € million)	**0.8**	**0.4**	**0.1**

The change in outstanding share options for Worldline SA during the period was the following:

	12 months ended 31 December 2017 Number of shares	Weighted average strike price (in €)	12 months ended 31 December 2016 Number of shares	Weighted average strike price (in €)
Outstanding at the beginning of the year	**2,851,641**	**20.9**	**2,997,420**	**20.1**
Granted during the year	-	-	241,000	27.1
Forfeited during the year	-29,500	22.9	-129,500	21.5
Exercised during the year	-551,967	19.7	-257,279	17.2
Outstanding at the end of the year	**2,270,174**	**21.2**	**2,851,641**	**20.9**
Exercisable at the end of the year, below year-end stock price	**2,270,174**	**21.2**	**2,851,641**	**20.9**

Note 6 Net financial result

Net financial expense amounted to € 62.0 million for the period (compared to € 55.2 million prior year) and was composed of a net cost of financial debt of € 23.6 million and non-operational financial costs of € 38.4 million.

Net cost of financial debt

(In € million)	12 months ended 31 December 2017	12 months ended 31 December 2016 (*)
Net interest expenses	**-23.0**	**-19.3**
Interest on obligations under finance leases	-1.1	-1.2
Gain/(loss) on disposal of cash equivalents	0.5	0.1
Net cost of financial debt	**-23.6**	**-20.3**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

Net cost of financial debt was € 23.6 million (compared to € 20.3 million in 2016) and resulted from the following elements:

- the average gross borrowing of € 2,189.5 million compared to € 2,009.8 million in 2016 bearing an average expense rate of 1.49% compared to 1.61% last year. The average gross borrowing expenses were mainly explained by:
  - the used portion of the syndicated loan combined with the Negociable European Commercial Papers (NEU CP) program started in June 2017 for an average of € 1,103.2 million (compared to an average of € 1,058.6 million in 2016) bearing an effective interest rate of 0.31%, benefiting from the attractive remuneration applied to the NEU CP;
  - a € 600.0 million bond issued in July 2015 bearing a coupon rate of 2.375%;
  - a € 300.0 million bond issued in October 2016 bearing a coupon rate of 1.444%;
  - other sources of financing, including securitization, for an average of € 191.2 million, bearing an effective interest rate of 4.75%;
- the average gross cash increased from € 1,302.1 million in 2016 to € 1,339.2 million in 2017 bearing an average income rate of 0.67% compared to 0.92% in 2016.

Other financial income and expenses

(In € million)	12 months ended 31 December 2017	12 months ended 31 December 2016 (*)
Foreign exchange income/(expenses)	1.1	12.7
Fair value gain/(loss) on forward exchange contracts held for trading	-4.1	-5.6
Other income/(expenses)	-35.4	-42.0
Other financial income and expenses	**-38.4**	**-34.9**
Of which:		
- other financial expenses	-72.2	-78.0
- other financial income	33.8	43.1

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

Non-operational financial costs amounted to € 38.4 million compared to € 34.9 million in 2016 and were mainly composed of pension related interest (€ 30.0 million compared to € 33.5 million expense in 2016) and a net foreign exchange loss (including hedges) of € 3.0 million versus a net foreign exchange gain (including hedges) of € 7.1 million in 2016. The pension financial cost represented the difference between interest costs on pension obligations and interest income on plan assets.

Note 7 Income tax expenses

Current and deferred taxes

(In € million)	12 months ended 31 December 2017	12 months ended 31 December 2016 (*)
Current tax (**)	-154.8	-86.2
Deferred taxes (**)	5.8	-55.1
Total	**-149.0**	**-141.3**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

(**) The impact of the US tax reform on the 2017 tax charge of the Group has been taken into account, and is not significant

Effective tax rate

The difference between the French standard tax rate and the Effective Tax Rate (ETR) is explained as follows:

(In € million)	12 months ended 31 December 2017	12 months ended 31 December 2016 (*)
Profit before tax	812.9	771.7
French standard tax rate	34.4%	34.4%
Theoretical tax charge at French standard rate	**-279.9**	**-265.7**
Impact of permanent differences	42.8	37.5
Differences in foreign tax rates	53.5	48.4
Movement on recognition of deferred tax assets	27.8	24.4
Equity-based compensation	-28.9	-18.1
Change in deferred tax rates	-4.9	-2.9
Taxes not based on taxable income (mainly CVAE, IRAP, US State income Tax)	12.0	8.0
Withholding taxes	-4.7	-5.9
French Tax credit	17.7	20.0
Other	15.6	13.0
Group tax expense	**-149.0**	**-141.3**
Effective tax rate	**18.3%**	**18.3%**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

The Group effective tax rate is 18.3% for 2017.

Restated effective tax rate

After restating the unusual items, the restated profit before tax was € 1230.1 million, restated tax charge of € 280.3 million and the restated effective tax rate was 22.8%.

(in €million)	12 months ended 31 December 2017	12 months ended 31 December 2016 (*)
Profit before tax	**812.9**	**771.7**
Other operating income and expenses	-417.2	-295.1
Profit before tax excluding unusual items	**1,230.1**	**1,066.8**
Tax impact on unusual items	131.3	93.9
Group tax expense	-149.0	-141.3
Total of tax excluding unusual items	**-280.3**	**-235.2**
Restated effective tax rate	**22.8%**	**22.0%**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

Note 8 Deferred taxes

(In €million)	December 31, 2017	December 31, 2016 (*)
Deferred tax assets	380.9	454.4
Deferred tax liabilities	119.0	135.5
Net deferred tax	**261.9**	**318.9**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

Breakdown of deferred tax assets and liabilities by nature

(In €million)	Tax losses carry forward	Intangible assets recognized as part of PPA	Fixed assets	Pensions	Other	Total
December 31, 2015	**235.9**	**-104.8**	**94.2**	**200.4**	**-53.2**	**372.5**
Charge to profit or loss for the year	43.1	23.1	1.7	-8.7	-114.3	-55.1
Change of scope	2.6	-68.3	-36.4	31.5	17.8	-52.8
Charge to equity	0.6	-	-	68.4	4.9	73.9
Reclassification	2.6	-	-0.4	-	-0.7	1.5
Exchange differences	3.0	-3.6	-15.5	-2.5	-2.5	-21.1
December 31, 2016 (*)	**287.8**	**-153.6**	**43.6**	**289.1**	**-148.0**	**318.9**
Charge to profit or loss for the year	5.3	23.5	-21.9	7.7	-8.8	5.8
Change of scope	5.3	-14.5	7.1	-	-7.6	-9.7
Charge to equity	-	-	0.8	-41.4	1.0	-39.6
Reclassification	-6.8	1.0	-38.4	-7.2	47.9	-3.5
Exchange differences	-5.0	4.3	-2.9	-2.8	-3.6	-10.0
December 31, 2017	**286.6**	**-139.3**	**-11.7**	**245.4**	**-119.1**	**261.9**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

Tax losses carry forward schedule (basis)

(In € million)	December 31, 2017			December 31, 2016 (*)		
	Recog-nized	Unrecog-nized	Total	Recog-nized	Unrecog-nized	Total
2017	-	-	-	7.1	3.8	10.8
2018	0.6	11.0	11.6	1.9	4.4	6.2
2019	7.3	5.6	12.9	10.3	22.8	33.1
2020	0.6	27.1	27.7	-	30.8	30.8
2021	7.1	56.7	63.8	-	-	-
Tax losses available for carry forward for 5 years and more	115.0	78.2	193.2	201.2	235.7	437.0
Ordinary tax losses carry forward	**130.6**	**178.5**	**309.1**	**220.5**	**297.4**	**518.0**
Evergreen tax losses carry forward	**869.3**	**2,720.1**	**3,589.4**	**720.7**	**2,917.3**	**3,638.0**
Total tax losses carry forward	**999.9**	**2,898.6**	**3,898.5**	**941.2**	**3,214.7**	**4,156.1**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

The countries with the largest tax losses available for carry forward were France (€ 1,883.7 million), Germany (€ 1,037.6 million), The Netherlands (€ 244.5 million), the United Kingdom (€ 134.5 million), Brazil (€ 123.4 million), Austria (€ 87.7 million), Spain (€ 81.7 million), the United States (€ 55.1 million), and Italy (€ 35.8 million).

Deferred tax assets not recognized by the Group

(In € million)	December 31, 2017	December 31, 2016 (*)
Tax losses carry forward	806.9	888.8
Temporary differences	184.5	135.4
Total	**991.4**	**1,024.2**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

Note 9 Non-controlling Interests

(In € million)	December 31, 2016	2017 Income	Capital Increase	Dividends	Scope Changes	Others	December 31, 2017
Worldline	498.5	59.8	10.9	-	-15.2	0.5	554.5
MSL Technology S.L.	10.6	1.2	-	-	-11.8	-	-
Diamis	2.0	0.3	-	-	-2.3	-	-
Atos Pty Ltd	1.4	-0.3	-	-	-	-0.1	1.0
Other	6.9	3.4	-	-1.8	0.3	-0.2	8.6
Total	**519.4**	**64.4**	**10.9**	**-1.8**	**-29.0**	**0.2**	**564.1**

(In € million)	December 31, 2015	2016 Income	Capital Increase	Dividends	Scope Changes	Others	December 31, 2016
Worldline	235.8	49.3	7.5	-	221.5	-15.6	498.5
MSL Technology S.L.	10.5	0.5	-	-0.4	-	-	10.6
Diamis	1.7	0.4	-	-	-	-0.1	2.0
Atos Pty Ltd	0.7	-	0.8	-	-	-0.1	1.4
Other	5.7	2.8	0.2	-2.7	0.6	0.3	6.9
Total	**254.4**	**53.0**	**8.5**	**-3.1**	**222.1**	**-15.5**	**519.4**

The "scope changes" on Worldline related to the equensWorldline transaction (please refer to Note 1 for more details).

Note 10 Earnings per share

Dilutive instruments comprised stock options (376,158 employee stock options) and did not generate a restatement of net income used for the diluted EPS calculation.

(In €million and shares)	**12 months ended 31 December 2017**	**12 months ended 31 December 2016**
Net income – Attributable to owners of the parent [a]	**600.7**	**578.8**
Impact of dilutive instruments	-	-
Net income restated of dilutive instruments - Attributable to owners of the parent [b]	**600.7**	**578.8**
Average number of shares outstanding [c]	105,081,802	103,766,609
Impact of dilutive instruments [d]	376,158	506,003
Diluted average number of shares [e]=[c]+[d]	105,457,960	104,272,612
(In €)		
Basic EPS [a] / [c]	**5.72**	**5.58**
Diluted EPS [b] / [e]	**5.70**	**5.55**

No significant share transactions occurred subsequently to the 2017 closing that could have a dilutive impact on earnings per share calculation.

Note 11 Goodwill

(In €million)	**December 31, 2016 (*)**	**Disposals Deprecia-tion**	**Impact of business combi-nation**	**Exchange differences and other**	**December 31, 2017**
Gross value	4,751.9	-	271.5	-67.0	**4,956.4**
Impairment loss	-567.0	-	-	-5.0	**-572.0**
Carrying amount	**4,184.9**	**-**	**271.5**	**-72.0**	**4,384.4**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

(In €million)	**December 31, 2015**	**Disposals Deprecia-tion**	**Impact of business combi-nation**	**Exchange differences and other**	**December 31, 2016 (*)**
Gross value	3,721.3	-	1,089.2	-58.6	**4,751.9**
Impairment loss	-603.2	-	-	36.2	**-567.0**
Carrying amount	**3,118.1**	**-**	**1,089.2**	**-22.4**	**4,184.9**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

Goodwill is allocated to Cash Generating Units (CGUs) that are then part of one of the operating segments disclosed in Note 2 Segment information as per IFRS 8 requirements. Changes in internal management reporting are applied retrospectively and comparative figures are restated.

A summary of the carrying values of goodwill allocated by CGUs or Grouping of CGUs is presented hereafter. Overall, goodwill increased from € 4,184.9 million to € 4,384.4 million mainly due to the acquisitions of the year as detailed in Note 1 Changes in the scope of consolidation.

(In € million)	**December 31, 2017**	**December 31, 2016 (*)**
United Kingdom and Ireland	515.1	502.5
France	514.4	498.4
Germany	784.5	819.2
North America	607.5	546.8
Benelux & The Nordics	439.1	439.1
Other countries	553.6	575.1
Worldline	970.1	803.8
Total	**4,384.4**	**4,184.9**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial business plans approved by management, covering a three-year period. They are also based on the following assumptions:

- terminal value is calculated after the three-year period, using an estimated perpetuity growth rate of 2.0% (aligned with 2016). This rate reflects a reasonable long term average growth rate of the IT sector; and
- discount rates are applied by CGU based on the Group's weighted average cost of capital and adjusted to take into account specific tax rates and country risks relating to each geographical area. The Group considers that the weighted average cost of capital should be determined based on an historical equity risk premium of 6.5% (compared to 5.9% in 2016), in order to reflect the long-term assumptions factored in the impairment tests.

The discount rates used by CGU are presented below:

	2017 Discount rate	**2016 Discount rate**
United Kingdom and Ireland	8.7%	9.0%
France	8.6%	8.9%
Germany	8.6%	8.9%
North America	8.6%	8.9%
Benelux & The Nordics	8.6%	8.9%
Other countries	between 8.6% and 10.7%	between 8,9% and 11,1%
Worldline	7.8%	8.1%

Based on the 2017 goodwill impairment test, which was carried out at year-end, no impairment losses were recognized as at December 31, 2017.

An analysis of the calculation's sensitivity to a combined change in the key parameters (operating margin, discount rate and perpetuity growth rate) based on reasonably probable assumptions of variations of +/-50 bp for each of these parameters was performed and did not identify any probable scenario where the CGU's recoverable amount would fall below its carrying amount.

Note 12 Intangible assets

(In € million)	Customer relationships	Trademarks, Software and licences	Other intangible assets	Total
Gross value				
December 31, 2016 (*)	**819.0**	**732.9**	**598.6**	**2,150.4**
Additions	-	34.8	10.0	44.8
Impact of business combinations	-	-1.0	-20.8	-21.8
Intangible assets recognized as part of a Purchase Price Allocation	74.4	15.1	-	89.5
Capitalized costs	-	-	120.9	120.9
Disposals	-	-14.7	-14.2	-28.9
Exchange differences and others	-0.4	-8.2	-46.1	-54.7
December 31, 2017	**893.0**	**758.9**	**648.4**	**2,300.2**
Accumulated depreciation				
December 31, 2016 (*)	**-293.3**	**-317.7**	**-177.0**	**-788.1**
Amortization charge for the year	-	-41.8	-25.0	-66.8
Amortization of intangible assets recognized as part of a Purchase Price Allocation	-86.3	-22.7	-	-109.0
Amortization of capitalized costs	-	-	-82.9	-82.9
Disposals	-	13.1	12.0	25.1
Exchange differences and others	25.5	21.9	-16.5	30.9
December 31, 2017	**-354.1**	**-347.2**	**-289.4**	**-990.8**
Net value				
December 31, 2016 (*)	**525.7**	**415.1**	**421.5**	**1,362.4**
December 31, 2017	**538.9**	**411.6**	**358.9**	**1,309.5**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

(In € million)	Customer relationships	Trademarks, Software and licences	Other intangible assets	Total
Gross value				
December 31, 2015	**512.2**	**625.8**	**476.4**	**1,614.4**
Additions	-	54.8	16.9	71.7
Impact of business combinations	-	21.6	65.2	86.8
Intangible assets recognized as part of a Purchase Price Allocation	294.6	89.9	-	384.5
Capitalized costs	-	8.2	101.5	109.7
Disposals	-	-102.6	-31.7	-134.3
Exchange differences and others	12.2	35.2	-29.7	17.7
December 31, 2016 (*)	**819.0**	**732.9**	**598.6**	**2,150.4**
Accumulated depreciation				
December 31, 2015	**-209.5**	**-319.6**	**-165.0**	**-694.1**
Amortization charge for the year	-	-47.7	-18.3	-66.0
Amortization of intangible assets recognized as part of a Purchase Price Allocation	-81.5	-24.7	-	-106.2
Amortization of capitalized costs	-	-1.2	-53.7	-54.9
Disposals	-	100.8	31.1	131.9
Exchange differences and others	-2.3	-25.3	28.9	1.3
December 31, 2016 (*)	**-293.3**	**-317.7**	**-177.0**	**-788.1**
Net value				
December 31, 2015	**302.7**	**306.2**	**311.3**	**920.3**
December 31, 2016 (*)	**525.7**	**415.1**	**421.5**	**1,362.4**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

The valuation approach retained for Trademark and Patents is the relief from royalty method. Customer relationships are valued using the multi-period excess earning method (income approach).

The intangible assets recognized in 2017 as part of a purchase price allocation of € 89.5 million are mainly composed of:

- First Data Baltics, Digital River World Payments and MRL Posnet for € 59.5 million amortized over between 14 and 16 years; and
- Healthcare companies acquired in the US for € 12.0 million.

The gross book value of customer relationships for € 893.0 million as at December 31, 2017 presented above, includes:

- € 90.4 million relative to the Equens / Paysquare acquisition in 2016;
- € 83.6 million relative to the Anthelio acquisition in 2016;
- € 104.3 million relative to the Unify acquisition in 2016;
- € 145.7 million relative to the Xerox ITO acquisition in 2015;
- € 16.5 million relative to the Bull acquisition in 2014;
- € 356.4 million relative to the Siemens IT Solutions and Services acquisition in 2011.

Note 13 Tangible assets

(In €million)	Land and buildings	IT equipments	Other tangible assets	Total
Gross value				
December 31, 2016 (*)	**455.3**	**1,103.3**	**158.3**	**1,716.9**
Additions	18.9	235.7	81.5	336.1
Impact of business combination	-0.7	13.8	1.7	14.8
Disposals	-32.5	-213.1	-20.6	-266.2
Exchange differences and others	-3.3	-98.9	-49.5	-151.7
December 31, 2017	**437.7**	**1,040.8**	**171.4**	**1,649.9**
Accumulated depreciation				
December 31, 2016 (*)	**-261.4**	**-605.1**	**-90.8**	**-957.3**
Depreciation charge for the year	-43.3	-223.7	-14.4	-281.4
Eliminated on disposal	16.2	172.4	19.0	207.6
Exchange differences and others	11.6	64.6	-2.2	74.0
December 31, 2017	**-276.9**	**-591.8**	**-88.4**	**-957.1**
Net value				
December 31, 2016 (*)	**193.9**	**498.2**	**67.5**	**759.6**
December 31, 2017	**160.8**	**449.0**	**83.0**	**692.8**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

(In €million)	**Land and buildings**	**IT equipments**	**Other tangible assets**	**Total**
Gross value				
December 31, 2015	**540.9**	**1,205.6**	**189.8**	**1,936.3**
Additions	30.9	212.9	49.2	293.0
Impact of business combination	4.8	52.2	3.1	60.1
Disposals	-73.0	-360.8	-24.0	-457.8
Exchange differences and others	-48.3	-6.5	-59.8	-114.6
December 31, 2016 (*)	**455.3**	**1,103.3**	**158.3**	**1,716.9**
Accumulated depreciation				
December 31, 2015	**-302.1**	**-713.8**	**-101.6**	**-1,117.5**
Depreciation charge for the year	-48.5	-226.7	-14.1	-289.3
Eliminated on disposal	51.7	329.3	21.8	402.8
Exchange differences and others	37.5	6.2	3.1	46.8
December 31, 2016 (*)	**-261.4**	**-605.1**	**-90.8**	**-957.3**
Net value				
December 31, 2015	**238.8**	**491.8**	**88.2**	**818.8**
December 31, 2016 (*)	**193.9**	**498.2**	**67.5**	**759.6**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

The tangible assets of the Group include mainly IT equipments used in production centers, in particular datacenters and software factories. Moreover, Atos policy is to rent its premises. Therefore, the land and building assets include mainly the technical infrastructure of Group datacenters.

Finance leases

Tangible assets held under finance leases had a net carrying value of € 23.4 million. Future minimum lease payments under non-cancellable leases amounted to € 24.5 million at year-end.

	December 31, 2017			**December 31, 2016 (*)**		
(In €million)	**Minimum lease payments**	**Interest**	**Principal**	**Minimum lease payments**	**Interest**	**Principal**
Less than one year	16.4	-0.7	15.6	23.2	-0.6	22.6
Between one and five years	8.2	-0.4	7.8	21.3	-0.6	20.7
Total	**24.5**	**-1.1**	**23.4**	**44.5**	**-1.2**	**43.3**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

Note 14 Non-current financial assets

(In €million)		**December 31, 2017**	**December 31, 2016 (*)**
Pension prepayments	Note 20	114.2	107.5
Fair value of non-consolidated investments net of impairment		73.1	54.9
Other (**)		93.6	102.2
Total		**280.9**	**264.6**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"
(**) "Other" includes loans, deposits, guarantees and investments in associates accounted for under the equity method

In December 2017, Atos acquired Convergence Creators Holding GmbH (CVC), a global multi-industry digital transformation solutions provider. This entity will be fully consolidated from January 1, 2018.

On December 30, 2016, Atos acquired Engage ESM in the United Kingdom. This entity is fully consolidated since January 1, 2017.

Note 15 Trade accounts and notes receivable

(In € million)	**December 31, 2017**	**December 31, 2016 (*)**
Gross value	2,769.8	2,858.1
Transition costs	12.5	32.5
Provision for doubtful debt	-122.0	-147.1
Net asset value	**2,660.3**	**2,743.5**
Prepayments	-117.2	-87.7
Deferred income and upfront payments received	-571.7	-792.7
Net accounts receivable	**1,971.4**	**1,863.1**
Number of days' sales outstanding (DSO)	**35**	**33**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

The average credit period on sale of services is between 30 and 60 days depending on the countries.

For balances outstanding for more than 60 days beyond the agreed payment terms, the Group considers the need for depreciation on a case-by-case basis through a quarterly review of its balances.

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

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

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

As of December 31, 2017, the Group has sold:

- in the compartment "ON" € 277.0 million receivables for which € 10.0 million were received in cash. The sale is with recourse, thus re-consolidated in the balance sheet;
- in the compartment "OFF" € 39.7 million receivables which qualify for de-recognition as substantially all risks and rewards associated with the receivables were transferred.

The DSO ratio reached 35 days compared to 33 days at the end of December 2016. DSO has been positively impacted by the implementation of financial arrangements on large customer contracts by 21 days compared to 15 days in December 2016.

Ageing of net receivables past due

(In € million)	**December 31, 2017**	**December 31, 2016 (*)**
1-30 days overdue	126.4	90.4
31-60 days overdue	24.1	27.5
Beyond 60 days overdue	82.4	70.9
Total	**232.9**	**188.8**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

Movement in provision for doubtful debts

(In €million)	December 31, 2017	December 31, 2016 (*)
Balance at beginning of the year	**-147.1**	**-109.5**
Impairment losses recognized	-25.6	-20.1
Amounts written off as uncollectible	30.1	15.7
Impairment losses reversed	0.5	6.0
Impact of business combination	-0.5	-44.3
Reclassification and exchange differences	20.6	5.1
Balance at end of the year	**-122.0**	**-147.1**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

Note 16 Other current assets

(In €million)	December 31, 2017	December 31, 2016 (*)
Inventories	95.2	84.4
State - VAT receivables	195.4	180.5
Prepaid expenses	365.8	435.6
Other receivables & current assets	467.1	581.6
Advance payment	34.8	36.6
Assets linked to intermediation activities	316.6	249.6
Total	**1,474.9**	**1,568.3**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

Note 17 Breakdown of assets and liabilities by financial categories

The book value of financial assets corresponds to their fair value.

As at December 31, 2017 the breakdown of assets was the following:

(In €million)	Loans and receivables	Available-for-sale financial assets	Financial assets held for trading (carried at fair value through profit or loss)	Derivative related assets
Non-current financial instruments	-	-	-	-
Trade accounts and notes receivables	2,660.3	-	-	-
Other current assets	1,474.9	-	-	-
Current financial instruments	-		1.2	6.4
Cash and cash equivalents	2,252.1	-	8.0	-
Total	**6,387.3**	**-**	**9.2**	**6.4**

As at December 31, 2016, the breakdown of assets was the following:

(In €million)	Loans and receivables	Available-for-sale financial assets	Financial assets held for trading (carried at fair value through profit or loss)	Derivative related assets
Non-current financial instruments	-	-	-	0,1
Trade accounts and notes receivables	2 743,5	-	-	-
Other current assets	1 568,3	-	-	-
Current financial instruments	-		3,8	6,3
Cash and cash equivalents	1 634,3	-	382,2	-
Total*	**5 946,1**	**-**	**386,0**	**6,4**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

As at December 31, 2017 the breakdown of liabilities was the following:

(In €million)	Financial Liabilities designated at fair value through profit or loss	Financial Liabilities – Measurement at amortized cost	Derivative related liabilities
Borrowings	-	1,241.3	-
Non-current financial instruments	-	-	-
Trade accounts and notes payables	2,060.0	-	-
Current portion of borrowings	-	711.8	-
Current financial instruments	3.4	-	3.9
Total	**2,063.4**	**1,953.0**	**3.9**

As at December 31, 2016 the breakdown of liabilities was the following:

(In €million)	Financial Liabilities designated at fair value through profit or loss	Financial Liabilities – Measurement at amortized cost	Derivative related liabilities
Borrowings	-	1,509.5	-
Non-current financial instruments	-	-	1.4
Trade accounts and notes payables	2,064.2	-	-
Current portion of borrowings	-	178.8	-
Current financial instruments	0.7	-	6.9
Total (*)	**2,064.9**	**1,688.4**	**8.3**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

Note 18 Cash and cash equivalents

(In €million)	December 31, 2017	December 31, 2016 (*)
Cash in hand and short-term bank deposit	2,252.1	1,634.3
Money market funds	8.0	382.2
Total	**2,260.1**	**2,016.5**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

Depending on market conditions and short-term cash flow expectations, Atos from time to time invests in money market funds or bank deposits with a maturity period not exceeding three months.

Note 19 Equity attributable to the owners of the parent

Capital increase

In 2017, Atos SE increased its share capital by incorporating additional paid-in-capital and common stock for € 27.7 million related to the issuance of 536,670 new common stocks as part of the exercise of stock options and employee share option plan.

As at December 31, 2017, Atos SE issued share capital amounted to € 105.4 million, divided into 105,445,349 fully paid-up common stock of € 1.00 par value each.

Note 20 Pension plans and other long term benefits

The total amount recognized in the Group balance sheet in respect of pension plans was € 1,179.1 million at December 31, 2017 compared to € 1,387.9 million at December 31, 2016. The total amount recognized for other long-term employee benefits was € 56.3 million compared to € 54.1 million at December 31, 2016.

(In € million)	December 31, 2017	December 31, 2016 (*)
Amounts recognized in financial statements consist of :		
Prepaid pension asset	114.2	107.5
Accrued liability – pension plans [a]	-1,293.3	-1,495.4
Total Pension plan	**-1,179.1**	**-1,387.9**
Accrued liability – other long-term employee benefits [b]	-56.3	-54.1
Total accrued liability [a] + [b]	**-1,349.6**	**-1,549.5**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

Pension plans

The Group's pension obligations are located predominantly in the United Kingdom (50% of Group total obligations), Germany (30%), USA (6%) and France (6%).

Characteristics of significant plans and associated risks

In the United Kingdom, these obligations are generated by legacy defined benefit plans, the majority of which have been closed to further accrual or new entrants. The plans are final pay plans and are subject to the UK regulatory framework where funding requirements are determined by an independent actuary based on a discount rate reflecting the plan's expected return on investments. Recovery periods are agreed between the plans' trustees and the sponsoring companies and may run up to 20 years if appropriate securities are provided by sponsors. The majority of plans are governed by an independent Board of trustees which include employer representatives.

The current asset allocation across United Kingdom plans is 71% fixed income, 29% equities and other assets and may vary depending on the particular profile of each plan. The interest rate and inflation exposures are cautiously managed through investment in Gilts, Indexed-Linked and interest rate swaps. The fixed income allocation comprises a significant exposure to investment grade credits and the equity allocation is well diversified geographically.

The plans do not expose the Group to any specific risks that are unusual for these types of benefit plans. Typical risks include, increase in inflation, longevity and a decrease in discount rates and adverse investment returns.

In Germany the majority of the liabilities relate to pension entitlements that transferred to the Group with the acquisition of SIS in 2011 and Unify in 2016. The plans cover multiple legal entities in Germany and are subject to the German regulatory framework, which has no funding requirements, but does include compulsory insolvency insurance (PSV). The plans are funded however, using a Contractual Trust Agreement (CTA). The CTA is governed by a professional independent third party. The investment strategy is set by the Investment Committee composed of employer representatives. The asset allocation related to the largest German schemes is 57% fixed income, 39% return seeking assets and other assets and 4% property. The asset allocation related to the other scheme is more in line with the lower interest rate sensitivities of the schemes and are predominantly invested in investment grade credits and, to a lesser extent, in balanced funds and European high yield.

The Group obligations are also generated, but to a lesser extent, by legal or collectively bargained end of service or end of career benefit plans. The Group obligations with respect to post-employment healthcare benefits are not significant.

Atos recognized all actuarial gains and losses and asset ceiling effects generated in the period in "Other comprehensive income".

Events in 2017

The UK company and trustees of the Atos (CS) Pension Scheme have reached an agreement to move the basis for inflation indexation from the Retail Price Index (RPI) to the Consumer Price Index (CPI) in exchange for improved long term security to the plan including a Group parental guarantee of up to GBP 100 million and a one off discretionary benefit enhancement for affected beneficiaries. This led to an overall reduction in liabilities and operating expenses of GBP 18.8 million including actuarial, legal and other project costs.

In the UK, a further change in the plan rules was introduced over the first semester for the Worldline section of the Railways Pension Scheme to freeze the pensionable pay on an ongoing basis. As a result, pensionable benefits will no longer increase with salary evolutions. The corresponding reduction in the obligation was recorded in Profit and Loss.

Amounts recognized in the financial statements related to pension plans

The amounts recognized in the balance sheet as at December 31, 2017 rely on the following components, determined at each benefit plan's level:

(In €million)	December 31, 2017	December 31, 2016 (*)
Amounts recognized in financial statements consist of :		
Prepaid pension asset	114.2	107.5
Accrued liability – pension plans	-1,293.3	-1,495.4
Net amounts recognized – Total	**-1,179.1**	**-1,387.9**
Components of net periodic cost		
Service cost (net of employees contributions)	65.9	62.3
Past service cost, Settlements	-64.1	-92.1
Administration costs	3.7	0.7
Operating expense	**5.5**	**-29.1**
Interest cost	114.4	136.7
Interest income	-85.5	-104.4
Financial expense	**28.9**	**32.3**
Net periodic pension cost – Total expense/(profit)	**34.4**	**3.2**
Change in defined benefit obligation		
Total Defined Benefit Obligation at January 1st	**4,999.5**	**3,822.8**
Exchange rate impact	-160.7	-341.6
Service cost (net of employees contributions)	65.9	62.3
Interest cost	114.4	136.7
Past service cost, Settlements	-109.3	-89.8
Business combinations/(disposals)	-0.1	848.9
Employees contributions	9.1	11.6
Benefits paid	-162.6	-140.1
Actuarial (gain)/loss - change in financial assumptions	29.9	666.1
Actuarial (gain)/loss - change in demographic assumptions	-34.3	2.7
Actuarial (gain)/loss - experience results	-25.3	14.1
Reclassification	8.6	5.8
Defined benefit obligation at December 31st	**4,735.1**	**4,999.5**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

The weighted average duration of the liability is 17.5 years.

(In €million)	December 31, 2017	December 31, 2016 (*)
Change in plan assets		
Fair value of plan assets at January 1st	**3,614.6**	**2,871.7**
Exchange rate impact	-146.2	-293.2
Actual return on plan assets	212.7	487.0
Employer contributions	27.0	45.7
Benefits paid by the funds	-108.0	-104.9
Settlements	-48.0	-5.1
Business combinations/(disposals)	-0.1	602.5
Employees contributions	9.1	11.6
Administration costs	-4.0	-0.7
Fair value of plan assets at December 31st	**3,557.1**	**3,614.6**
Reconciliation of prepaid/(accrued) Benefit cost		
Funded status	-1,178.0	-1,384.9
Any other amount not recognized (asset ceiling limitation)	-1.1	-3.0
Prepaid/(accrued) pension cost	**-1,179.1**	**-1,387.9**
Reconciliation of net amount recognized (all plans)		
Net amount recognized at beginning of year	**-1,387.9**	**-955.1**
Net periodic pension cost	-34.4	-3.2
Benefits paid by employer	54.6	35.2
Employer contributions	27.0	45.7
Business combinations/(disposals)	-	-253.8
Amounts recognized in Other Comprehensive Income	156.9	-300.4
Other (exchange rate)	14.5	49.5
Reclassification	-9.8	-5.8
Net amount recognized at end of year	**-1,179.1**	**-1,387.9**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

The development in the main countries was as follows:

(In €million)	UK schemes	German schemes	USA schemes	French schemes	Other schemes
Reconciliation of net amount recognized in main plans:					
Net amount recognized at beginning of year	**-267.9**	**-692.2**	**-17.6**	**-268.2**	**-142.0**
Net periodic pension cost	14.9	-23.4	0.0	-17.4	-8.5
Benefits paid by employer & employer contributions	42.5	12.6	1.1	13.3	12.1
Business combinations / disposals	-	-	-	-	-
Amounts recognized in Other Comprehensive Income	114.7	28.1	-3.3	4.9	12.5
Other (exchange rate and reclassification)	8.4	-5.8	1.3	-0.1	0.9
Net amount recognized at end of year	**-87.4**	**-680.7**	**-18.4**	**-267.5**	**-125.1**
Defined benefit obligation at December 31st	-2,352.5	-1,401.2	-271.5	-268.0	-441.9
Fair value of plan assets at December 31st	2,265.1	720.5	253.1	0.5	317.9
Asset ceiling limitation at December 31st	-	-	-	-	-1.1
Net amount recognized at end of year	**-87.4**	**-680.7**	**-18.4**	**-267.5**	**-125.1**

The obligations in respect of benefit plans which are partially or totally funded through external funds (pension funds) were € 4,394.3 million at December 31, 2017 and € 4,628.0 million at December 31, 2016 representing more than 93% of Group total pension obligations.

Actuarial assumptions

Group obligations are valued by independent actuaries, based on assumptions that are periodically updated.

These assumptions are set out in the table below:

	United Kingdom		Eurozone		USA	
	2017	2016	2017	2016	2017	2016
Discount rate as at December 31	2.70%	2.80%	1.50% ~ 1.95%	1.40% ~ 1.95%	3.50%	3.90%
Inflation assumption as at December 31	RPI: 3.20% CPI: 2.20%	RPI: 3.25% CPI: 2.25%	1.45%	1.45%	na	na

The inflation assumption is used for estimating the impact of indexation of pensions in payment or salary inflation based on the various rules of each plan.

Sensitivity of the defined benefit obligations of the significant plans to the discount rate and inflation rate assumptions is as follows:

	Discount rate +25bp	Inflation rate +25bp
United Kingdom main pension plans	-4.5%	+4.2%
German main pension plans	-4.2%	+2.4%

These sensitivities are based on calculations made by independent actuaries and do not include cross effects of the various assumptions, they do however include effects that the inflation assumption would have on salary increase assumptions for the United Kingdom.

Plan assets

Plan assets were invested as follows:

	December 31, 2017	December 31, 2016 (*)
Equity	19%	16%
Bonds/Interest Rate Swaps	66%	63%
Real Estate	6%	4%
Cash and Cash equivalent	2%	3%
Other	7%	13%

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

Of these assets, 88% is valued on market value, 8% relates to property, private equity and infrastructure investments where valuations are based on the information provided by the investment managers and 4% relates to insurance contracts.

A significant part of the Bonds and Interest Rate Swaps are part of the interest rate hedging program operated by the Atos United Kingdom pension plans, which aims to hedge a significant portion of funding liabilities. None of the plans are hedged for longevity risks.

Atos securities or assets used by the Group are not material.

Situation of the United Kingdom pension funds and impact on contribution for 2018

The Group expects to contribute € 45.8 million to its United Kingdom schemes next year versus € 43.4 million in 2017.

Prepaid pension situations on balance sheet

The net asset of € 114.2 million mostly relates to one scheme in the United Kingdom, and is supported by appropriate refund expectations according to IFRIC 14.

Summary net pension impacts on profit and loss

The net impact of defined benefit pension plans on Group financial statements can be summarized as follows:

(In €million)	December 31, 2017	December 31, 2016 (*)
Operating margin	-9.8	18.8
Other operating income and expenses	4.3	10.3
Financial result	-28.9	-32.3
Total (expense)/profit	**-34.4**	**-3.2**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

Other long-term employee benefits

The net liabilities related to other long-term employee benefits were € 54.1 million per December 31, 2016. They increased to € 56.3 million per December 31, 2017 via expenses recorded in P&L (€ 24.0 million), benefit payments (€ 18.6 million) net of other impacts (€ 3.2 million) including employer contributions and exchange rate impact.

Note 21 Provisions

(In €million)	December 31, 2016 (*)	Charge	Release used	Release unused	Business Combi-nation	Other (**)	December 31, 2017	Current	Non-current
Reorganization	111.1	47.6	-77.7	-4.2	-	-0.3	76.5	70.3	6.2
Rationalization	33.3	9.0	-12.1	-8.2	-	2.9	24.9	8.7	16.2
Project commitments	79.4	20.2	-25.3	-28.0	0.5	-0.6	46.2	32.9	13.3
Litigations and contingencies	167.7	26.0	-22.2	-34.2	13.9	-12.8	138.4	61.1	77.3
Total provisions	**391.5**	**102.8**	**-137.3**	**-74.6**	**14.4**	**-10.8**	**286.0**	**173.0**	**113.0**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

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

(In €million)	December 31, 2015	Charge	Release used	Release unused	Business Combi-nation	Other	December 31, 2016 (*)	Current	Non-current
Reorganization	41.9	42.4	-60.5	-3.0	74.8	15.5	111.1	75.5	35.6
Rationalization	23.7	4.4	-5.2	-6.7	16.9	0.2	33.3	11.3	22.0
Project commitments	109.2	19.3	-48.9	-36.4	35.8	0.4	79.4	59.2	20.2
Litigations and contingencies	111.8	41.6	-30.5	-36.1	74.4	6.4	167.7	77.7	90.0
Total provisions	**286.6**	**107.7**	**-145.1**	**-82.2**	**202.0**	**22.6**	**391.5**	**223.7**	**167.8**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

Reorganization

New reorganization provisions were posted for € 47.6 million over the year mainly in Germany (€ 14.6 million) and in the United Kingdom (€ 11.2 million) driven by new plans aimed at improving Group efficiency and productivity.

The € 77.7 million consumptions corresponded to workforce optimization primarily in Germany.

Rationalization

The new provisions of € 9.0 million mainly relate to office premises rationalization in Benelux (€ 2.7 million), the United States of America (€ 2.6 million) and the Central & Eastern Europe (€ 2.0 million).

The € 12.1 million rationalization provisions were used against offices onerous leases and dilapidation costs in the United States (€ 5.4 million) and in Germany (€ 3.5 million).

Project commitments

The € 20.2 million charge was mainly incurred in Germany (€ 4.6 million) and Central & Eastern Europe (€ 4.1 million).

Project commitments provisions released for € 25.3 million primarily related to losses incurred in France (€ 6.0 million), Germany (€ 3.9 million) and Central & Eastern Europe (€ 3.8 million).

The € 28.0 million project commitments unused provision releases reflected mainly the reduction of former contracts losses thanks to proactive project management or early settlements.

Litigation and contingencies

The closing position of contingency provisions of € 138.4 million was composed of a number of long-term litigation issues, such as tax contingencies and social disputes, guarantees given on disposals and other disputes with clients and suppliers.

The legal department monitors these situations closely with a view to minimizing the ultimate liability.

Note 22 Borrowings

(In €million)	December 31, 2017			December 31, 2016 (*)		
	Current	Non-current	Total	Current	Non-current	Total
Bonds	-	900.0	900.0	-	900.0	900.0
Bank loans & NEU CP	550.0	330.0	880.0	-	580.0	580.0
Securitization	10.0	-	10.0	9.8	-	9.8
Finance leases	15.6	7.8	23.4	22.6	20.8	43.3
Other borrowings	136.2	3.5	139.7	146.5	8.8	155.2
Total borrowings	**711.8**	**1,241.3**	**1,953.0**	**178.8**	**1,509.5**	**1,688.4**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

Borrowings in currencies

The carrying amounts of the Group borrowings were denominated in the following currencies:

(In €million)	EUR	Other currencies	Total
December 31, 2017	**1,737.1**	**216.0**	**1,953.0**
December 31, 2016 (*)	1,548.9	139.5	**1,688.4**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

Value and effective interest rate of financial debt

The fair value of bank loans, which are primarily composed of variable interest rate loans, is considered to be equal to carrying value. For other elements of borrowings, carrying value is considered the best estimate of fair value, the difference between the fair value and the carrying value being not material.

Non-current borrowings maturity

(In €million)	2019	2020	2021	2022	>2022	Total
Bonds	-	600.0	-	-	300.0	900.0
Bank loans	-	-	330.0	-	-	330.0
Finance leases	3.7	1.9	1.4	0.2	0.7	7.8
Other borrowings	1.1	0.4	0.4	1.2	0.4	3.5
December 31, 2017	**4.7**	**602.4**	**331.8**	**1.4**	**301.1**	**1,241.3**

(In €million)	2018	2019	2020	2021	>2021	Total
Bonds	-	-	600.0	-	300.0	900.0
Bank loans	-	-	-	580.0	-	580.0
Finance leases	16.1	2.9	0.6	0.1	0.9	20.8
Other borrowings	8.8	-	-	-	-	8.8
December 31, 2016 (*)	**24.9**	**2.9**	**600.6**	**580.1**	**300.9**	**1,509.5**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

Assumptions retained regarding the presentation of the maturity of non-current borrowings

The valuation of financial liabilities has been conducted based on:

- exchange rates prevailing as of December 31, 2017; and
- interest rates presented hereafter.

The effective interest rates in 2017 were as follows:

(In €million)	Carrying value	Fair value	Effective interest rate
Bonds	900.0	900.0	2.24%
Bank loans & NEU CP	880.0	880.0	0.31%
Finance leases	23.4	23.4	3.93%
Securitization and Other borrowings	149.6	149.6	-
Total borrowings	**1,953.0**	**1,953.0**	

Change in net debt over the period

(In €million)	December 31, 2017	December 31, 2016 (*)
Opening net cash/(debt)	**328.7**	**545.8**
New borrowings	-588.7	-14.3
Bonds	-	-300.0
Repayment of long and medium-term borrowings	293.0	53.2
Variance in net cash and cash equivalents	433.4	87.1
New finance leases	-5.7	-8.6
Long and medium-term debt of companies sold during the period	-	-
Long and medium-term debt of companies acquired during the period	-5.1	-19.1
Impact of exchange rate fluctuations on net long and medium-term debt	-143.9	6.1
Profit-sharing amounts payable to French employees transferred to debt	-1.5	-0.8
Other flows related to financing activities	-2.8	-20.7
Closing net cash/(debt)	**307.4**	**328.7**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

Note 23 Fair value and characteristics of financial instruments

(In €million)	December 31, 2017		December 31, 2016	
	Assets	Liabilities	Assets	Liabilities
Forward foreign exchange contracts	7.6	-7.3	10.1	-8.9
Forward interest rate contracts	-	-	-	-
Analysed as :				
Non-current	-	-	0.1	-1.4
Current	7.6	-7.3	10.0	-7.5

The fair value of financial instruments is provided by an independant expert.

Interest rate risk

In 2017, bank loans of € 330.0 million as well as the Negotiable European Commercial Paper (NEU CP) program of € 550.0 million, and in 2016 bank, loans of € 580.0 million are arranged at floating rates, thus exposing the Group to cash flow interest rate risk. The Group may mitigate its interest rate exposure using interest rates swap contracts with financial institutions in order to fix the rate of a portion of the floating-rate financial debt. The fair value of the financial instruments used to hedge the floating-rate financial qualifies for cash flow hedge accounting.

Exposure to interest rate risk

The table below presents the interest rate risk exposure of the Group based on future debt commitments. The exposure at floating rate after hedging risk management is approximately € 1230.8 million as at December 31, 2017. A 1.0% rise in 1-month Euribor would impact positively the financial expense by € 12.3 million for one year assuming the structure (cash/floating debt/hedges) remains stable for the full period of the year.

(In €million)	Notes	Exposure Less than 1 year	More than 1 year	Total
Bank loans & NEU CP	Note 22	-550.0	-330.0	-880.0
Securitization	Note 22	-10.0	-	-10.0
Other		-57.8	-3.5	-61.3
Total liabilities		**-617.8**	**-333.4**	**-951.2**
Cash and cash equivalents	Note 18	2,260.1	-	2,260.1
Overdrafts		-78.1	-	-78.1
Total net cash and cash equivalents (*)		**2,182.1**	**-**	**2,182.1**
Net position before risk management		1,564.3	-333.4	1,230.8
Hedging instruments		-	-	-
Net position after risk management		**1,564.3**	**-333.4**	**1,230.8**
Bonds	Note 22	-	-900.0	-900.0
Finance Leases	Note 22	-15.6	-7.8	-23.4
Total net debt/cash after risk management				**307.4**

(*) Overnight deposits (deposit certificate) and money market securities and overdrafts

Liquidity risk

On September 29, 2016, Atos issued a Euro private placement bond of € 300.0 million with a seven-year maturity and with a 1.444% fixed interest rate. Atos and the bonds are unrated. There are no financial covenants.

On July 2, 2015 Atos issued a bond of € 600.0 million with a five-year maturity. The coupon rate is 2.375%. Atos and the bonds are unrated. There are no financial covenants.

On November 6, 2014, Atos signed with a number of major financial institutions a five-year € 1.8 billion credit facility maturing in November 2019 with an option for Atos to request the extension of the Facility maturity date until November 2021. The first option of extension for one year was exercised in 2015 and the second option of extension for one year has been exercised in 2016. Therefore, the new maturity of the € 1.8 billion credit facility is November 2021.

The revolving credit facility includes one financial covenant which under the terms is the consolidated leverage ratio (net debt divided by Operating Margin before Depreciation and Amortization) which may not be greater than 2.5 times.

In order to optimize financial expenses and improve Group liquidity management, a Negotiable European Commercial Paper (NEU CP) program has been implemented on June 2, 2017 for an initial maximum amount of € 900.0 million. This amount has been increased to € 1.2 billion in October 2017. The issuance of the Neu CP has been used essentially to reduce the utilization of the € 1.8 billion Revolving Facility. The outstanding amount of Neu CP was € 550.0 million as of December, 31, 2017 in addition to the Revolving Facility utilization of € 330.0 million

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

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

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

The calculation of the above-mentioned ratios as of December 31, 2017 is provided below:

Nature of ratios subject to covenants	Covenants	12 months ended 31 December 2017	12 months ended 31 December 2016 (*)
Leverage ratio (net debt/OMDA (**))	not greater than 2.5	-0.19	-0.24
Interest cover ratio (***) (operating margin/net cost of financial debt)	not lower than 4.0	54.75	55.31

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

(**) OMDA = Operating margin before non cash items

(***) applicable only to the Securitization program

Currency exchange risk

Atos operates in 73 countries. However, in most cases, Atos invoices in the country where the Group renders the service, thus limiting the foreign exchange risk. Where this is not the case, the Group generally uses hedging instruments such as forward contracts or foreign currency swaps to minimize the risk.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

(In €million)	2017	2016	2017	2016	2017	2016
	EUR		GBP		USD	
Assets	193.4	176.8	16.7	15.9	198.7	148.0
Liabilities	170.1	105.4	12.1	8.7	111.1	72.0
Foreign exchange exposure before hedging	23.3	71.4	4.6	7.2	87.7	76.0
Hedged amounts	-290.7	-208.1	-80.6	-62.4	-55.4	-45.9
Foreign exchange impact after hedging	**-267.4**	**-136.7**	**-76.1**	**-55.2**	**32.3**	**30.1**

Foreign currency sensitivity analysis

The Group is mainly exposed to the EUR, GBP and the USD.

The following table details the Group sensitivity to a 5% increase and decrease of the sensitive currency against the relevant functional currency of each subsidiary. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% increase in foreign currency rates.

(In €million)	2017	2016	2017	2016	2017	2016
	EUR		GBP		USD	
Income Statement	-13.4	-6.8	-3.8	-2.8	1.6	1.5

Hedge accounting

There is no material deviation between the maturity of the financial instruments and the period in which the cash flows are expected to occur.

As at December 2017, derivatives were all allocated to the hedging of transactional risks (foreign exchange currency risks). From an accounting point of view, most of the derivatives were considered as cash flow hedge instruments.

The breakdown of the designation of the instruments by currency is as follows:

(In € million) *Instruments*	December 31, 2017		December 31, 2016 (*)	
	Fair value	**Notional**	**Fair value**	**Notional**
Cash flow hedge				
Foreign exchange				
Forward contracts USD	-0.8	10.9	-4.4	45.1
Forward contracts GBP	-0.1	-5.4	-0.6	-11.3
Forward contracts INR	0.9	154.2	3.5	72.9
Forward contracts KRW	-	0.8	0.1	2.5
Forward contracts MXN	-0.4	8.1	0.6	20.4
Forward contracts MYR	-	-	-0.1	0.1
Forward contracts PLN	2.0	84.0	-1.3	52.3
Forward contracts PHP	-	9.1	0.1	2.5
Forward contracts RON	-0.4	34.8	-0.2	19.4
Forward contracts RUB	-0.2	8.4	0.4	2.5
Forward contracts MAD	0.7	27.3	0.8	25.1
Forward contracts CNY	-	2.4	0.0	2.6
Forward contracts DKK	-	0.8	0.1	2.9
Forward contracts CNH	-	-	-0.1	0.2
Forward contracts CHF	0.5	-9.6	-0.3	-13.3
Forward contracts TRY	-	-	-0.1	1.3
Forward contracts CZK	0.0	9.4	-	-
Forward contracts HUF	0.0	1.1	-	-
Option contracts JPY	-	-	0.0	0.3
Trading and fair value hedge				
Foreign exchange				
Forward contracts USD	-2.5	19.8	1.2	40.8
Forward contracts GBP	-	-3.8	-0.1	-2.5
Forward contracts INR	-0.1	9.3	1.6	13.4
Forward contracts MAD	-	1.5	0.0	2.2
Forward contracts CNY	-	1.0	-	0.4
Forward contracts DKK	0.1	1.0	0.0	0.4
Forward contracts CHF	-	-	0.0	-3.8
Forward contracts MYR	-	-	0.0	-0.7
Forward contracts BRL	-	-0.3	-	-
Forward contracts RON	-	5.4	0.0	1.0
Forward contracts PLN	0.4	16.3	-0.1	1.8
Forward contracts PHP	0.1	6.1	-	-
Forward contracts MXN	-0.3	5.5	0.1	2.5

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

The net amount of cash flow hedge reserve at December 31, 2017 was €+2.2 million (net of tax), with a variation of €+0.7 million (net of tax) over the year.

Note 24 Trade accounts and notes payable

(In € million)	December 31, 2017	December 31, 2016 (*)
Trade payables and notes payable	**2,060.0**	**2,064.2**
Net advance payments	-34.8	-36.6
Prepaid expenses	-365.8	-435.6
Net accounts payable	**1,659.4**	**1,592.0**
Number of days' payable outstanding (DPO)	**81**	**80**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

Note 25 Other current liabilities

(In € million)	December 31, 2017	December 31, 2016 (*)
Advances and down payments received on client orders	117.2	87.7
Employee-related liabilities	500.1	604.5
Social security and other employee welfare liabilities	213.7	224.5
VAT payable	411.0	391.0
Deferred income	527.5	735.5
Liabilities linked to intermediation activities	316.6	249.6
Other operating liabilities	292.3	346.6
Total	**2,378.4**	**2,639.4**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

Other current liabilities are expected to be settled within one year, except for deferred income that is released over the particular arrangement of the corresponding contract.

Note 26 Cash flow statement

Net long-term investments

(in € million)	12 months ended 31 December 2017	12 months ended 31 December 2016 (*)
Amounts paid for acquisitions and long-term investments		
First Data, Digital River and MRL Posnet	-218.8	-
Pursuit Healthcare and Healthcare companies	-80.1	-
Imakumo	-15.8	-
Siemens Convergence Creators (CVC)	-45.0	-
Xerox ITO	-	46.7
Unify	-	-346.5
Anthelio	-	-267.1
Paysquare	-	-113.2
Cataps	-	-26.9
Engage ESM	-	-31.3
Deposit	-	-2.2
Other	-51.1	-41.4
Total amounts paid for acquisitions and long-term investments	**-410.8**	**-782.0**
Cash and cash equivalents of companies purchased during the period		
First Data, Digital River and MRL Posnet	13.5	-
Imakumo	0.8	-
Unify	-	-64.2
Anthelio	-	14.2
Paysquare	-	39.3
Cataps	-	1.1
Equens	-	-2.4
Other	-0.3	-1.2
Total cash and cash equivalents of companies purchased during the period	**14.0**	**-13.2**
Proceeds from disposals of financial investments		
Paysquare Belgium	1.6	-
Cheque Service	0.1	-
Visa Share	-	35.6
Numergy	-	1.5
Deposit	3.3	2.4
Other	-	-
Total proceeds from disposals of financial investments	**5.0**	**39.5**
Cash and cash equivalents of companies sold during the period		
Cheque Service	-2.5	-
Other	-0.4	-0.7
Total Cash and cash equivalents of companies sold during the period	**-2.9**	**-0.7**
Dividend received from entities consolidated by equity method	1.5	1.5
Total dividend received from entities consolidated by equity method	**1.5**	**1.5**
Net long-term investments	**-393.2**	**-754.9**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

Note 27 Off-balance sheet commitments

Contractual commitments

The table below illustrates the minimum future payments for firm obligations and commitments over the coming years. Amounts indicated under the long-term borrowings and finance leases are posted on the Group balance sheet.

(In € million)	December 31, 2017	Maturing Up to 1 year	Maturing 1 to 5 years	Maturing Over 5 years	December 31, 2016 (*)
Bonds	900.0	-	600.0	300.0	900.0
Bank loans & NEU CP	880.0	550.0	330.0	-	580.0
Finance leases	23.4	15.6	7.1	0.7	43.3
Recorded on the balance sheet	**1,803.4**	**565.6**	**937.1**	**300.7**	**1,523.3**
Operating leases: land, buildings, fittings	1,133.6	158.7	652.6	322.3	1,006.5
Operating leases: IT equipment	180.4	30.2	150.2	0.0	173.0
Operating leases: other fixed assets	73.0	24.1	48.8	0.1	70.3
Non-cancellable purchase obligations (> 5 years)	62.0	0.0	55.8	6.2	65.1
Commitments	**1,449.0**	**213.0**	**907.4**	**328.6**	**1,314.9**
Total	**3,252.4**	**778.6**	**1,844.5**	**629.3**	**2,838.2**
Financial commitments received (Syndicated Loan)	1,470.0	-	1,470.0	-	1,220.0
Total received	**1,470.0**	**-**	**1,470.0**	**-**	**1,220.0**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

The received financial commitment refers exclusively to the non-utilized part of the € 1.8 billion revolving facility.

Commercial commitments

(In € million)	December 31, 2017	December 31, 2016 (*)
Bank guarantees	**283.1**	**266.1**
- Operational - Performance	192.7	209.8
- Operational - Bid	11.1	9.7
- Operational - Advance Payment	41.3	26.3
- Financial or Other	38.0	20.3
Parental guarantees	**4,998.2**	**5,690.3**
- Operational - Performance	4,388.8	4,935.2
- Financial or Other	609.4	755.1
Pledges	**2.3**	**6.6**
Total	**5,283.6**	**5,963.0**

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

For various large long term contracts, the Group provides performance guarantees to its clients. These guarantees amount to € 4,388.8 million as of December 31, 2017, compared with € 4,935.2 million at the end of December 2016. This decrease of € 546.4 million compare to last year is mainly due to the reduction of the amount of guarantees provided to the benefit of the US customers.

In relation to the multi-currency revolving facility signed in November 2014, Atos SE issued a parental guarantee to the benefit of the consortium of banks represented by BNP Paribas, in order to cover up to € 660.0 million the obligations of its subsidiaries, Atos Telco Services B.V. and Atos International B.V.

Atos SE has given a € 204.0 million guarantee to Ester Finance in relation to a securitization program involving certain of its subsidiaries.

Atos SE or Atos International B.V. have given guarantees of general financial support to various subsidiaries at the request of auditors or to comply with local regulations.

As part of the general agreement with Siemens in respect of the transfer of SIS UK pension liabilities, the Board of Atos SE, during its March 29, 2011 meeting, agreed to provide a 20 year guarantee to the Atos 2011 Pension Trust set up to accommodate the transfer. The maximum amount of the guarantee is GBP 200.0 million (€ 225.3 million).

In the framework of the UK Atos Pension Funds ("UK APF") indexation negotiations, the board of Atos SE, during its December 17, 2015 meeting, agreed to provide a parental guarantee to the Atos Pension Schemes Limited as trustee of the Atos Pension Fund. Under the said guarantee, Atos SE will guarantee the obligations of the sponsoring employers of the UK APF (currently Atos IT UK Limited and Atos IT Services UK Limited) to make certain payments to the UK APF. The maximum amount of the guarantee is GBP 150.0 million (€ 169.0 million).

In the framework of the Atos (SEMA) pension Scheme indexation discussions, the board of Atos SE, during its July 26th, 2016 meeting, agreed to provide a parental guarantee to the Atos Pension Schemes Limited as trustee of the Atos (SEMA) Pension Scheme. Under the said guarantee, Atos SE will guarantee the obligations of the sponsoring employers of the Atos (SEMA) Pension Scheme (currently Atos IT UK Limited and Atos IT Services UK Limited) to make certain payments to the Atos (SEMA) Pension Scheme. The maximum amount of the guarantee is GBP 350.0 million (€ 394.3 million).

In addition, in the framework of the Atos CS pension Scheme indexation discussions in UK, the Board of Atos SE, during its December 18, 2017 meeting, agreed to provide a parental guarantee to the Atos CS Scheme Limited as trustee of the Atos CS Pension Scheme. Under the said guarantee, Atos SE will guarantee the obligations of the sponsoring employers of the Atos CS Pension Scheme to make certain payments. The maximum amount of the guarantee is GBP 100 million (€ 113 million).

Note 28 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 SE and its subsidiaries, which are related parties of the Group, have been eliminated in consolidation and are not disclosed in this note.

No transactions between the Group and such entities or key management personnel have occurred in 2017.

Compensation of members of the Board of Directors as well as Senior Executive Vice-President

The remuneration of the key members of Management during the year is set out below:

(In € million)	**12 months ended 31 December 2017**	**12 months ended 31 December 2016**
Short-term benefits	7.2	7.3
Employer contributions & other taxes	1.4	1.8
Post-employment benefits	3.0	3.5
Equity-based compensation: stock options & free share plans	8.1	5.8
Total	**19.7**	**18.4**

Short-term benefits include salaries, bonuses and fringe benefits. Bonuses correspond to the total charge reflected in the income statement including the bonuses actually paid during the year, the accruals relating to current year and the release of accruals relating to prior year.

The employer contribution related to performance shares granted is due and calculated at the vesting date in accordance with the provisions of the "Macron" law. Thus, no employer contribution in respect of the performance shares granted in 2017 has been paid.

Note 29 Subsequent events

There are no subsequent events.

Note 30 Main operating entities part of scope of consolidation as of December 31, 2017

	% of Interest	Consolidation method	% of Control	Address
HOLDING				
Atos SE	Consolidation Parent Company			80, quai Voltaire – 95870 Bezons
Atos International B.V.	100	FC	100	Papendorpseweg 93 – 3528 BJ Utrecht – The Netherlands
Saint Louis Ré	100	FC	100	74, rue de Merl – L2146 Luxembourg
Atos International SAS	100	FC	100	80, quai Voltaire – 95870 Bezons
Bull SA	100	FC	100	Rue Jean Jaurès – 78340 Les Clayes-sous-Bois
FRANCE				
Atos Worldline SA	69.83	FC	100	80, quai Voltaire – 95870 Bezons
Atos Integration SAS	100	FC	100	80, quai Voltaire – 95870 Bezons
Diamis SA	100	FC	100	80, quai Voltaire – 95870 Bezons
Mantis SAS	63.60	FC	100	55, rue de Rivoli – 75001 Paris
Atos Infogérance SAS	100	FC	100	80, quai Voltaire – 95870 Bezons
Atos Consulting SAS	100	FC	100	80, quai Voltaire – 95870 Bezons
Atos Worldgrid	100	FC	100	80, quai Voltaire – 95870 Bezons
Yunano	70	FC	100	80, quai Voltaire – 95870 Bezons
Bull SAS	100	FC	100	Rue Jean Jaurès – 78340 Les Clayes-sous-Bois
Avantix SAS	100	FC	100	655, avenue Galilée – 13794 Aix en Provence
Evidian SA	100	FC	100	Rue Jean Jaurès – 78340 Les Clayes-sous-Bois
BlueKiwi Software SA	100	FC	100	80, quai Voltaire - 95870 Bezons
GERMANY				
Equens Worldline GmbH	44.41	FC	100	Hahnstraße 25 – 60528 Frankfurt – Germany
Atos Information Technology GmbH	100	FC	100	Otto-Hahn-Ring, 6 - 81739 Munich - Germany
Atos IT Dienstleistung und Beratung Gmbh	100	FC	100	Bruchstrasse 5 – 45883 Gelsenkirchen – Germany
Atos International Germany Gmbh	100	FC	100	Otto-Hahn-Ring 6 – 81739 Munich – Germany
Bull GmbH	100	FC	100	Von-der-wettern-straße, 27 – 51149 cologne – Germany
Energy4u GmbH	100	FC	100	Albert-Nestler Straße 17 – 76131 Karlsruhe – Germany
Atos IT Services GmbH	100	FC	100	Stinnes-Platz 1 45, 472 Mülheim an der Ruhr – Germany
Unify Deutschland Holding GmbH	100	FC	100	Mies-van-der-Rohe-Straße, 6 – 80807 Munich – Germany
Unify Deutschland GmbH & Co. KG[2]	100	FC	100	Mies-van-der-Rohe-Straße, 6 – 80807 Munich – Germany
Unify Software and Solutions GmbH & Co. KG[2]	100	FC	100	Mies-van-der-Rohe-Straße, 6 – 80807 Munich – Germany
Unify Communications and Collaboration GmbH & Co. KG[2]	100	FC	100	Mies-van-der-Rohe-Straße, 6 – 80807 Munich – Germany
Unify Patente Holding GmbH & Co. KG[2]	100	FC	100	Mies-van-der-Rohe-Straße, 6 – 80807 Munich – Germany
Unify GmbH & Co. KG[2]	100	FC	100	Mies-van-der-Rohe-Straße, 6 – 80807 Munich – Germany
Unify Beteiligungen GmbH & Co. KG[2]	100	FC	100	Mies-van-der-Rohe-Straße, 6 – 80807 Munich – Germany

Unify Beteiligungsverwaltung GmbH & Co. KG[2]	100	FC	100	Mies-van-der-Rohe-Straße, 6 – 80807 Munich – Germany
Unify Zwischenholding GmbH &Co. KG[2]	100	FC	100	Mies-van-der-Rohe-Straße, 6 – 80807 Munich – Germany
Unify Patente GmbH & Co. KG[2]	100	FC	100	Mies-van-der-Rohe-Straße, 6 – 80807 Munich – Germany
Atos Systems Business Services GmbH	100	FC	100	Rheinlanddamm 185 – 44139 Dortmund – Germany
Equens SE - Branch Germany	44.41	FC	100	Mainzer Landstraße 201 – 60326 Frankfurt am Main – Germany
BD POS GmbH	100	FC	100	Hörselbergblick 1 – 99820 Hörselberg-Hainich – Germany
THE NETHERLANDS				
Atos IT Systems Management Nederland B.V.	100	FC	100	Papendorpseweg 93 – 3528 BJ Utrecht – The Netherlands
Atos Telco Services B.V.	100	FC	100	Papendorpseweg 93 – 3528 BJ Utrecht – The Netherlands
Atos Worldline B.V.	69.83	FC	100	Wolweverstraat 18 – 2980 CD Ridderkerk – The Netherlands
Equens SE	44.41	FC	100	Eendrachtlaan 315 – 3526 LB Utrecht – The Netherlands
Stichting Derdengelden InterEGI	44.41	FC	100	Eendrachtlaan 315 – 3526 LB Utrecht – The Netherlands
PaySquare SE NL	100	FC	100	Eendrachtlaan 315 – 3526 LB Utrecht – The Netherlands
OTHER EUROPE - MIDDLE EAST - AFRICA				
Algeria				
Bull Algeria	100	FC	100	16 Rue Yehia El-Mazouni, El Biar – Algiers – Algeria
Austria				
Atos Information Technology GmbH	100	FC	100	Siemensstraße 92 – 1210 Vienna – Austria
Atos IT Solutions and Services GmbH	100	FC	100	Siemensstraße 92 – 1210 Vienna – Austria
TSG EDV-Terminal-Service GmbH	99	FC	100	Modecenterstraße 1 – 1030 Vienna – Austria
Unify GmbH	100	FC	100	Siemensstraße 92 – 1210 Vienna – Austria
Belgium				
Atos Belgium SA	100	FC	100	Da Vincilaan 5 – 1930 Zaventem – Belgium
Worldline NV/SA	69.83	FC	100	Chaussée de Haecht 1442 – B-1130 Brussel – Belgium
Unify Communications N.V.	100	FC	100	Demeurslaan, 132 – 1654 Beersel – Belgium
Bielorussia				
LLC ATOS IT Solutions and Services	100	FC	100	Ul Leonid BEDI, 11, BuildING 1 – 220040 Minsk – Belarus
Bulgaria				
Atos IT Solutions and Services EOOD	100	FC	100	Mladost – 1 Business Park Sofia Str, 4 – 1766 Sofia – Bulgaria
Unify Service Centre EOOD	100	FC	100	Mladost – 1 Business Park Sofia Str, 4 – 1766 Sofia – Bulgaria
Ivory Coast				
Bull Ivory Coast	100	FC	100	31 avenue Noguès – 01 BP 1580 Abidjan 01 – Ivory Coast
Denmark				
Atos IT Solutions and Services A/S	100	FC	100	Dybendalsvaenget 3 – 2630 Taastrup – Denmark

Croatia				
Atos IT Solutions and Services d.o.o	100	FC	100	Heinzelova 69 –10000 Zagreb – Republic of Croatia
Czech Republic				
Atos IT Solutions and Services s.r.o.	100	FC	100	14000 Praha 4 – Doudlebská 1699/5 – Czech Republic
Cataps	100	FC	100	Václavské náměstí 796/42, Nové Město – 110 00 Prague – Czech Republic
Gabon				
Bull Gabon	100	FC	100	Immeuble ex-Sonagar – Boulevard Bord-de-Mer – BP 2260 Libreville – Gabon
Greece				
Bull Integrated IT Solutions SA	100	FC	100	16, El. Venizelou ave. – 176 76 Kallithea – Greece
Finland				
Atos IT Solutions and Services oy	100	FC	100	Majurinkatu Kalkkipellontie 6 – 026050 Espoo – Finland
Hungary				
Atos Magyarország Kft	100	FC	100	Szépvölgyi ut 43 – H-1037 Budapest – Hungary
Ireland				
Atos IT Solutions and Services Limited	100	FC	100	Fitzwilliam Court – Leeson Close – 2 Dublin – Ireland
Italy				
Atos Italia S.p.A.	100	FC	100	Via Caldera no. 21 – 20158 – Milan – Italy
Lebanon				
Bull SAL	100	FC	100	69 Rue Jal el Dib – Secteur 1 – BP 60208 – 12412020 Metn – Lebanon
Latvia				
SIA Worldline Latvia (former First Data Latvia)	100	FC	100	Dzirnavu str. 37 – Rīga LV-1010 - Latvia
Lithuania				
UAB "Bull Baltija"	100	FC	100	40 Gostauto Street -01112 Vilnius - Lithuania
UAB Worldline Lietuva (former UAB First Data Lietuva)	100	FC	100	Ukmergės str. 220 - Vilnius - Lithuania
Luxembourg				
Atos Luxembourg PSF S.A.	100	FC	100	1, rue Edmond Reuter Contern -5326 Luxemburg
Madagascar				
Bull Madagascar SA	100	FC	100	12, rue Indira Gandhi - Tsaralalana BP 252 - Antananarivo - Madagascar
Morocco				
Atos IT Services	100	FC	100	Avenue Annakhil – Espace High-Tech – hall B 5th floor – Hayryad Rabat – Morocco
Atos ITS Nearshore Center Maroc SARL	100	FC	100	Casablanca Nearshore Park - 1100, Boulevard Al Quods Quartier Sidi Maarouf - Casablanca - Morocco
Bull Morocco	100	FC	100	Casablanca Nearshore Park - 1100, Boulevard Al Quods Quartier Sidi Maarouf - Casablanca - Morocco
Namibia				
Bull Information Technology Namibia Pty. Ltd.	100	FC	100	C/o Deloitte & Touche - Namdeb Center, 10 Bulow street – PO Box 47 – Windhoek – Namibia

Poland				
Atos Polska SA	100	FC	100	Krolewska 16 -00-103 Warsaw – Poland
Atos Global Delivery Center Polska Sp. z o.o. Sp. k.	100	FC	100	Ul. Woloska 5Postepu 18 X p. (Taurus Neptun Building) 02-675,676 Warsaw – Poland
Atos IT Solutions and Services SP. z.o.o.	100	FC	100	Ul. Woloska 5Postepu 18 X p. (Taurus Neptun Building) 02-675,676 Warsaw – Poland
Portugal				
Atos Soluções e Serviços para Tecnologias de Informação, Unipessoal, Ltda	100	FC	100	Rua Irmaos Siemens – 1 e 1-A – 2700,172 Amadora – Portugal
Romania				
Atos IT Solutions and Services s.r.l.	100	FC	100	Calea Floreasca 169A – Sector 1 – 014459 Bucharest – Romania
Bull Romania s.r.l	100	FC	100	12 A Burghelea Street, 2nd district – 024032 Bucharest – Romania
Russia				
Atos IT Solutions and Services LLC	100	FC	100	1st Kozhevnicheski per. 6, bld. 1 115114 Moscow – Russian Federation
Senegal				
Bull Senegal	100	FC	100	Avenue Malick Sy – Immeuble Batimat – BP 3183 Dakar – Senegal
Serbia				
Atos IT Solutions and Services d.o.o.	100	FC	100	Danila Lekica Spanca 31 – 11070 Belgrade – Serbia
South Africa				
Atos (PTY) Ltd	74	FC	100	204 Rivonia Road – Sandton private bag X 136 – Bryanston 2021 – South Africa
Spain				
Worldline Iberia SA	69.83	FC	100	Calle Albasanz 16 - 28037 Madrid - Spain
Atos Consulting Canarias, SA	100	FC	100	Calle Subida al Mayorazgo 24b 38110 – Santa Cruz de Tenerife – Spain
Atos, Sociedad Anonima Espanola	100	FC	100	Albarracin 25 – Madrid 28037 – Spain
Atos IT Solutions and Services Iberia SL	100	FC	100	Ronda de Europa, 5 – 28760 Madrid – Spain
Atos Worldgrid SL	100	FC	100	Real Consulado s/n – Poligono Industrial Candina – Santander 39011 – Spain
MSL Technology SL	100	FC	100	C/ Marqués de Ahumada – 7 – 28028 Madrid – Spain
Slovakia				
Atos IT Solutions and Services s.r.o.	100	FC	100	Einsteinova 11 – 851 01 – Bratislava – Slovakia
Sweden				
Atos IT Solutions and Services AB	100	FC	100	Johanneslundsvägen 12-14 – 194 87 Upplands Väsby – Sweden
Worldline Sweden AB (former Digital River World Payments AB)	100	FC	100	31 Textilgatan - 120 30 Stockholm - Sweden
Switzerland				
Atos AG	100	FC	100	Freilagerstrasse 28 – 8047 Zurich – Switzerland
Cambridge Technology Partners Ltd	100	FC	100	Chemin de Précossy 27 – 1260 Nyon – Switzerland
Turkey				
Atos Bilisim Danismanlik ve Musteri Hizmetleri Sanayi ve Ticaret A/S	99.92	FC	100	Yakacık Caddesi No: 111 – 18, 34870, Kartal, Istanbul – Turkey

United Arab Emirates - Dubai				
Atos FZ LLC	100	FC	100	Office G20 – Building DIC-9 Dubai Internet City – PO Box.500437 – Dubai – United Arab Emirates
ATOS FZ LLC Abu Dhabi Branch	100	FC	100	The One Tower – Barsha Heights (TECOM) – PO Box 500437 – Dubai – United Arab Emirates
Saudi Arabia				
Atos Saudia	49	PC	49	P. O. Box # 8772 – Riyadh –11492 – Kingdom of Saudi Arabia
Qatar				
ATOS QATAR LLC	100	FC	100	Sheikh Suhaim bin Hamad Street – No.89858 – Doha – Qatar
Egypt				
Atos IT SAE	100	FC	100	50 Rue Abbass El Akkad – Nasr city- Cairo – Egypt
THE UNITED KINGDOM				
Atos Consulting Limited	100	FC	100	4 Triton Square – Regent's Place – London, NW1 3HG – United Kingdom
Atos IT Services Limited	100	FC	100	4 Triton Square – Regent's Place – London, NW1 3HG – United Kingdom
Atos IT Solutions and Services Limited	100	FC	100	4 Triton Square – Regent's Place – London, NW1 3HG – United Kingdom
Atos UK Holdings Limited	100	FC	100	4 Triton Square – Regent's Place – London, NW1 3HG – United Kingdom
Atos Esprit Limited	95	FC	100	4 Triton Square – Regent's Place – London, NW1 3HG – United Kingdom
Shere Limited	100	FC	100	4 Triton Square – Regent's Place – London, NW1 3HG – United Kingdom
Atos Scotland GP Limited	100	FC	100	Collins House, Rutland Square – Edinburgh, EH1 2AA – United Kingdom
Atos Scotland LP[1]	100	FC	100	Collins House, Rutland Square – Edinburgh, EH1 2AA – United Kingdom
Atos APF Scotland GP Limited	100	FC	100	3 Ponton Street – Edinburgh, EH3 9QQ – United Kingdom
Atos APF Scotland LP[1]	100	FC	100	3 Ponton Street – Edinburgh, EH3 9QQ – United Kingdom
Atos ASPS Scotland GP Limited	100	FC	100	3 Ponton Street – Edinburgh, EH3 9QQ – United Kingdom
Atos ASPS Scotland LP[1]	100	FC	100	3 Ponton Street – Edinburgh, EH3 9QQ – United Kingdom
Atos BPS Ltd	100	FC	100	4 Triton Square – Regent's Place – London, NW1 3HG – United Kingdom
Atos IT Outsourcing Services Limited	100	FC	100	Hortonwood 37, Telford, Shrops TF1 7GT – Telford, Shropshire – United Kingdom
Atos UK Holdings Ltd	100	FC	100	4 Triton Square – Regent's Place – London, NW1 3HG – United Kingdom
Atos International IT Holdings Ltd	100	FC	100	4 Triton Square – Regent's Place – London, NW1 3HG – United Kingdom
Atos Restaurant Technology Services UK Limited	100	FC	100	4 Triton Square – Regent's Place – London, NW1 3HG – United Kingdom
Unify Enterprise Communications Limited	100	FC	100	Brickhill Street, Willen Lake, MK15 0DJ – United Kingdom
Engage ESM Holding Ltd	100	FC	100	4 Triton Square – Regent's Place – London, NW1 3HG – United Kingdom
Engage ESM Ltd	100	FC	100	4 Triton Square – Regent's Place – London, NW1 3HG – United Kingdom

ASIA PACIFIC				
Australia				
Atos (Australia) Pty. Ltd	100	FC	100	885 Mountain Highway 3153 Bayswater – Victoria – Australia
China				
Atos Covics Business Solutions Ltd	100	FC	100	No. 1 Building – No. 99, Qinjiang Rd-Shanghai – China
Atos Information Technology (China) Co. Ltd	100	FC	100	Room 05.161 – Floor 5 – Building E – No. 7 – Zhonghuan Nanlu – Wangjing – Chaoyang District – Beijing – China
Atos Worldgrid Information Technology (Beijing) Co Ltd	100	FC	100	Room 05.162 – Floor 5 – Building E – No. 7 – Zhonghuan Nanlu – Wangjing – Chaoyang District – Beijing – China
Bull Information Systems (Beijing) Co. Ltd	100	FC	100	11/F, Jing Guang Centre Office – Building Hu Jia Lou Chao Yang District – 100,020 Beijing P.R – China
RTS Information Consulting (Chengdu) Co. Ltd	100	FC	100	99# Tianhua Yilu of High-Tech 610041 Chengdu – China
Hong Kong				
Atos Information Technology HK Ltd	100	FC	100	8/F Octa Tower – 8 Lam Chak Street – Kowloon Bay – Kowloon – Hong Kong
Bull Information Systems (Hong Kong) Limited	100	FC	100	RM 1401 – Hutchison House – 10, Harcourt Road – Hong Kong
India				
Atos India Private Limited	100	FC	100	Godrej & Boyce Complex – Plant 5 – Pirojshanagar – LBS Marg – Vikhroli(W) – Mumbai 400079 – India
Worldline India Private Ltd	69.83	FC	100	701, Interface 11 – Malad (West) – Mumbai 400064 – India
Atos IT Services Private Limited	99.99	FC	100	Inv Buil Inter Techn Prk Witfd – 560066 Bangalore – India
Anthelio Business Technologies Private Limited	99.99	FC	100	Level 1, Part A of Tower1,Phase 2, SY.NO 115 (Part) Waverock, APIIC IT\ITES SEZ, Nanakramguda Serilingampally Mandal – Hyderabad Telangana 500008 – India
MRL Posnet Private Limited	100	FC	100	Sunny Side Central Block - 8/17, Shafee Mohamed Road - B Block 1st Floor, Nungambakkam – Chennai 600034 Tamil Nadu - India
Indonesia				
PT Worldline International Indonesia	69.83	FC	100	Wisma Keiai #1707 – Jalan Jenderal Sudirman Kav 3 – Jakarta 10220 – Indonesia
Japan				
Atos KK	100	FC	100	20 F, Shinjuku ParkTower – Nishi Shinjuku 3 -7 -1 – Shinjuku - ku – Tokyo – Japan
Evidian-Bull Japan KK	100	FC	100	Cerulean Tower 15F – 26-1 Sakuragaoka-cho – Shibuya-ku – Tokyo – Japan
Malaysia				
Atos Services (Malaysia) SDN BHD	100	FC	100	16-A (1st Floor) Jalan Tun Sambanthan – 3 Brickfields -50470 Kuala Lumpur – Malaysia
Philippines				
Atos Information Technology Inc.	99.94	FC	100	23/F Cyber One Building – Eastwood City – Cyberpark – 1110 Libis, Quezon City – Philippines
Atos Global Delivery Center Philippines, Inc.	100	FC	100	8th Floor, Two E-Com Center, Palm Coast Ave., Mall of Asia Complex, 1110 Pasay City – Philippines

Singapore				
Atos Information Technology (Singapore) Ptd Ltd	100	FC	100	620A Lorong 1 Toa Payoh – TP4 Level 5 – 319762 Singapore
Taiwan				
Atos (Taiwan) Ltd	100	FC	100	5F, No. 100, Sec. 3, Min Sheng E. Road – Taipei 105 – Taiwan – R.O.C.
Thailand				
Atos IT Solutions and Services Ltd	100	FC	100	2922/339 Charn Issara Tower II -36th Floor – New Petchburi Road – Bangkapi – Huay Kwang -10310 Bangkok – Thailand
AMERICAS				
Argentina				
Atos Argentina SA	100	FC	100	Cnel. Manuel Arias 3751, piso 18, PB, C.A.B.A. – C1430DAL – Argentina
Atos IT Solutions and Services SA	69.83	FC	100	Cnel. Manuel Arias 3751, piso 18, PB, C.A.B.A. – C1430DAL – Argentina
Bull Argentina SA	100	FC	100	Manuela Saenz 323 5to. Piso Of. 506 – C 1107 bpa – Buenos aires – Argentina
Brazil				
Atos Brasil Ltda	100	FC	100	Rua Werner Von Siemens, 111 – Prédio 6 – Lapa – São Paulo – SP – CEP 05069-900 – Brazi
Atos Serviços de Tecnologia da Informação do Brasil Ltda	100	FC	100	Rua Werner Von Siemens, 111 – Prédio 6 – Lapa – São Paulo – SP – CEP 05069-900 – Brazil
Atos Soluçoes e Serviços de tecnologia da informaçao LTDA	100	FC	100	Rua Werner Von Siemens, 111 – Prédio 6 – Lapa – São Paulo – SP – CEP 05069-900 – Brazil
Bull Ltda.	100	FC	100	Rua Werner Von Siemens, 111 – Prédio 6 – Lapa – São Paulo – SP – CEP 05069-900 – Brazil
Unify - Soluções em Tecnologia da Informação Ltda.	100	FC	100	Avenia Iguaçu, 2820 - Edifício Iguaçu 2820 - Escritório 41, Sala 01, Água Verde - Curitiba - Brazil
Canada				
Atos Inc.	100	FC	100	6375 Shawson Drive – L5T 1S7 Mississauga – Ontario – Canada
Amesys Canada Inc.	100	FC	100	1 place Ville-Marie – H3B 2C4 Montreal – Quebec – Canada
Chile				
Worldline Chile S.A	69.83	FC	100	Avenida Providencia 1760 Andres Bello 2115, Comuna de Providencia – 7510094 Santiago de Chile – Chile
Colombia				
Atos IT Solutions and Services S.A.S	100	FC	100	Carrera 65 No. 11-83 Piso 3º - Bogotá – Colombia
Mexico				
Atos IT Business services S de RL de CV	100	FC	100	Avenida Santa Fe No. 505 Piso 9 – Colonia Cruz Manca Santa Fe Delegación Cuajimalpa de Morelos – Código Postal 05349 – México Distrito Federal – Mexico
Atos Global Delivery Center México, S. de R.L. de C.V.	99.90	FC	100	Avenida Insurgentes Sur, Int. 01020 Localidad Alvaro Obregón – Mexico

The United States of America				
Atos IT Outsourcing Services, LLC	100	FC	100	North Haskell Avenue 75204 Dallas – United States of America
Atos Governmental IT Outsourcing Services, LLC	100	FC	100	North Haskell Avenue 75204 Dallas – United States of America
Atos Healthcare Services, LLC	100	FC	100	North Haskell Avenue 75204 Dallas – United States of America
Unify Inc	100	FC	100	Broken Sound Boulevard N.W., 5500, 33487 Boca Raton – United States of America
Anthelio Global Inc.	100	FC	100	One Lincoln Centre, Suite 200 5400 LBJ Freeway 75204 Dallas – United States of America
Atos Digital Health Solutions	100	FC	100	One Lincoln Centre, Suite 200 5400 LBJ Freeway 75204 Dallas – United States of America
Pyramid Healthcare Solutions Inc.	100	FC	100	P.O. Box 17389, Clearwater, Floride 33762 – United States of America
Evidian Systems Inc.	100	FC	100	285 Billerica Road, Suite 200 - Chelmsford, MA 01824-4174 – United States of America
Uruguay				
Bull Uruguay SA	100	FC	100	Av. Dr Luis A. de Herrera, 2802 -1160 Montevideo – Uruguay

1 *The Group has an interest in three Scottish limited partnerships, which are fully consolidated into these Group financial statements. The Group has taken advantage of the exemption conferred by Regulation 7 of the Partnerships (Accounts) Regulations 2008 under United Kingdom law, and therefore separate accounts for the partnerships are not required to be, and have not been, filed at Companies House in the United Kingdom.*

2 *The Group has an interest in nine German companies, which are fully consolidated into these Group financial statements. The companies have made use of the stipulations available under § 264b of the German Commercial Code (HGB). It exempts these legal entities from the requirement to disclose separate audited financial statements as of 30 September 2017 and 31 December 2017, since they are included in the Consolidated Financial Statements of the ultimate parent company (Atos SE) and such Consolidated Financial Statements for the full year of 2017 are registered with the trade register of the particular entity. Unify Deutschland GmbH & Co. KG has ceased as of 30 December 2016 following a Global Succession i.e. "Aufspaltung".*

Note 31 Auditors' fees

(In €thousand and %)	Deloitte				Grant Thornton			
	Deloitte & Associés		Other Deloitte members firms		Grant Thornton		Other Grant Thornton members firms	
	Fees	%	Fees	%	Fees	%	Fees	%
Audit and limited review of individual and consolidated financial statements								
Parent company	1,258.0	56%	-	-	1,005.0	58%	-	-
Subsidiaries	811.0	36%	3,478.0	84%	707.0	41%	2,828.0	99%
Sub-total Audit	**2,069.0**	**92%**	**3,478.0**	**84%**	**1,712.0**	**99%**	**2,828.0**	**99%**
Non audit services								
Parent company	95.0	4%	239.0	6%	-	-	-	-
Subsidiaries	73.0	3%	439.0	11%	14.0	1%	38.0	1%
Sub-total Non Audit	**168.0**	**8%**	**678.0**	**16%**	**14.0**	**1%**	**38.0**	**1%**
Total fees 2017	**2,237.0**	**100%**	**4,156.0**	**100%**	**1,726.0**	**100%**	**2,866.0**	**100%**

In 2017, non audit services related to services provided at the Company's request and notably correspond to (i) certificates and reports issued as independent third party on the human resources, environmental and social information pursuant to article of the French Commercial Code, (ii) due diligence, and (iii) tax services, authorized by local legislation, in some foreign subsidiaries

(In €thousand and %)	Deloitte				Grant Thornton			
	Deloitte & Associés		Other Deloitte members firms		Grant Thornton		Other Grant Thornton members firms	
	Fees	%	Fees	%	Fees	%	Fees	%
Audit and limited review of individual and consolidated financial statements								
Parent company	1,354.0	55%	-	-	934.0	56%	-	-
Subsidiaries	925.0	38%	3,639.0	53%	718.0	43%	2,889.0	99%
Sub-total Audit	**2,279.0**	**93%**	**3,639.0**	**53%**	**1,652.0**	**99%**	**2,889.0**	**99%**
Non audit services								
Parent company	95.0	4%	1,504.0	22%	-	-	-	-
Subsidiaries	81.0	3%	1,681.0	25%	13.0	1%	38.0	1%
Sub-total Non Audit	**176.0**	**7%**	**3,185.0**	**47%**	**13.0**	**1%**	**38.0**	**1%**
Total fees 2016	**2,455.0**	**100%**	**6,824.0**	**100%**	**1,665.0**	**100%**	**2,927.0**	**100%**

In 2016, non audit services related to services provided at the Company's request and notably correspond to (i) certificates and reports issued as independent third party on the human resources, environmental and social information pursuant to article of the French Commercial Code, (ii) due diligence and audit and/or agreed upon procedures reports issued for the purpose of the transaction with Equens, and (iii) tax services, authorized by local legislation, in some foreign subsidiaries

B.5 Parent company summary financial statements

B.5.1 Statutory auditors’ report on the financial statements for the year ended December 31, 2017

This is a translation into English of the statutory auditors’ report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors’ report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the annual general meeting of Atos Company,

Opinion

In compliance with the engagement entrusted to us by your general meetings, we have audited the accompanying financial statements of Atos Company for the year ended December 31, 2017.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2017 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "*Statutory Auditors' Responsibilities for the Audit of the Financial Statements*" section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2017 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in the French Code of ethics (*code de déontologie*) for statutory auditors.

Justification of Assessments

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*code de commerce*) relating to the justification of our assessments, we inform you of the following assessments that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of participating interests

Note 'Accounting rules and policies – Financial assets' of consolidated financial statements and Note 3 "Financial assets"

Key Audit Matter	Our audit approach
As of December 31, 2017, Participating interests are recorded on the balance sheet at a net book value of € 6,281.7 million, or 75% of total assets. Participating interests are initially booked at their acquisition cost. An impairment loss is recognized when the acquisition cost exceeds the value-in-use determined as follows: • on the basis of their part of interest in shareholding equities for the holding subsidiaries. • on the basis of the enterprise value for the operational subsidiaries based on cash flow forecasts; We considered the valuation of participating interests as a key audit matter, given the weight of these assets in the balance sheet and the importance of management's judgments in the determination of cash flow assumptions.	Our assessment of the valuation of participating interests is based on the process implemented by the Company to determine their value-in-use. We performed the following procedures: • For valuation based on historical value, we verified the consistency of the part of interest in the investment's shareholder equity as calculated by the Company with the financial statements of the related entities. • For valuation based on forecasts: - obtain the cash flow forecasts of the entities concerned and reconcile them with the three year financial plan per Cash Generating Unit (CGU) used by Management as part of the Group's goodwill impairment tests; - analyze the consistency of the assumptions used with the performance history of the Group the CGUs and the entities, and confirm through interviews with Management and other procedures, future growth prospects.

Verification of the Management Report and of the Other Documents Provided to Shareholders

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

Information given in the management report and in the other documents provided to Shareholders with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and consistency with the financial statements of the information given in the management report and in the other documents provided to Shareholders with respect to the financial position and the financial statements.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code (code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on this work, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a public purchase or exchange offer, provided pursuant to Article L. 225-37-5 of the French Commercial Code, we have verified their compliance with the source documents communicated to us. Based on our work, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Appointment of statutory auditors

We have been appointed as statutory auditors of the Company by your general meetings of December 16, 1993 for Deloitte & Associés, and October 31, 1990 for Grant Thornton.

As at December 31, 2017, Deloitte & Associés was in its 24th year mandate, without any interruption, and for Grant Thornton in its 27th year mandate, without any interruption, and for both statutory auditors, on 22 years of exercise of mandate since the Company securities had been admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine, February 21, 2018

The statutory auditors

French original signed by

Deloitte & Associés	Grant Thornton *French member of Grant Thornton International*
Jean-Pierre Agazzi	Virginie Palethorpe

B.5.2 Statutory auditors' special report on regulated agreements and commitments with third parties – Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2017

This is a free translation into English of the statutory auditors' special report on regulated agreements and commitments that is issued in the French language and is provided solely for the convenience of English speaking users. This report on regulated agreements should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements and commitments with third parties.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms, the conditions and the reasons for the Company's interest of those agreements and commitments brought to our attention or which we may have discovered during the course of our audit, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements and commitments, if any. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code (*Code de Commerce*), to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

Our role is also to provide you with the information provided for in Article R. 225-31 of the French Commercial Code in respect of the performance of the agreements and commitments, already authorized by the Shareholders' Meeting and having continuing effect during the year, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

Agreements and commitments submitted for approval to the Shareholders' meeting

Agreements and commitments authorized during the year

We hereby inform you that we have not been advised of any agreement or commitment authorized during the year to be submitted to the approval of the Shareholders' Meeting pursuant to article L. 225-38 of the French Commercial Code.

Agreements and commitments already approved by the Shareholders' meeting

1. Agreements and commitments approved in prior years

A. whose implementation continued during the year

Pursuant to Article R. 225-30 of the French Commercial Code (*Code de Commerce*), we have been informed that the following agreements and commitments, already approved by the Shareholders' Meeting in previous years, continued during the year.

With Siemens AG, shareholder holding more than 10% of the voting rights

Director concerned: M. Roland Busch, Director of Atos SE and member of the Management Board of Siemens AG

a. Amendment to the Customer Relationship Agreement entered into with Siemens AG

On May 20, 2011, Atos SE and Siemens AG entered into a commercial agreement (hereafter the "*Customer Relationship Agreement*") regarding their future provider-customer relationship. The initial term of the contract was 7 years and Siemens committed to a certain volume of services (€5.5 billion).

On October 28, 2015, subject to the condition precedent of the authorization by your Board of Directors, Atos SE and Siemens AG entered into an agreement called "*Third Amendment Agreement to the Customer Relationship Agreement*", for the purpose of amending the *Customer Relationship Agreement* mainly as follows:

(i) extend the term of the *Customer Relationship Agreement* for an additional period of 3.5 years, and in this context, increase the minimum volume of services to which Siemens remains committed towards Atos by an additional amount of €3.23 billion (i.e. a contract length extended until December 31, 2021, and a total amount of services of €8.73 billion to which Siemens remains committed);

(ii) in addition to managed services, application management and systems integration projects included in the initial contract, include in the scope of the *Customer Relationship Agreement* Cloud, industrial data analytics, and cyber-security services.

The Board of Directors authorized this agreement at its meeting of November 3, 2015 and therefore satisfied the condition precedent. This same agreement was approved by the Shareholders' Meeting on May 26, 2016.

This agreement continued during the year ended December 31, 2017, your Company considering that volumes recorded during fiscal year 2017 between the group Atos and the group Siemens do not question the achievement of these commitments by December 31, 2021.

b. Amendment to the Lock-Up Agreement entered into with Siemens AG

On May 20, 2011, Atos SE, Siemens AG and Siemens Beteiligungen Inland GmbH ("Siemens Inland") entered into a lock-up agreement (hereafter the "*Lock-Up Agreement*") which provides for a lock-up undertaking of Siemens AG and Siemens Inland on the participating interests held by Siemens Inland in the share capital of Atos SE (12,483,153 shares) until June 30, 2016 (hereafter the "*Lock-Up Period*"). Siemens Inland transferred this shareholding in the share capital of Atos SE to Siemens AG in December 2013.

In the context of the strengthening of the partnership between Atos and Siemens, as announced by the parties in July 2015, Atos SE, Siemens AG and Siemens Inland entered, on October 30, 2015, into an agreement called "*Amendment to the Lock-Up Agreement*", subject to the condition precedent of the authorization by the Board of Directors of the Company, for the purpose of amending the *Lock-Up Agreement* as follows:

(i) extend the maturity date of the *Lock-Up Period* until September 30, 2020 (i.e. an additional lock-up period of 4 years and 3 months) ;

(ii) provide for the possibility for Siemens AG or Siemens Inland, as from July 1, 2016, to transfer the shares to two Siemens employees' pension funds named Siemens Pension Trust e.V. and BSAV-Trust e.V. (or to any investment fund or investment vehicle in which - directly or indirectly - either or both of these pension trusts invest their assets provided that these pension trusts are the only investors), subject to such transferee agreeing to abide by the *Lock-Up Agreement*.

The Board of Directors authorized this agreement at its meeting of November 3, 2015 and therefore satisfied the condition precedent. This same agreement was approved by the Shareholders' Meeting on May 26, 2016.

This agreement continued during the year ended December 31, 2017.

B. which were not implemented during the year

Furthermore, we have been informed that the following agreements and commitments, already approved by the Shareholders' Meeting in previous years, were not implemented during the year.

Commitment concluded with Mr. Thierry Breton, Chairman and Chief Executive Officer related to the supplementary defined benefit pension plan

All Executive Committee members of Atos Group, including the Chairman and Chief Executive Officer, provided that they finish their career at Atos SE or Atos International SAS, benefit from a supplementary defined benefit pension plan. The implementation of this pension plan for the benefit of the current Chairman and Chief Executive Officer, Mr. Thierry Breton, was authorized by the Board of Directors on March 26, 2009, approved by the Shareholders' Meeting on May 26, 2009 and then confirmed by the Board of Directors on December 17, 2009.

Amendments (cap on the rights granted, performance conditions) have been brought to the defined benefit pension plan, and are described in an agreement whose implementation to the benefit of the Chairman and Chief Executive Officer was previously authorized by the Board of Directors at its meeting of March 26, 2015 and approved by the Shareholders' Meeting on May 28, 2015.

The Board of Directors, at its meeting of November 24, 2016, acknowledged the compliance of the commitment with the Macron law (cap on the rights granted, performance conditions) and authorized its continuance, without any modification, in the context of the renewal of the term as Chairman and Chief Executive Officer of Mr. Thierry Breton. The continuance of this commitment was approved by the Combined Shareholders' Meeting on December 30, 2016, based on the Statutory Auditors' special report dated December 9, 2016.

The main characteristics of this amended pension scheme with defined benefits are presented hereafter:

a) Conditioning the acquisition of rights under the supplementary pension scheme to performance conditions determined by the Board of Directors:

The Board of Directors has decided to condition the acquisition of rights under the supplementary pension scheme to performance conditions under the following conditions:

- These performance conditions will be set annually by Atos SE's Board of Directors which may in particular refer to the performance conditions contained in stock option plans or free shares plans or to any other condition which it will consider relevant.
- The Board of Directors checks on a yearly basis, prior to the Shareholders' Meeting convened to rule on the financial statements for the last financial year, that the conditions were indeed fulfilled and determines the increase of conditional rights in favor of Mr. Thierry Breton for the said financial year.
- Entire calendar quarters for periods after January 1, 2015 are only be taken into account to assess the amount of the additional pension if they relate to a year during which the performance conditions set by the Board of Directors will have been achieved. Failing that, the corresponding quarters will not be taken into account to determine the additional pension.
- The periods prior to January 1, 2015 are also subject to performance conditions and will only be taken into account to determine the amount of the additional pension if for each year, the performance conditions then set by the Board of Directors, either for the vesting of stock-options plans or for the vesting of free performance shares plans, were met.

Moreover, for the award of the additional annuity it is expected that at least two-thirds of the years are validated under the performance conditions here above mentioned, during Mr. Thierry Breton's membership in the Executive Committee while performing his various terms of office. The Board of Directors will meet at the end of the term of office of the concerned person to verify whether this two-thirds requirement is satisfied. If that is the case, Mr. Thierry Breton will hence automatically enjoy an additional pension. Failing that, he will not be provided with any additional annuity.

b) Other characteristics of the scheme:

- The membership requirement at the Executive Committee level is five years.
- The minimum age to benefit from the scheme is aligned on the statutory retirement age set by article L.161-17-2 of the French Social Security Code (Code de la sécurité sociale).
- The age for liquidation of the supplementary pension is the age at which the person may liquidate his full pension under the general scheme. This age cannot in any case be less than the one foreseen in article L 161-17-2 of the French Social Security Code.

c) Terms and conditions for determining the amount of Mr. Thierry Breton's additional pension:

The annual additional pension amounts to 0.625% of the reference compensation per entire calendar quarters of seniority recognized by the scheme. The reference compensation is the average of the last sixty monthly compensation multiplied by twelve.

For the assessment of this reference compensation, only the followings are taken into account:

- The basic compensation of the Executive Director;
- The annual on-target bonus actually paid to the Executive Director excluding any other form of variable compensation. This annual bonus is taken into account within the cap of 130% of the basic compensation.

d) Cap of Mr. Thierry Breton's additional pension:

The amount of the annual supplementary pension paid under the present scheme to Mr. Thierry Breton cannot exceed the difference between:

- 33% of the reference compensation above mentioned,
- and the annual amount of the basic additional and supplementary pensions.

No right has been definitively acquired for the benefit of the Chairman and Chief Executive Officer during the year ended December 31, 2017.

2. Agreements and commitments approved during the year

We have also been informed of the execution, during the year, of the following agreement, already approved by the Shareholders' Meeting on May 24, 2017, based on the Statutory Auditors' special report of March 30, 2017.

With Ms. Aminata Niane, Director of Atos SE

At its meeting of March 26, 2015, the Board of Directors decided to entrust Ms. Aminata Niane, in her capacity as director, with a specific mission concerning the Atos group's operations in West Africa and Morocco, considering that following the acquisition of Bull and given the Bull's positions in West Africa, which constitute launching sites for Atos' activities as Atos was not settled in this region, it was in the Atos SE's interest to benefit from the long-standing experience in the region of Ms. Aminata Niane.

Ms. Aminata Niane's mission consists in proceeding to visits aimed at encouraging the coordination of initiatives of Atos and Bull's teams located in West Africa and Morocco, the integration of Bull's activities in this region into the Atos Group, in accordance with its governance and compliance rules, and the implementation of synergies and costs reductions. She also supports the commercial teams on clients' strategy and monitor the setting up, in Dakar (Senegal), of the IT Services Platform (Global Delivery Center) for West Africa.

For this mission, Ms. Aminata Niane receives an annual flat-rate compensation of €50,000. If required, a prorata temporis adjustment is applied considering the starting and ending dates of the assignment. The costs, in particular travel expenses, required by the mission, are borne by Atos SE.

The duration of the mission shall be one year, extendable if required by decision of the Board of Directors, depending on the achievement of the mission within the proposed framework.

On February 23, 2016, the Board of Directors decided that the specific mission, entrusted to Ms. Aminata Diane and previously authorized at its meeting of March 26, 2015, will start as from March 1, 2016.

Given the state of completion of the works engaged by Ms. Aminata Diane, the Board of Directors decided at its meeting of February 21, 2017, to extend this mission entrusted to Ms. Aminata Diane for an additional 12-month period from March 1, 2017. This extension of the mission was approved by the Shareholders' Meeting on May 24, 2017.

The conditions to carry out the mission, especially the reimbursement of travel expenses, as part of its extension, remain unchanged as compared to those decided by the Board of Directors at its meeting of March 26, 2015, and approved by the Shareholders' Meeting on May 26, 2016.

The compensation for the year ended December 31, 2017 amounts to € 58,333.

Neuilly-sur-Seine, February 21, 2018

The statutory auditors

French original signed by

Deloitte & Associés	Grant Thornton *French member of Grant Thornton International*
Jean-Pierre Agazzi	Virginie Palethorpe

B.5.3 Atos SE Financial statement

As of December 31, 2017, the Group issued common stock amounted to €105.4 million comprising 105 445 349 fully paid-up shares of € 1 per value each. Atos shares are traded on the Paris Euronext market under ISIN FR0000051732. The shares are not listed on any other stock exchange. Worldline SA shares are also traded on the Paris Euronext market and Atos SE and Worldline SA are the only listed companies of the Group.

B.5.3.1 Balance sheet

(in € thousand)	**Notes**	**December 31, 2017**	**December 31, 2016**
ASSETS			
Intangible fixed assets	Note 1	**0**	0
Tangible fixed assets	Note 2	**0**	0
Participating interests	Note 3	6,281,660	5,342,013
Other financial investments	Note 3	584,136	577,766
Total fixed assets		**6,865,796**	**5,919,780**
Advances and down payments		307	307
Trade accounts and notes receivable	Note 4	35,791	59,908
Other receivables	Note 4	904,162	579,199
Cash and cash equivalent	Note 5	600,774	578,830
Total current assets		**1,541,035**	**1,218,244**
Prepayments, deferred expenses	Note 6	26,844	16,705
TOTAL ASSETS		**8,433,675**	**7,154,729**

(in € thousand)	**Notes**	**December 31, 2017**	**December 31, 2016**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Common stock		105,445	104,909
Additional paid-in capital		2,871,855	2,844,736
Legal reserves		10,491	10,352
Other reserves and retained earnings		816,257	954,499
Net income for the period		166,990	29,462
Shareholders' equity	**Note 7**	**3,971,037**	**3,943,957**
Provisions for contingencies and losses	**Note 8**	**37,290**	**29,751**
Borrowings	Note 9	2,479,328	2,311,892
Trade accounts payable	Note 10	21,889	12,583
Other liabilities	Note 10	1,904,075	849,791
Total liabilities		**4,405,291**	**3,174,266**
Unrecognised exchange gains	Note 11	20,057	6,755
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**8,433,675**	**7,154,729**

B.5.3.2 Income statement

(in € thousand)	Notes	December 31, 2017	December 31, 2016
Revenue	**Note 12**	**144,418**	**169,631**
Other income		8	3
Total operating income		**144,426**	**169,634**
Cost of sales		-21,441	-19,296
Taxes		-2,171	-2,635
Remuneration and social charges		-4,153	-3,829
Depreciation amortisation and provisions		-28	-257
Other expenses	Note 13	-18,118	-17,392
Total operating expenses		**-45,910**	**-43,410**
Operating margin		**98,516**	**126,224**
Net financial result	Note 14	25,555	-132,778
Net income on ordinary activities		**124,071**	**-6,554**
Non-recurring items	Note 15	29,422	29,793
Employee profit sharing			
Corporate income tax	Note 16	13,498	6,223
NET INCOME FOR THE PERIOD		**166,990**	**29,462**

B.5.4 Notes to the Atos SE statutory financial statements

Atos SE Activity

Atos SE main activities are:

- The management of the Atos trademark;
- The management of Group participating interests;
- The management of Group financing activities.

Revenue included trademark fees received from Group subsidiaries.

The company Atos SE is the parent company of the Atos Group and consequently establishes consolidated financial statements.

Highlights

No particular highlight occurred in 2017.

Rules and accounting methods

The financial statements of Atos SE have been prepared in application with ANC 2014-03 and current regulations with generally accepted accounting principles in France.

General conventions were applied, in the respect of:

- principle of prudence;
- principle of going concern;
- permanence of the accounting methods from one exercise to another;
- cut-off principle.

As a principle, items are booked in the accountancy based on the historical cost method.

The annual accounts are established and presented in thousands of euros.

Intangible assets

Intangible assets consist of software and merger deficit.

The software are booked at the acquisition cost and amortized on a straight-line basis over their expected useful life.

Those assets are fully depreciated at December 31, 2017.

Tangible assets

The tangible fixed assets (buildings/fittings) are booked at their acquisition value excluding any financial expenses.

The depreciation calculation is based on a straight-line method over the useful life of the assets, as follows:

- Buildings: 20 years;
- Fixtures and fittings: 5 to 10 years.

There are no more assets at December 31st 2017.

Financial assets

Financial assets consist of participating interests and other financial investments (treasury stock, loans, and deposits).

Participating interests are booked at their acquisition cost; an impairment loss is recognized when the acquisition cost exceeds the value-in-use determined as follows:

- on the basis of the enterprise value for the operational subsidiaries;
- on the basis of their part of interest in shareholding equities for the holding subsidiaries.

Loans are mainly intra-Group transactions.

Trade accounts and notes receivable

Trade accounts and notes receivable are recorded at their nominal value. They are calculated individually and, if necessary, are subject to an impairment loss.

Trade accounts and notes receivable denominated in foreign currency are booked at their fair value at the closing date. The difference between their historical value and their fair value at year-end is booked as unrecognized exchange gain or loss.

Cash and cash equivalents

Treasury stocks are recorded at their acquisition cost in the context of a liquidity contract or in the intention to grant them as free shares plan or stock-options plan.

For the shares acquired in the context of the liquidity contract a depreciation charge is recognized when the carrying value exceeds the weighted average market price of Atos stock for the month of December.

Prepayments, deferred expenses

Deferred expenses relate exclusively to costs for issuing borrowings. Those costs are recognized over the duration of the borrowings on a straight-line basis.

Provisions

The amount of the provisions is based on the best estimate of the outflow of resources necessary to extinguish the underlying obligation.

When the participating interest is fully impaired, an additional provision for risk may be required when the carrying value exceeds the value in-use.

Non-recurring items

Non-recurring items are made of incomes and expenses generated by operations which are either unusual, abnormal or infrequent in their magnitude or occurrence.

Note 1 Intangible assets

Net value of intangible fixed assets

(in € thousand)	**December 31, 2016**	**Acquisitions/ charges**	**Disposals/ reversals**	**December 31, 2017**
Intangible assets	113,918	-	-	113,918
Amortisation	-9,960	-	-	-9,960
Depreciation	-103,958	-	-	-103,958
Total of amortisation & depreciation	-113,918	-	-	-113,918
Net value of intangible assets	**0**	**-**	**-**	**0**

The intangible assets were mainly composed of a merger deficit resulting from the transfer of assets and liabilities from Atos Investissement 6 to Atos SE in 2004.

This merger deficit is allocated to the various assets brought to allow a proper follow-up and is broken down as follows:

- France: € 40.8 million;
- Spain: € 63.1 million.

As of December 2017, those merger deficit are fully depreciated.

The other merger deficit acquired before 2004 amounts to € 9.7 million in gross value, have been depreciated on a straight line basis.

Note 2 Tangible fixed assets

Net value of tangible fixed assets

(in € thousand)	December 31, 2016	Acquisitions/ Charges	Disposals/ Release	December 31, 2017
Tangible fixed assets	-	-	-	-
Depreciation of tangible fixed assets	-	-	-	-
Net value of tangible fixed assets	-	-	-	-

Note 3 Financial fixed assets

Change in financial fixed assets – Gross value

(in € thousand)	December 31, 2016	Acquisition	Decrease	December 31, 2017
Investments in consolidated companies	5,915,215	849,797	-67	6,764,945
Investments in non consolidated companies	124	-	-	124
Other investments	85	-	-	85
Total Investments	**5,915,424**	**849,797**	**-67**	**6,765,154**
Intercompany loans and accrued interests	330,234	-	-13,062	317,172
Others	247,532	19,433	-	266,965
Total Other financial assets	**577,766**	**19,433**	**-13,062**	**584,137**
TOTAL	**6,493,190**	**869,230**	**-13,129**	**7,349,291**

Acquisition of participating interest and other movements

Atos SE increased the capital of the following entities:

- Bull SA for € 703.2 million;
- Atos Infogerance for € 116.4 million;
- Atos Management France for € 18.9 million;
- Atos Bilisim Turkey for € 11.3 million;

(in € thousand)	Gross amount December 31, 2017	Up to 1 year	1 to 5 years
Loans and accrued interests	317,172	3,413	313,759
Others	266,965	266,965	-
TOTAL	**584,137**	**270,378**	**313,759**

Other financial assets at closing date corresponded to deposit under securitization program for receivables for € 266.9 million and loans granted to Group entities.

Accrued interests amounted to € 3.4 million (2016:€ 3.6 million).

Change in financial fixed assets – Impairment

(in € thousand)	**December 31, 2016**	**Depreciation**	**Release**	**December 31, 2017**
Investments in consolidated companies	-573,202	-29,101	119,018	-483,285
Investments in non consolidated companies	-124	-	-	-124
Other investments	-85	-	-	-85
TOTAL	**-573,411**	**-29,101**	**119,018**	**-483,494**
Of which financial				

The depreciation of the period corresponded mainly to the impairment of entities in France including the holdings for an amount of € 22.4 million, and an entity in Turkey for € 1.5 million.

The release of the period corresponded to French entities for € 119 million.

Net value of the financial fixed assets

(in € thousand)	**Gross amount**	**Depreciation**	**Net value**
Investments in consolidated companies	6,764,945	-483,285	6,281,660
Investments in non consolidated companies	124	-124	-
Other investments	85	-85	-
Investments	**6,765,154**	**-483,494**	**6,281,660**
Loans and accrued interests	317,172	-	317,172
Others	266,965	-	266,965
Other financial assets	**584,137**	**-**	**584,137**
TOTAL	**7,349,291**	**-483,494**	**6,865,797**

Main subsidiaries and investments

(in € thousand)	Gross value at December 31, 2017	Net value at December 31, 2017	% interest	Net Income at December 31, 2017 (*)	Shareholders' equity at December 31, 2017 (*) (**)
France					
Worldline SA	87,849	87,849	70%	-24,392	600,695
Bull SA	1,313,841	1,313,841	100%	22,483	1,219,619
Atos Infogérance	339,501	169,046	100%	-17,261	59,561
Atos Intégration	160,313	160,313	95%	7,625	-49,332
Atos Consulting	16,539	1,001	68%	-1,664	4,202
Atos Participation 2	30,616	16,043	100%	-4	16,047
Atos International	103,725	0	100%	-7,148	-868
Atos Investissement 10	46,140	0	100%	664	-22,934
Atos Management France	44,820	12,019	100%	-4,927	7,311
Atos Investissement 12	62	32	100%	-3	35
Atos Meda	8,840	8,840	100%	1,840	-175
Atos Investissement 19	59	59	100%	-3	32
Atos Investissement 20	37	0	100%	-6	-4
Atos Investissement 21	37	4	100%	-3	7
Atos Worldgrid	32,328	32,328	100%	5,999	14,882
United Kingdom					
Canopy	30,245	312	11%		50
Italia					
Atos Origin Srl	57,183	173	100%		173
Benelux					
St Louis RE	2,174	2,174	100%	0	2,175
Spain					
Atos Spain SA	114,590	114,590	100%	25,897	80,621
GTI	751	409	33%	67	359
Germany					
Atos Information Technology GMBH	587,072	587,072	100%	-26,542	621,696
The Netherlands					
Atos International BV	3,765,747	3,765,747	100%	-1,696	3,598,186
Turkey					
Atos Bilisim	22,475	9,808	81%	4,079	11,272
TOTAL	**6,764,945**	**6,281,660**			

(*) statutory audit in progress not yet finalized

(**) net equity excl 2017 net income

Note 4 Trade accounts, notes receivable and other receivables

Trade accounts, notes receivable and other receivables

(in € thousand)	Gross amount at December 31, 2017	Depreciation	Net value December 31, 2017	Net value December 31, 2016
Trade accounts and notes receivable and doubtful debtors	35,108	-245	34,864	51,810
Invoices to be issued	928	-	928	8,098
Trade accounts and notes receivables	**36,036**	**-245**	**35,791**	**59,908**
State and income tax	65,329	-	65,329	38,077
VAT receivable	4,206	-	4,206	2,758
Intercompany current account	823,113	-	823,113	518,200
Other debtors	11,514	-	11,514	20,164
Other debtors	**904,162**		**904,162**	**579,199**
TOTAL	**940,198**	**-245**	**939,954**	**639,107**
Of which operating		*-245*		

The trade accounts and doubtful debtors include intra-Group re-invoicing at the end of the year 2017.

Maturity of trade accounts receivable and other debtors

(in € thousand)	Gross amount at December 31, 2017	Up to 1 year	1 to 5 years
Trade accounts and notes receivable and doubtful debtors	35,108	34,819	289
Invoices to be issued	928	928	-
State and income tax	65,329	65,329	-
VAT receivable	4,206	4,206	-
Intercompany current account	823,113	823,113	-
Other debtors	11,514	11,514	-
TOTAL	**940,198**	**939,909**	**289**

Accrued income

(in € thousand)	December 31, 2017	December 31, 2016
Accrued income included in Receivable accounts		
Other debtors	953	15,692
TOTAL	**953**	**15,692**

Note 5 Cash and cash equivalents

Cash and cash equivalents and mutual funds

(in € thousand)	Gross amount at December 31, 2017	Depreciation	Net value December 31, 2017	Net value December 31, 2016
Mutual funds	2	-	2	9,361
Treasury stocks - owned shares	42,870	-2,523	40,346	12,925
Short Term Bank deposits	1,244	-	1,244	115,628
Cash at bank	559,182	-	559,182	440,916
TOTAL	**603,298**	**-2,523**	**600,774**	**578,830**

Movement in Treasury stocks-owned shares:

The Company proceeded to the following transfers of treasury shares in 2017:

- 7,357 shares to beneficiaries of LTI (Long Term Incentives) plans;
- 17,015 shares in connection with the vesting of performance shares pursuant to the Xerox ITO non qualified plan dated July 1, 2015;
- 295,465 shares in connection with the vesting of performance shares granted pursuant to the plan dated July 24, 2013.

Short term bank deposits

Depending on market conditions and short-term cash flow expectations, Atos SE from time to time invests in money market funds or bank deposits with a maturity period not exceeding three months.

Note 6 Prepayments and deferred expenses

(in € thousand)	December 31, 2017	December 31, 2016
Translation losses	19,561	6,638
Prepaid expenses	152	143
Deferred expenses	7,132	9,924
TOTAL	**26,844**	**16,705**

The deferred expenses are only related to expenses on borrowings.

Note 7 Shareholders' equity

Common stock

	December 31, 2017	December 31, 2016
Number of shares	105,445,349	104,908,679
Nominal value *(in €)*	1	1
Common stock (in € thousand)	**105,445**	**104,909**

Capital ownership structure over three years

	December 31, 2017		December 31, 2016		December 31, 2015	
	Shares	**%**	**Shares**	**%**	**Shares**	**%**
Siemens	12,483,153	11.8%	12,483,153	11.9%	12,483,153	12.1%
Blackrock Inc.[1]	5,339,057[3]	5.1%	-	0%	5,251,419	5.1%
Board of Directors	546,630	0.5%	668,316	0.6%	652,134	0.6%
Employees	1,182,158	1.1%	1,489,140	1.4%	2,257,667	2.2%
Treasury stock	332,478	0.3%	196,435[2]	0.2%	694,584	0.7%
Others	85,561,873	81.1%	90,071,635	85.9%	82,180,285	79.4%
TOTAL	**105,445,349**	**100.0%**	**104,908,679**	**100.0%**	**103,519,242**	**100.0%**

1 On the basis of the threshold crossing statement made on October 13, 2015

2 among which 12 120 shares in the process of delivery, to be effective on January 2nd

3 On the basis of the threshold crossing statement made on December 15, 2017

Siemens AG owns a 11.8% stake which it committed to keep until September 30, 2020. No other reference shareholder has announced its will to maintain a strategic shareholding in the Group's share capital.

During 2017, the Group was informed of the following threshold crossing:

- BlackRock, Inc., acting on behalf of clients and funds which it manages, declared having crossed, upward on December 14, 2017, following an acquisition of shares on the market and the increase in the number of shares held as collateral (5,339,057 Atos SE shares), the statutory thresholds of 5% of the share capital and voting rights. On December 14, 2017, BlackRock, Inc. declared holding 5.07% of the share capital and voting rights of the Company.
- The Company was not informed of any other statutory threshold crossing, in accordance with article L.233-7 of the Commercial Code, in 2017.

The 11th resolution of the Annual General Meeting of May 24, 2017 renewed the authorization to trade in the Group's shares. The number of shares purchased may not exceed 10% of the company's common stock. As of December 31, 2017, the company held 332,478 shares of treasury stocks.

The shares owned by employees are held through mutual funds and corporate savings plans. The shares of the Company owned by employees and the members of the Board of Directors are excluded from the free float.

As at December 31, 2017	**Shares**	**% of share capital**	**% of voting rights**
Siemens	12,483,153	11.8%	11.9%
Board of Directors	546,630	0.5%	0.5%
Employees	1,182,158	1.1%	1.1%
Treasury stock	332,478	0.3%	-
Free float	90,900,930	86.2%	86.5%
Total	**105,445,349**	**100.0%**	**100.0%**

Changes in shareholders' equity

(in € thousand)	December 31, 2016	Exercice of share options	Dividends	Appropriation of result	Capital increase	Net Income 2017	December 31, 2017
Common stock	104,909				537		**105,446**
Additional paid-in capital	2,844,736				27,119		**2,871,855**
Legal reserve	10,352			139			**10,491**
Other reserves	25,511						**25,511**
Retained earnings	928,987		-167,565	29,323			**790,745**
Net income for the period	29,462			-29,462		166,990	**166,990**
TOTAL OF THE SHAREHOLDERS' EQUITY	**3,943,957**		**-167,565**	**0**	**27,655**	**166,990**	**3,971,037**

As at December 31, 2017, the Company's issued common stock amounted to € 105.4 million, divided into 105,445,349 fully paid-up shares of € 1.00 par value each.

Compared to December 31, 2016, the share capital was increased by the issuance of 536,670 new shares, split as follows:

- 241,705 new shares resulting from the exercise of stock options;
- 294,965 new shares resulting from an increase in the share capital reserved to employees, under the 19th resolution of the Combined General Meeting of May 26, 2016.

Potential common stock

Based on 105,445,349 outstanding shares as of December 31, 2017, the common stock of the Group could be increased by 3,205,927 new shares, representing 3.04% of the common stock before dilution.

(in shares)	December 31, 2017	December 31, 2016	Change	% dilution
Number of shares outstanding	105,445,349	104,908,679	536,670	
From stock subscription options	406,707	648,629	-241,922	0.39%
From performance shares	2,799,220	2,479,645	319,575	2.65%
Potential dilution	3,205,927	3,128,274	77,653	3.04%
TOTAL POTENTIAL COMMON STOCK	108,651,276	**108,036,953**	614,323	

On the total of 406,707 of stock options, no option had a price of exercise higher than € 121.35 (year-end stock price as of December 31, 2017).

Note 8 Provisions

Provisions

(in € thousand)	December 31, 2016	Charges	Release used	Release unused	December 31, 2017
Subsidiary risk	19,824	17,155	-	-	36,979
Contingencies	9,927	29	-8,000	-1,645	311
Litigations	0	-	-	-	0
TOTAL	**29,751**	**17,184**	**-8,000**	**-1,645**	**37,290**
Of which					
▪ *operating*		28	-	-	28
▪ *financial*		17,156	-	-	-17,156
▪ *exceptional*			-8,000	-1,645	-9,645

The risk for a litigation further to a settlement that occurred in 2017 was fully released for € 9.6 million.

The evaluation of the participating interest let to a charge mainly for the following subsidiaries:

- Atos International for € 6.8 million;
- Atos Investissement 10 for € 10.3 million;

Note 9 Financial borrowings

Closing net debt

(in € thousand)		Up to 1 year	1 to 5 years	Over 5 years	Gross value December 31, 2017	Gross value December 31, 2016
Bank overdraft		415,456	-	-	415,456	561,057
Other borrowings		813,759	632,942	617,171	2,063,872	1,750,835
Borrowings		**1,229,215**	**632,942**	**617,171**	**2,479,328**	**2,311,892**
Cash at bank	Note 5	559,182		-	559,182	440,917
CLOSING NET DEBT		**670,033**	**632,942**	**617,171**	**1,920,146**	**1,870,975**

Financial borrowings included mainly:

- Bond issued in 2015 for € 600 million and 2016 for € 300 million with accrual interest for a total of € 908.2 million;
- Syndicated loan for € 250 million;
- NEU CP for € 550 million;
- Intercompany loans for € 348.6 million;
- Profit-sharing for € 3.1 million;

Syndicated loan (2014-2021)

On November 6, 2014, Atos signed with a number of major financial institutions a five-year € 1.8 billion credit facility maturing in November 2020 with an option for Atos to request the extension of the Facility maturity date until November 2021.

The second option of extension for one year has been exercised in 2016 and the new maturity of the € 1.8 billion credit facility is therefore November 2021.

The revolving credit facility includes one financial covenant which under the terms is the consolidated leverage ratio (net debt divided by Operating Margin before Depreciation and Amortization) which may not be greater than 2.5 times.

This facility is used for the general needs of the Group.

As of 31 December 2017, Atos SE used € 250 million on this facility.

Note 10 Trade accounts, notes payable and other liabilities

Maturity of trade accounts, notes payable and other liabilities

(in € thousand)	**Gross amount December 31, 2017**	**Up to 1 year**	**1 to 5 years**	**Gross amount December 31, 2016**
Trade accounts and notes payable	21,889	21,889	-	12,583
Trade accounts and notes payable	**21,889**	**21,889**	**-**	**12,583**
Social security and other employee welfare liabilities	2,358	2,358	-	2,267
VAT payable	598	598	-	1,493
Intercompany current account liabilities	1,892,891	1,892,891	-	831,266
Other liabilities	8,228	8,228	-	14,765
Other liabilities	**1,904,075**	**1,904,075**	**-**	**849,791**
TOTAL	**1,925,964**	**1,925,964**	**-**	**862,374**

Terms of payments

The general terms of purchases were sixty days as from the date of issuance of the invoice except lawful or agreed contrary provisions between the parties.

The breakdown of accounts payable at the end of the financial year was as follows:

(in € thousand)	**Gross amount December 31,**	**Associated companies**	**Other**	**Overdue for more than one year**	**Overdue for less than one year**	**Invoices non due at December 31**
2017						
Accounts payable and liabilities	**21,889**	**18,047**	**3,842**	**88**	**249**	**21,552**
	100,0%			0.4%	1.1%	98.5%
Accounts payable	-2,634	-3,465	831	88	249	-2,971
Invoices to be received	24,523	21,512	3,011	-	-	24,523
2016						
Accounts payable and liabilities	**12,583**	**8,101**	**4,482**	**148**	**73**	**12,362**
	100.0%			1.2%	0.6%	98.2%
Accounts payable	-2,710	-3,465	755	148	73	-2,931
Invoices to be received	15,293	11,566	3,727	-	-	15,293

Deferred Expenses

(in € thousand)	December 31, 2017	December 31, 2016
Deferred Expenses included in the trade payable accounts		
Invoices to be received	24,523	15,293
Other liabilities	1,325	1,146
State and employee related liabilities	679	1,697
TOTAL	**26,527**	**18,136**

Note 11 Unrecognized exchange gains

It was related to unrecognized exchange gains for € 19.6 million and deffered revenue for € 0.5 million.

Note 12 Revenue

Revenue split

	December 31, 2017		December 31, 2016	
	(in € thousand)	(in %)	(in € thousand)	(in %)
Trademark fees	133,872	92.7%	159,350	93.9%
Re-invoicing	2,040	1.4%	2,846	1.7%
Parental guarantees	8,506	5.9%	7,435	4.4%
Total revenue by nature	**144,418**	**100.0%**	**169,631**	**100.0%**
France	19,271	13.3%	25,995	15.3%
Foreign countries	125,147	86.7%	143,636	84.7%
Total revenue by geographical area	**144,418**	**100.0%**	**169,631**	**100.0%**

Note 13 Other expenses

Expenses

(in € thousand)	December 31, 2017	December 31, 2016
Expenses of the functions' Group	-17,228	-16,349
Directors' fees	-500	-424
Other expenses	-390	-619
TOTAL	**-18,118**	**-17,392**

Expenses detailed above mainly included marketing, communication, investor relations and human resources expenses invoiced by Atos International SAS and other holdings subsidiaries to the Company including fees paid to the International Olympic Committee.

Note 14 Financial result

(in € thousand)	**December 31, 2017**	**December 31, 2016**
Dividends received	9,091	15,138
Intercompany current account interests	1,042	907
Other financial assets income	17,405	18,008
Investment banking revenues	77	2,265
Reversal of provisions on investments in consolidated companies	119,018	54,454
Reversal of provisions on treasury stock		
Reversal of other financial provisions	-	24,603
Disposal of short-term investment	340	392
Foreign exchange gains	223	877
Total of the financial incomes	**147,195**	**116,644**
Interests on borrowings	-20,590	-19,045
Securitisation interests	-1,323	-1,272
Intercompany loans interests	-17,405	-18,027
Intercompany current accounts interests	-32	-50
Provision for depreciation on investments in consolidated companies	-29,101	-167,081
Provision for deferred expenses	-3,092	-2,942
Other financial provisions	-19,680	-6,750
Short term borrowing interests	-458	-590
Foreign exchange losses	-220	-1,278
Other financial expenses	-29,738	-32,388
Total of the financial expenses	**-121,640**	**-249,422**
NET FINANCIAL RESULT	**25,555**	**-132,778**

Financial incomes

Atos SE received from its subsidiary, Atos Worldgrid, the amount of €9 million of dividends in 2017.

The depreciation on investments has been disclosed in the Note 3 Financial Assets and Note 8 Provision.

Financial expenses

The other financial expenses are related to the loss incurred on the delivery of the 319,837 performance shares to the employees for an amount of € 29.7 million (32.3 € million in 2016).

The depreciation on investments has been disclosed in the Note 3 Financial Assets and Note 8 Provision.

The other financial provisions were mainly due to the evaluation of participating interest and had been disclosed in Note 8 Provisions.

Note 15 Non-recurring items

(in € thousand)	**December 31, 2017**	**December 31, 2016**
Selling price from disposal of financial investments		
Other income	38,334	34,329
Total of non recurring income	**38,334**	**34,329**
Amortization of merger loss		
Net book value of financial investments sold	-68	
Net book value of fixed assets sold		
Provisions for liabilities and charges		
Other expenses	-8,845	-4,536
Total of non recurring expenses	**-8,912**	**-4,536**
NON RECURRING ITEMS	**29,422**	**29,793**

In 2017, the non-recurring incomes are mainly related to the re-invoicing to Group entities for the cost of the performance plan granted to employees and to the operations of merger and acquisitions.

The amount of € 8.0 million related to a litigation (see note 8 Provisions) is included in "Other expenses". The € 9.6 million release of provision is included in "Other income".

Note 16 Tax

Tax consolidation agreement

As per article 223-A of the French Fiscal Code, Atos SE signed a Group tax consolidation agreement with a certain number of its French subsidiaries with effect as of January 1, 2001.

Atos SE as parent company of the Group is designated as the only entity liable for the corporate tax of the Group tax consolidation.

The main features of the agreement are:

- The result of the consolidated companies is determined as if they had been taxed individually;
- Atos SE is the only company liable for any additional tax to be paid in the event of an exit by a subsidiary from the Group. In the event of tax audit, the subsidiary which exited from the the Group remains liable toward Atos SE of any additional income tax related to the time it was part of the tax consolidation.

Decrease and increase of the future tax charge of Atos SE taxed separately

At year end, decreases and increases of the future tax charge were broken down as follows:

(in € thousand)	**Basis Decrease**	**Basis Increase**
Non deductible provisions for timing differences	782	28
TOTAL	**782**	**28**

No deferred tax assets or liabilities had been recognized.

Breakdown between net income on ordinary activities and non-recurring items

(in € thousand)	Before tax	Computed tax	Net amount
Net income on ordinary activities	124,071	-	124,071
Non recurring items and employee participation	29,422	-	29,422
Tax Charge	-	13,498	13,498
TOTAL	**153,492**	**13,498**	**166,990**

The result of the fiscal consolidation is a profit of € 113.6 million before use of losses carried forward. After use of the losses carried forward the taxable profit 2017 was an amount of € 28.3 million with a tax charge of € 12.6 million. The tax that would have been paid in the absence of French tax consolidation would have been an expense of € 10.7 million. The total amount of the losses carried forward was € 232.7 million as of 31 December 2017.

Note 17 Off-balance sheet commitments

Commitments given

(in € thousand)	December 31, 2017	December 31, 2016
Performance Parental Guarantees	4,225,171	4,589,165
Bank guarantees[1]	324	324
TOTAL	**4,225,895**	**4,589,489**

1 Borne by Atos SE

Total parental guarantees amounted to € 4,225.9 million as of December 31, 2017 compared to € 4,589.5 million at the end of December 2016. This decrease of € 363.6 million compare to last year is mainly due to the reduction of the amount of guarantees provided to the benefit of the US customers.

In relation to the multi-currency revolving facility signed in November 2014, Atos SE issued a parental guarantee to the benefit of the consortium of banks represented by BNP Paribas, in order to cover up to € 660.0 million the obligations of its subsidiaries, Atos Telco Services B.V. and Atos International B.V.

Atos SE has given a € 204.0 million guarantee to Ester Finance in relation to a securitization program involving certain of its subsidiaries.

Atos SE has given guarantees of general financial support to various subsidiaries to comply with local regulations or for credit facility coverage opened at banks in France or abroad.

Finally, as part of the general agreement with Siemens in respect of the transfer of SIS UK pension liabilities, the Board of Atos SE, during its March 29, 2011 meeting, agreed to provide a 20 year guarantee to the Atos 2011 Pension Trust set up to accommodate the transfer. The maximum amount of the guarantee is GBP 200.0 million (€ 225.3 million).

In the framework of the UK Atos Pension Funds ("UK APF") indexation negotiations, the Board of Atos SE, during its December 17, 2015 meeting, agreed to provide a parental guarantee to the Atos Pension Schemes Limited as trustee of the Atos Pension Fund. Under the said guarantee, Atos SE will guarantee the obligations of the sponsoring employers of the UK APF (currently Atos IT UK Limited and Atos IT Services UK Limited) to make certain payments to the UK APF. The maximum amount of the guarantee is GBP 150 million (€ 169.0 million).

In the framework of the Atos (SEMA) pension Scheme indexation discussions, the Board of Atos SE, during its July 26, 2016 meeting, agreed to provide a parental guarantee to the Atos Pension Schemes Limited as trustee of the Atos (SEMA) Pension Scheme. Under the said guarantee, Atos SE will guarantee the obligations of the sponsoring employers of the Atos (SEMA) Pension Scheme (currently Atos IT UK Limited and Atos IT Services UK Limited) to make certain payments to the Atos (SEMA) Pension Scheme. The maximum amount of the guarantee is GBP 350 million (€ 394 million).

In addition, in the framework of the Atos CS pension Scheme indexation discussions in UK, the Board of Atos SE, during its December 18, 2017 meeting, agreed to provide a parental guarantee to the Atos CS Scheme Limited as trustee of the Atos CS Pension Scheme. Under the said guarantee, Atos SE will guarantee the obligations of the sponsoring employers of the Atos CS Pension Scheme to make certain payments. The maximum amount of the guarantee is GBP 100 million (€ 113 million).

Commitments received

(in € thousand)	December 31, 2017	December 31, 2016
Syndicated loan	**1,470**	**1,220**

The received financial commitment refers exclusively to the part non utilized at Group level of the € 1.8 billion revolving facility.

Note 18 Risk analysis

Market risks: fair value of financial instruments

Cash at bank and short term deposits, trade accounts receivable, bank overdraft and trade accounts payable

Due to the short term nature of these instruments, the Group considers that the book value constitutes a reasonable estimate of their market value as of December 31, 2017.

Long and medium term liabilities

As of December 31, 2017, Atos SE presents a long and medium term liabilities of 250 million related to the syndicated loan.

Liquidity risk

Syndicated loan

On November 6, 2014, Atos signed with a number of major financial institutions a five-year € 1.8 billion credit facility maturing in November 2020 with an option for Atos to request the extension of the Facility maturity date until November 2021.

The first option of extension for one year has been exercised in 2015 and the new maturity of the € 1.8 billion credit facility is therefore November 2020. The second option of extension for one year has been exercised in 2016 and the new maturity of the € 1.8 billion credit facility is therefore November 2021.

The revolving credit facility includes one financial covenant which under the terms is the consolidated leverage ratio (net debt divided by Operating Margin before Depreciation and Amortization) which may not be greater than 2.5 times.

This facility is used for the general needs of the Group.

As of 31 December 2017, Atos SE used € 250 million on this facility.

Securitization program

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

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

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

As of December 31, 2017, Atos SE has sold:

- In the compartment "ON" € 277 million in receivables of which € 10.0 million were received in cash;
- In the compartment "OFF" € 39.7 million in receivables of which all risks and rewards associated with the receivables was transferred to a third party financial institution.

The Group aligned its contractual obligations under this program on the most favourable conditions of the renewable multicurrency credit facility described above.

Liquidity risk at December 31, 2017

Instruments	Fix/Variable	Line *(in € million)*	Maturity
Syndicated loan	Variable	1,800	November 2021
Securitization program	Variable	200	June 2018
Bond borrowing	Fixe	600	July 2020
Bond borrowing	Fixe	300	September 2023

On June 02, 2017 Atos SE set up a Negotiable European Commercial Paper program (NEU CP), at variable interest rate, with a maximum outstanding amount of Euros 900,000,000.

On October 05, 2017 Atos SE increased the program size from Euros 900,000,000 to Euros 1,200,000,000.

Credit risk

The Group has a fully-integrated process concerning credit risk. In its trade relations, the Group manages its credit risk with a portfolio of diversified customers and follow-up tools.

Financially, the Group monitors the credit risk on its investments and its market operations by rigorously selecting leading financial institutions and by using several banking partners. The Group thus considers its credit risk exposure as being limited.

Market risk

The Group monetary assets comprise receivables and loans, securities investments and cash at bank. Monetary liabilities comprise financial, operating and other liabilities.

Interest rate risk

The exposure to interest rate risk encompasses two types of risks:

- A price risk on fixed-rate financial assets and liabilities. For example, by contracting a fixed-rate liability, the Company is exposed to potential opportunity losses should interest rates fall. A change in interest rates would impact the market value of fixed-rate financial assets and liabilities. However, this loss of opportunity would not impact financial income and expenses as reported in the Company's Income Statement and, as such, future net income of the Company up to maturity of these assets and liabilities;
- A cash-flow risk on floating-rate financial assets and liabilities. The Company considers that a variation in rates would have little effect on floating-rate financial assets and liabilities.

Note 19 Related parties

There is no transaction made by the Company (trade mark fees, financing operations and tax consolidation) that were not performed under market conditions.

Note 20 Subsequent events

There is no subsequent events.

B.5.5 Atos SE financial summary for the last five years

(in € million)	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
I - Common stock at period end					
Common stock	105,4	104.9	103.5	101.3	98.2
Number of shares outstanding	105,445,349	104,908,679	103,519,242	101,332,527	98,165,446
Maximum number of shares that may be created by:					
• conversion of convertible bonds					
• exercise of stock subscription options	3,205,927	3,128,274	3,374,859	2,806,747	5,015,053
II - Income for the period					
Revenue.	144.4	169.6	107.0	116.6	122.5
Net income before tax. employee profit-sharing and incentive schemes. Depreciation. amortisation and provisions	76.7	23.5	32.7	339.1	94.7
Corporate income tax	13.5	6.2	8.2	-2.7	6.3
Net income after tax. employee profit-sharing. depreciation. amortisation and provisions	167.0	29.5	40.9	336.4	71.0
Dividend distribution	-	167.6	113.5	79.7	68.7
III – Per share data (in euros)					
Net income after tax and employee profit-sharing but before depreciation. Amortization and provisions	0.9	0.3	0.4	3.3	1.0
Net income after tax. employee profit-sharing. depreciation. amortisation and provisions	1.6	0.3	0.4	3.3	0.7
Dividend per share	-	1.6	1.1	0.8	0.7
IV – Employees					
Average number of employees during the period	1.0	1.0	1.0	-	-
Total payroll for the period	3.3	3.0	3.4	-	-
Employee social security and welfare payments	0.8	0.9	1.9	-	-

C. Contacts and locations

C.1 Contacts

C.1.1 Global Headquarters

River Ouest

80 Quai Voltaire

95870 Bezons – France

+33 1 73 26 00 00

C.1.2 Corporate functions

Finance

Elie Girard +33 1 73 26 00 31

Human Resources & Siemens Partnership

Philippe Mareine +49 21 13 99 20,800

Executive & Talent Management, Communications

Marc Meyer +33 1 73 26 00 26

Sales & Marketing

Robert Vassoyan +33 1 73 26 00 00

Investor Relations & Financial Communication

Gilles Arditti +33 1 73 26 00 66

Mergers & Acquisitions, Legal, Compliance & Contract Management

Alexandre Menais +33 1 73 26 42 15

Procurement

Enguerrand de Pontevès +33 1 73 26 01 02

Internal Audit

Cedric Lempereur +32 2 727 69 54

C.1.3 Global organization

Infrastructure & Data Management

Peter Pluim +31 88 265 5555

Business & Platform Solutions

Sean Naranayan +44 203 635 69 63

Big Data & Cybersecurity

Philippe Vannier +33 1 58 04 05 18

Worldline

Marc-Henri Desportes +33 1 73 26 00 29

C.1.4 Investor Relations

Gilles Arditti
Executive Vice-President Investor Relations & Financial Communication
Tel: +33 1 73 26 00 66
gilles.arditti@atos.net

Benoit d'Amécourt
Investor Relations & Financial Communication Director
Tel: +33 1 73 26 02 27
benoit.damecourt@atos.net

Aurélie Le Pollès
Investor Relations Manager
Tel: +33 1 73 26 42 35
aurelie.lepolles@atos.net

Requests for information can also be sent by email to investors@atos.net

C.2 Locations

Atos is present in main cities to support customers. The addresses and phone numbers of the Group main offices can be found on the Locations page on website atos.net. Details of current job opportunities can be found in Careers pages. An email address for general questions and comments about the Atos' Internet site can be found at the bottom of the page.

Global Headquarters

River Ouest

80 Quai Voltaire

95870 Bezons – France

+33 1 73 26 00 00

Europe

Andorra
Austria
Belgium
Bulgaria
Croatia
Cyprus
Czech Republic
Denmark
Estonia
Finland
France
Germany
Greece
Hungary
Italy
Ireland
Lithuania
Luxembourg
Poland
Portugal
Romania
Russia
Serbia
Slovakia
Slovenia
Spain
Sweden
Switzerland
The Netherlands
United Kingdom

Americas

Argentina
Brazil
Canada
Chile
Colombia
Guatemala
Jamaica
Mexico
Peru
Uruguay
USA

Asia Pacific

Australia
China
Hong Kong
Indonesia
Japan
Korea
Malaysia
New-Zealand
Philippines
Singapore
Taiwan
Thailand

India, Middle-East & Africa

Algeria
Benin
Burkina Faso
Egypt
Gabon
India
Israel
Ivory-coast
Lebanon
Madagascar
Mali
Mauritius
Morocco
Qatar
Saudi Arabia
Senegal
South Africa
Turkey
United Arab Emirates

D. Full index