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**registration document**

**2013**

for a responsible business

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# Atos

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## registration document 2013

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including **Annual Financial Report**



This document is a full free translation of the original French text. In case of discrepancies, the French version shall prevail. The original document has been filed with the Autorité des Marchés Financiers (AMF) on April 2<sup>nd</sup>, 2014, in accordance with article 212-13 of the AMF's General Regulations. This document can be used for a specific financial operation, if completed by a prospectus approved by the AMF. This document has been issued by the Company and commits its signatories.





# A

## Group overview

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## A.1 Business Profile

Atos SE (Societas Europaea) is an international information technology services company with annual pro forma revenue of € 8.6 billion and 76,300 employees in 52 countries. Serving a global client base, it delivers IT Services in Managed Services, Business Process Outsourcing, Consulting & Systems Integration, Cloud & Enterprise software, and e-payment services through its subsidiary Worldline, the European leader and a global player in the payments services industry.

As the Worldwide IT Partner for the Olympic Games and top sponsor, Atos integrates, manages and secures the vast IT system that relays results, events and athlete information to spectators and media around the world. The Olympic Games are a complex blend of technologies, processes and people. Not only the scale and complexity of the project matters, covering

many clients, sites and systems, but it is also a multi-supplier project with many varied dependencies. Furthermore, the whole event is highly visible and the world is watching.

Sustainability is at the core of Atos' corporate strategy and its ambition remains to be recognized as a world leader in providing innovative IT solutions to help clients become more sustainable. So by embedding sustainability in the Group as part of one Company DNA, Atos automatically ensures that it is similarly embedded in all the propositions made to clients. In this way Atos aims to become "best-in-class", not only for its own operations, but also in the way it serves its clients. The Company wants to be recognized as one of the best companies to work for, innovative, socially responsible and able to attract and retain the best talents across all its geographies.

### Atos' expertise covers a wide range of specialties and is always seeking new opportunities and innovations.

#### Managed Services: Transforming today's enterprise IT to future hybrid IT landscapes

Atos is at the forefront of transforming its clients to the new world of hybrid IT landscapes. Built on a solid foundation of delivering IT Managed Services for many years, strengthened by vertical industry expertise, and now enhanced by Canopy, the Group's new Cloud solutions venture. Atos' "Adaptive Workplace" has been recognized by independent analyst firm Gartner, as the most visionary workplace services provider in Europe. Atos is also rated by Gartner as leaders in Managed Services in European and North American Datacenter Outsourcing and Utility Services and European Help Desk and Desktop outsourcing. Whether clients require the expertise to extract real time business information from Big Data or the cyber security capabilities of managing millions of digital identities, Atos Foundation IT is the trusted way forward.

Finally, Atos' BPO entity delivers process outsourcing services for health and financial services.

#### Systems Integration: Delivering end-to-end business systems

Atos has a strong portfolio of Systems Integration offerings to provide increased added value for clients, as well as a source of better growth and profitability. Its enhanced global delivery model adds quality, scalability, predictability and flexibility at a competitive price point, and benefits from a strong global presence. Atos continues to adapt its existing portfolio to cater for the increasing demand for industry specific Business Intelligence, Analytics and Smart Mobility solutions based on

best fit delivery models. Atos has brought in place a Global Delivery Platform (GDP) based on industry best practices for the governance, management and delivery of the Program and Project Management services.

With the Atos Worldgrid Unit, the Group focuses on delivering sophisticated integration projects and real time Smart Energy solutions to Energy & Utilities companies across the power, water, oil & gas value chains. This enables energy efficiencies, increase sustainability, while improving operational performance of Atos' customers.

#### Consulting: Transforming business through innovative Business Technologies

Atos Consulting helps clients deliver innovation to their customers, reduces costs and improves effectiveness by leveraging Business Technologies with 3 fundamental elements: Business Innovation, IT Leadership and sector specific solutions. In addition to this core expertise, Atos' Consulting's "Digital to performance" approach helps companies to recognize how they can best take advantage of digital technologies in their particular context. Much more than just a product implementation, Atos Consulting's comprehensive Digital Transformation solutions transition organizations to be able to connect and collaborate both within and outside the organization, much more effectively.

Atos' objective is to ensure that its clients are empowered to manage the resources provided, maintaining control of their processes and projects as well as the ownership of their assets and systems, including transformation to benefit from Digital technologies and Cloud solutions.



## Worldline: ePayment Services

Worldline, an Atos subsidiary, is the European leader and a global player in the payments services industry. Worldline delivers new generation services, enabling its customers to offer smooth and innovative solutions to the end consumer. Key actor for B2B2C industries, with 40 years of experience, Worldline is ideally positioned to support and contribute 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's activities are organized around three axes: Merchant Services & Terminals, Mobility & e-Transactional Services, Financial Processing & Software Licensing. In 2013, Worldline's activities within the Atos Group generated revenues of € 1.1 billion. The company employs more than 7,200 people worldwide.

## Cloud & Enterprise Software

Cloud computing is generating major changes in the way enterprises define and consume services and a corresponding shift in the way technology service providers organize themselves and structure their go-to-market approach. The Group customers are increasingly looking for IT as a service and the Cloud & Enterprise Software unit was created on July 1<sup>st</sup>, 2013 to support the further development of its Cloud activities.

With circa € 280 million revenue pro forma in 2013 and major references around the world, Atos is the European leader in enterprise and government Cloud; and the Atos Cloud is Canopy. Together with Canopy, Atos SaaS based software solutions, Yunano and blueKiwi, form the three business units of the service line.

Yunano is a joint venture between Atos and Yonyou. YUNANO™ (evocation "Cloud & safe") offers you a new Cloud experience in a safe SaaS environment.

The Atos subsidiary, blueKiwi, is a leading provider of enterprise social collaboration software, providing the highest standards in term of quality of service.

## Atos industry expertise

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

### Manufacturing, Retail & Services

Atos supports enterprises in the transformation and optimization of their business processes and support infrastructure in the digital economy. In the Manufacturing sector, the Group provides solutions covering the entire value chain for an integrated enterprise, from ERP (Enterprise Resource Planning) to CRM (Customer Relationship Management), PLM (Product Life Management) and MES (Manufactured Execution Systems). In doing so, Atos enables its customers to design, build and service their products anytime and anywhere in the global markets.

In the Retail sector, Atos enables its customers to meet the challenges presented by the increasingly empowered consumer. The Group offers omnichannel and payments solutions to allow its clients to better 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 enable the mobile users with enterprise mobility services.

### Public sector, Healthcare & Transport

Secure Cloud Computing, effective application modernization, shared services and securing systems to prevent fraud, have become pivotal in a sector in which cultural changes and new streamlined processes are becoming the norm. Big Data and Open Data are highly relevant for clients to improve their operational excellence. Atos is an active partner in business improvement and for technology to governments, defense, healthcare, and education service providers.

### Telcos, Media & Utilities

Across telecommunications, media and utilities sectors, operators face the challenges of increased competition, deregulation, consolidation and disruptive technologies. With this context, the pressure is on to establish new business models to defend position and increase market share. Through a steady IT transformation of their operations, Atos helps its customers to increase their agility while reducing their costs. By accelerating and securing the adoption of transformational technologies, such as data centric approach in telecommunications, multi-channel and interactive media delivery, or smart grid systems for utilities, Atos business technologists are powering progress.

### Financial Services

Atos supports the world's leading financial services companies, enabling innovative customer engagement and operational performance. Maximizing efficiency of back office processes liberates resources for banking and insurance companies to focus on serving increasingly sophisticated customers, thereby building reputation and loyalty.



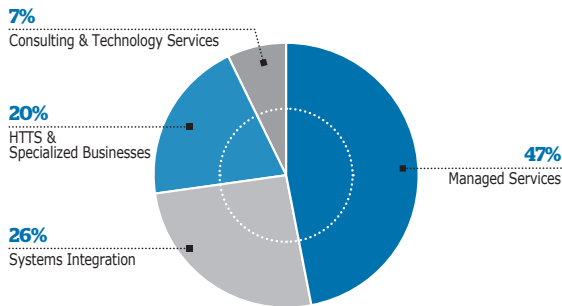
## A.2 Revenue Profile

In 2013, 76% of the revenue base was generated by multi-year contracts, deriving from multi-year Managed Services contracts (47% of total revenue), Application Management contracts and Atos Worldgrid (respectively 8% and 2% included in Systems Integration) and Hi-Tech Transactional Services & Specialized Businesses (20% of total revenue).

Europe remained the Group's main operational base, generating 86% of total revenue compared to 87% in 2012 at constant scope and exchange rates. This slight increase of the weight of non-European operations resulted of higher growth rates achieved in these geographies.

The Group provides high value IT services through 4 global markets which are Manufacturing, Retail & Services; Public sector, Healthcare & Transport; Telcos, Media & Utilities and Financial Services.

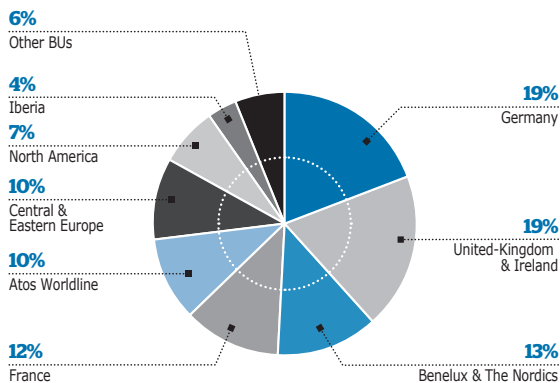
### A.2.1 By Service Line



(in € million)	2013	2012*
Managed Services	4,017	4,054
Systems Integration	2,278	2,293
HTTS & Specialized Businesses	1,706	1,698
Consulting & Technology Services	613	650
<b>TOTAL GROUP</b>	<b>8,615</b>	<b>8,695</b>

\* Constant scope and exchange rates.

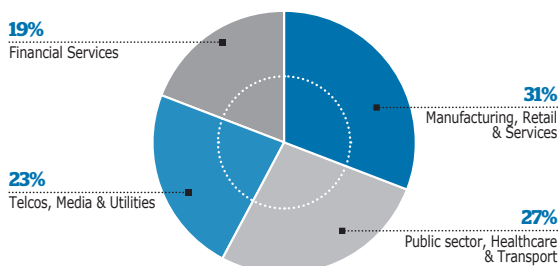
### A.2.2 By Business Unit



(in € million)	2013	2012*
Germany	1,659	1,712
United-Kingdom & Ireland	1,647	1,603
Benelux & The Nordics	1,083	1,122
France	1,020	1,114
Atos Worldline	896	869
Central & Eastern Europe	873	866
North America	607	569
Iberia	325	346
Other BUs	504	494
<b>TOTAL GROUP</b>	<b>8,615</b>	<b>8,695</b>

\* Constant scope and exchange rates.

### A.2.3 By Market



(in € million)	2013	2012*
Manufacturing, Retail & Services	2,702	2,893
Public sector, Healthcare & Transport	2,307	2,289
Telcos, Media & Utilities	1,992	1,877
Financial Services	1,614	1,635
<b>TOTAL GROUP</b>	<b>8,615</b>	<b>8,695</b>

\* Constant scope and exchange rates.



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## A.3 Interview with Thierry Breton



**Thierry Breton**

CEO and Chairman, Atos

### **What were the highlights of Atos's performance in 2013?**

**Thierry Breton, Atos CEO and Chairman:** In 2013, we completed the three-year plan announced in December 2010. Once again, we delivered on our commitments, demonstrating our ability to perfectly execute our transformation plans and to anticipate the new technology trends. As expected, profitability improved significantly with operating margin increasing to 7.5% of revenue. Free cash flow totaled more than € 350 million, and earning per share was up +50% compared to 2011. During this period the Group generated € 8.6 billion revenue with 76,300 employees, most of them engineers. The Group focused on cash generation leading to a net cash position above € 900 million at the end of 2013.

Moreover, I am proud that we won several highly innovative contracts. In Cloud services, Canopy won major new contracts with existing Atos customers like Philips, Achmea, and Telegraaf Media, or new accounts like ACT or City of San Diego. In Big Data, Atos signed new contracts with the German Federal Employment Agency and Arbeitsmarktservice in Austria. In Mobility, Worldline developed a mobile and web-based application incorporating its electronic payments solution and enabling online ordering and will accompany McDonald's in France in its new digital strategy. Finally, in Cyber Security, we won deals with Swiss Re and with the Dutch Ministry of Defense.

### **What are your targets for Atos in the next three years?**

**Thierry Breton:** As stated in our 2013-2016 Development Plan, our goal over the next three years is to become the preferred European global IT brand in global IT Services and payments solutions. Leveraging both our IT services and our payments businesses, the priority of this new three-year plan announced last November is to deliver profitable growth and to increase operating margin by +100bp to +200bp by 2016 while generating a free cash flow between € 450-500 million in 2016. Our solid 2013 results demonstrate that the Group has the track record and now the financial means to deliver this 2016 strategic plan approved by 99.6% of shareholders in December 2013.

### How will Atos prepare its workforce to meet these ambitions?

**Thierry Breton:** Our Wellbeing@work program continues to create a stimulating environment for our business technologists to collaborate and build communities, based on our "Zéro email™" initiative. We now have more than 5,000 communities bringing tangible benefits in terms of synergies, efficiency gains and better working environment. All of these types of initiatives form part of our overall commitment to corporate responsibility. For three years in a row, we have been recognized by the Global Reporting Initiative (GRI) with an A+, the highest mark. I am extremely proud as our Business Technologists have made tremendous efforts for the Company to reach the leading position in these areas. For a company like Atos which relies on the talent of its people, these achievements are excellent benchmarks for our future performance as we are committed to attracting and retaining the people who will drive our continuing outperformance.

### What is the strategy behind the carve-out of Worldline?

**Thierry Breton:** This is a very exciting time for the global payments market. It is a moment of transformation. The carve-out will provide us with the strategic and financial flexibility to expand Worldline's product offerings across the entire value chain. To give full effect to this flexibility, we have the ambition to complete the IPO<sup>1</sup> of Worldline in 2014, to accelerate its development and to play a leading role in the consolidation of the European payments market.

This will enable Worldline to be much more agile and get more opportunities than in the past. Everyone at the company is very excited about the outlook for Worldline, in 2014 and beyond.

### You mentioned alliances to develop new offerings. What is the significance of the Atos ecosystem approach?

**Thierry Breton:** We continued to develop a very strong culture of business alliance in 2013. We strengthened our alliance with Siemens, our foremost industrial partner and first shareholder through joint initiatives and joint development innovations

which generated more than € 500 million over the last two years. With circa € 280 million of pro forma revenue in 2013, Canopy, the joint-venture that cements our alliance with EMC<sup>2</sup> (world leader in storage technology) and VMware (world leader in virtualization technology), registered major new contracts in the field of Cloud Computing. Through Canopy, Atos is playing a world-leading supporting role for its clients transitioning to the Cloud. We also reinforced our relationship with Samsung, SAP, Microsoft and Yonyou through the Yunano joint venture in China. My ambition for the next three years is to further strengthen these partnerships and develop other partnerships.

### A final word?

**Thierry Breton:** Thanks to the successful integration of Siemens IT Solutions & Services and our permanent investment in innovation, the Group is now ideally placed to become the preferred European brand in Global IT and Payments solutions.

I am absolutely sure that by continuing to fulfill our commitments, by demonstrating our capacity to perfectly execute our plans for transformation (TOP), business growth (eXpand) and the creation of attractive working environments for all employees (Wellbeing@work), and by continuing to anticipate the evolution of new technologies, this ambition will soon become reality.

On behalf of you, dear shareholders, and of the Board of Directors that I chair, I would like to thank our 76,300 employees and all those who are helping us to achieve our goals, to develop Atos and to prepare for the future, thereby creating value for the Group as a whole.

**Thierry Breton**  
CEO and Chairman, Atos



<sup>1</sup> Depending on market conditions and after consultation of the appropriate employee representative organizations.



## A.4 Persons responsible

### A.4.1 For the Reference Document

**Thierry Breton**

Chairman and Chief Executive Officer, Atos

### A.4.2 For the accuracy of the document

I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in the Reference Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I hereby declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and all the other companies included in the scope of consolidation, and that the management report (here attached) gives a fair description of the material events, results and financial position of the Company and all the other companies included in the scope of consolidation, as well as a description of the main risks and contingencies with which the Company may be confronted.

I obtained a statement from the statutory auditors at the end of their engagement affirming that they have read the whole of the Reference Document and examined the information in respect of the financial position and the accounts contained herein.

**Thierry Breton**  
CEO and Chairman, Atos  
Bezons, April 1<sup>st</sup>, 2014

### A.4.3 For the audit

#### APPOINTMENT AND TERM OF OFFICES

**Statutory auditors**

**Substitute Auditors**

**Grant Thornton**  
Victor Amselem

- Appointed on: June 12<sup>th</sup>, 2008 for a term of 6 years
- Term of office expires: at the end of the AGM held to adopt the 2013 financial statements

**Cabinet IGEC**

- Appointed on: June 12<sup>th</sup>, 2008 for a term of 6 years
- Term of office expires: at the end of the AGM held to adopt the 2013 financial statements

**Deloitte & Associés**  
Christophe Patrier

- Appointed on: May 30<sup>th</sup>, 2012 for a term of 6 years
- Term of office expires: at the end of the AGM held to adopt the 2017 financial statements

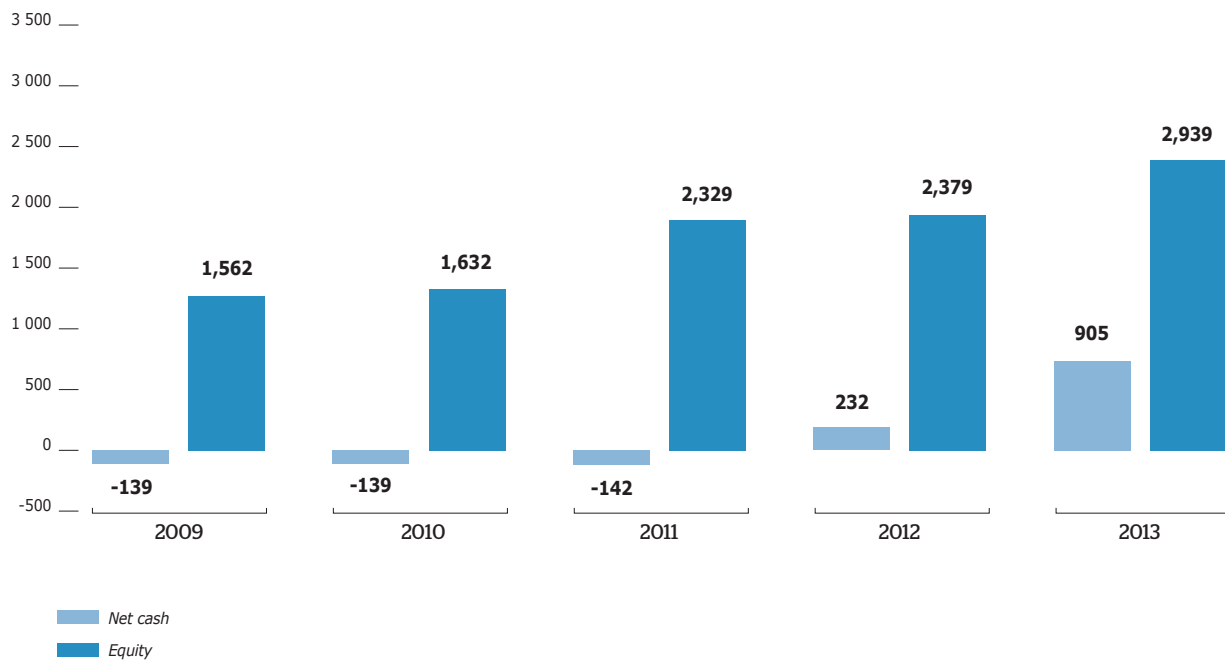
**Cabinet B.E.A.S.**

- Appointed on: May 30<sup>th</sup>, 2012 for a term of 6 years
- Term of office expires: at the end of the AGM held to adopt the 2017 financial statements

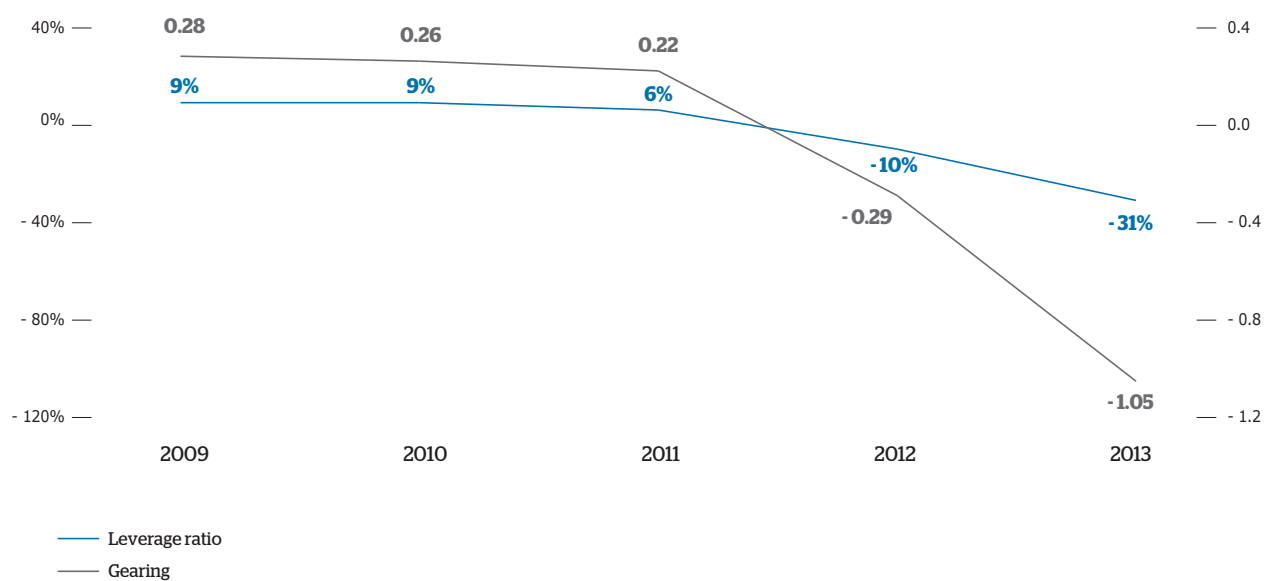
## A.5 Atos in 2013

### A.5.1 Key graphs

#### NET CASH AND EQUITY FOR INSTANCE



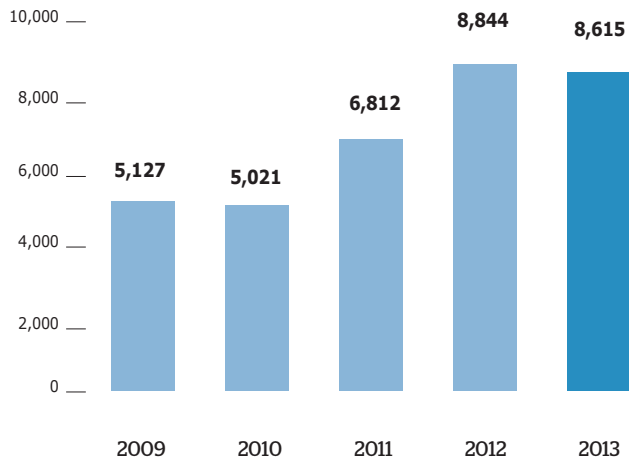
#### NET DEBT / OMDA AND NET DEBT / EQUITY



2009 figures: including SoRIE impact; 2010 to 2013 figures: statutory

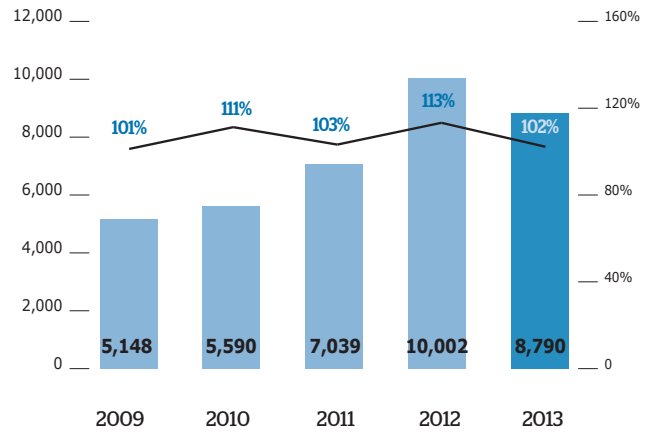


5-YEAR REVENUE PERFORMANCE (in € million)

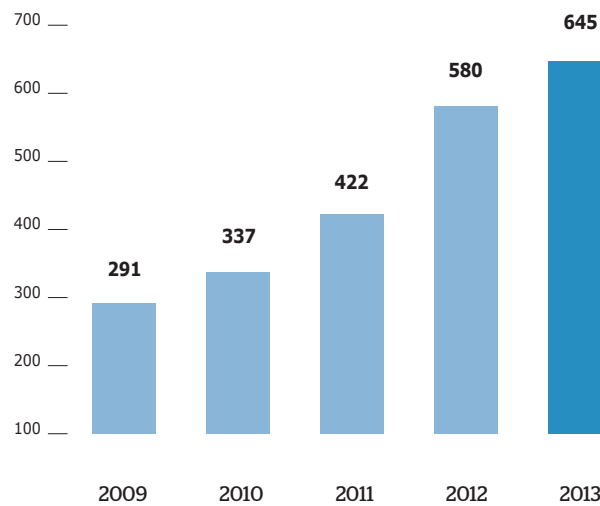


ORDER ENTRY (in € million)

Book-to-bill in %

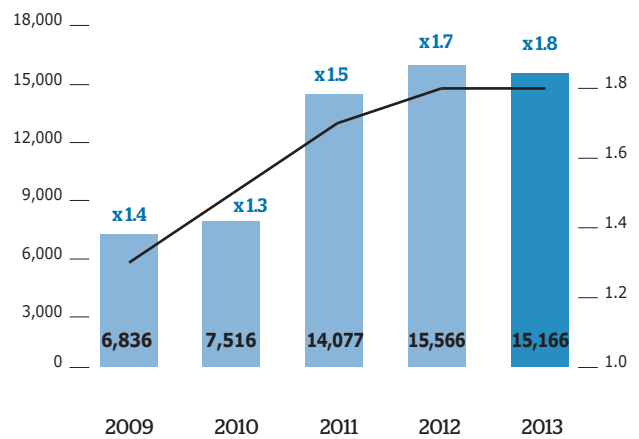


5-YEAR OPERATING MARGIN (in € million)

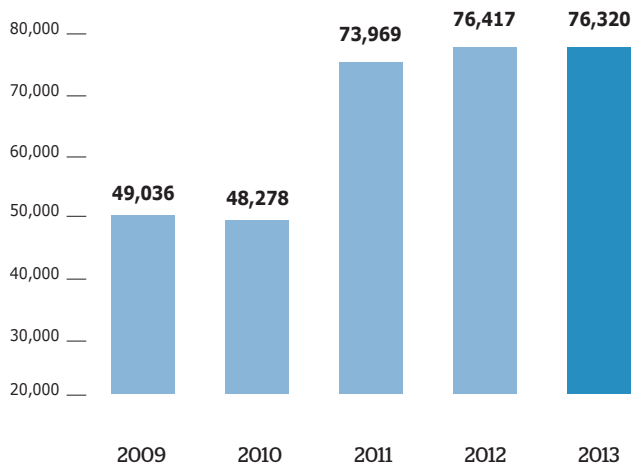


FULL BACKLOG (in € million)

In revenue year

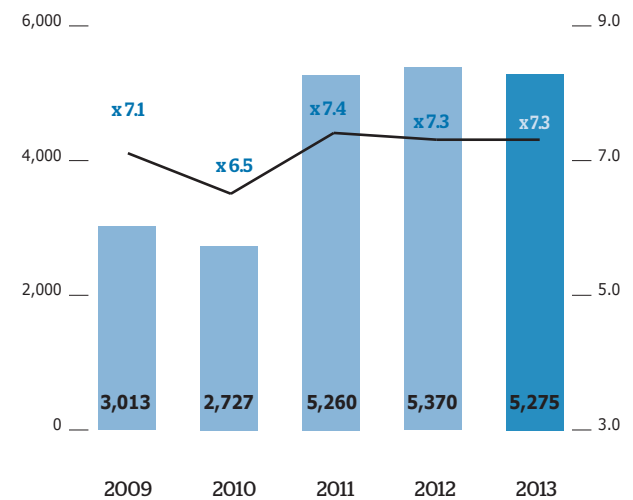


5-YEAR EMPLOYEE EVOLUTION



FULL PIPELINE (in € million)

In revenue month



2009 figures: including SoRIE impact; 2010 to 2013 figures: statutory

## A.5.2 Key achievements

### January

Atos published its latest trends report – Ascent Journey 2016. Researched and written by the Atos Scientific Community, a global network of around 90 of the best business technologists within Atos, Ascent Journey 2016 explores how a new set of major trends including the birth of the total data economy, a cashless society, social and shared innovation will start to reshape business and society by 2016. It showcases IT innovation that can bring the new efficiencies, relationships and ways of doing business necessary to revive the economy.

### February

Atos was selected by France Télévisions, the leading French broadcasting group, to take over operation of the IT infrastructures of the group's five channels, with a performance guarantee, and to assist it for three years in its transformation into a single company with pooled resources. France Télévisions aims to deliver a rich, ambitious and unifying range of programs, and to support cultural and artistic creation. To ensure that it has the means to achieve these goals, France Télévisions decided to entrust its IT infrastructure to a single service provider that will consolidate the existing systems.

Atos published its 2012 Annual Results. All 2012 objectives were reached with an Operating margin strongly improved by +36% at € 580 million representing 6.6% of revenue. Statutory revenue was up +30% at € 8,844 million. Free cash flow stood at € 259 million and net cash position was at € 232 million at December 31<sup>st</sup>, 2012. Net income increased by +23% and totaled € 224 million. In 2012, Atos performed a record commercial activity with € 10 billion order entry representing a book to bill ratio of 113%. The Group announced the decision to proceed with the carve-out of Atos' payments and merchant transactional activities.

### March

The French space agency CNES chose the consortium led by Atos to develop its future space mission control centers. Satellites are launched, put into orbit and piloted from a dedicated mission control center for each space program.

The consortium, led by Atos in partnership with Thales – along with Scassi, Spacebel and Telespazio, will be developing a line of ISIS products – the so called "Initiative for Space Innovative Standards" – which will constitute the new standard for mission control centers. The standard will address mandatory space program requirements in terms of performance, security and evolutivity over the future two decades.

### April

Atos was selected by the M6 Group as its partner for the implementation and industrialization of its pioneering interactive TV system.

The M6 application gives TV viewers the chance to interact in various ways during programmes broadcast by the group, such as Top Chef, Un dîner presque parfait, Pekin Express, etc. This means that users can respond, give their opinions and access additional content via a second screen that is synchronized in real time with their television. M6 is updating the possibilities it offers for programme interactivity via a second screen (smartphone, tablet or PC) and proposing an innovative service to enhance the link between TV viewers and the group's channels.

### May

Canopy, an Atos company powered by EMC<sup>2</sup> and VMware, is a market-leading one-stop shop for Cloud services. One year after the creation of this company it reveals its strengthened solution portfolio. The new solutions respond to an industry shift to a more flexible and cost effective model for organizations.

The alliance between EMC<sup>2</sup>, VMware and Atos continues and both the Canopy platform and private Cloud offerings are based on best-of-breed technology from EMC<sup>2</sup>, VMware and VCE to provide Cloud solutions and operations that offer the highest level of integrity, reliability and security.

### June

Thierry Breton, Atos Chairman and CEO and Boo-Keun Yoon, CEO and President of Consumer Electronics Division at Samsung Electronics celebrated the conclusion of a strategic partnership in Seoul to jointly develop and market advanced IT solutions for BtoB markets. Building on Atos' industry leading integration capabilities and Samsung's innovative technology, the joint offering will include end-to-end retail, digital signage, connected vehicle, end user computing, printing, and mobile solutions.

### July

Atos confirmed the completion of the carve-out process announced last February of its global payments and transactional activities. Operational July 1<sup>st</sup>, Worldline, an Atos company, combines in one entity the payments and transactions activities of Atos to form a European leader in these domains.

With revenues of € 1,115 million in 2013, Worldline is operating under its own brand in 17 countries with a global reach and offices across Asia and Latin America. Worldline employs 7,300 employees worldwide. The company has over 40 years of expertise. It has over 1 million terminals all over the world and manages billions electronic transactions each year.



Worldline is the number 1 Commercial acquirer in Benelux; number 1 e-commerce payments provider in France; number 1 POS acceptance platform in Germany; number 1 Issuing processing in Germany; number 1 POS Terminal provider in the Netherlands; number 1 DCC acquiring provider in India and Leading Issuing solution provider in Asia and number 1 Connected Vehicles Services Provider in Europe.

Worldline, supported MICHELIN® solutions, a Michelin Group company specializing in fleet mobility, with the implementation of innovative connected solutions for B2B customers. The Worldline solution Connected Vehicles gives MICHELIN® solutions the ability to propose new value-added solutions to fleets.

#### August

Atos announced the signing of an outsourcing contract with EDF subsidiary, EDF Luminus, the second largest energy company in Belgium.

The contract will see Atos take over the centralization and standardization of EDF Luminus IT services and infrastructure, with hosting of the applications in the EDF data centers.

#### September

Atos won a major contract with Airbus to develop its engineering assets. This contract with Atos will enable Airbus to leverage its information assets and will facilitate collaboration between its 59,000 employees, its customers and suppliers, worldwide.

The aircraft manufacturer, whose success lies in its capacity for innovation, has chosen Atos to develop, maintain and transform almost all of its Enterprise Content Management system (Document Management, Collaboration, Portal, Search). This five-year contract will be implemented by Atos teams in Toulouse, Hamburg, Madrid, Seville and Pune.

#### October

GrDF entrusted Atos Worldgrid with the responsibility for the overall integration of the gas smart meters program that will roll out 11 million meters in France by 2022.

Atos Worldgrid, a world leader in smart energy, signed a three year contract amounting to more than € 10 million for handling the overall integration of the GrDF gas smart meters program. Atos Worldgrid will develop the Common Core and Exchange Architectures integrating the various IT systems under construction.

#### November

Two months after entering the Dow Jones Sustainability Index World, Atos was recognized by the CDP (formerly Carbon Disclosure Project) for its climate performance. Atos proved itself to be one of the best companies in the field of sustainability performance, demonstrating the efficiency of its initiatives to move towards a "Zero Carbon" company.

At the occasion of an Analyst Day held on November 15<sup>th</sup>, 2013, in its Headquarters in Bezons, Atos presented its 2016 Ambition, a new important step for the period 2014–2016 in order to become a Tier 1 company and THE preferred European IT Brand.

6 levers were defined to reach the 2016 Ambition:

- anchor Atos global leadership in Managed Services;
- reinforce growth and profitability in Systems Integration;
- bring to market disruptive and innovative offerings and pursue strategic partnerships with technology leaders;
- enhance number one position in Cloud services in Europe;
- further expand its foothold in the US and accelerate growth in emerging markets;
- provide strategic flexibility to its Worldline subsidiary, to consolidate its leadership in Payments.

#### December

Atos and project partners complete R&D phase of CHIRON system for remote patient monitoring. Completion of the development program and pilots opens the door to new applications which will enable health staff to track and monitor chronic patients remotely, outside of the healthcare environment.

The CHIRON project started in 2010 and has been carried out by an international consortium of 27 partners from eight European countries. It has received funding from the ARTEMIS program, the European Commission and the Spanish department of Trade, Energy and Tourism. The CHIRON Consortium is formed by 27 partners: Atos Spain, Barco, Elsag Datamat, FIMI, Ibermática, Intracom, Philips, Alma, Cardionetics, I+, ITS, Mobili, Mortara Rangoni Europe, Wlab, Zorg Germak, Universidad de Bologna, "La Sapienza" de Roma, Uni. De Trieste, Univ. De Tecnología y Economía de Budapest, Universidad de Southampton, CEIT, CIMNE, ESI-TECNALIA, ISI, Josef Stefan Institute, and Southampton Universities Hospitals NHS Trust.

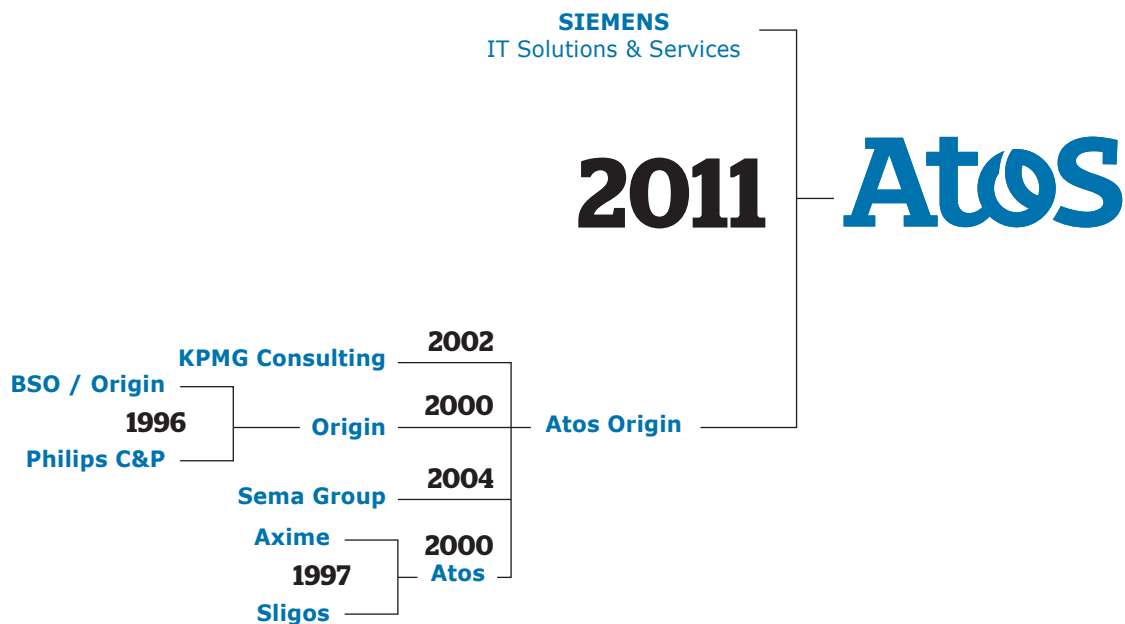
Signature with the International Olympic Committee of a contract extending the role of Atos as technology provider for the Olympic and Paralympic Games until 2024. This contract has been won following an international competitive process that lasted almost one year. As part of this contract, services are now provided on a SaaS Cloud solution that will use the Canopy platform.



## A.6 Group presentation

### A.6.1 Formation of the Group

Atos is a leading international IT services company created through series of mergers and acquisitions, starting in 1997.



**Atos** was formed from the merger in 1997 of two French-based IT services companies – **Axime** and **Sligos** – each of which had been established out of earlier mergers. By 2000, Atos employed 11,000 staff and generated annual revenues of approximately € 1.1 billion.

**Origin** was a subsidiary of Royal Philips Electronics, which had been formed in 1996 from the merger of BSO/Origin and Philips Communications. At the time of the merger with Atos in October 2000, Origin employed more than 16,000 staff in 30 countries worldwide and generated annual revenues of approximately € 1.6 billion.

**KPMG Consulting's** businesses in the United-Kingdom and The Netherlands were acquired in August 2002 to establish Atos Consulting. This transaction provided the Group with a major presence in the Consulting segment of the IT services market.

**Sema Group** was acquired from Schlumberger in January 2004, thereby creating one of the leading European IT services companies. At the time of the acquisition, Sema Group employed 20,000 staff and generated annual revenues of approximately € 2.4 billion. Atos Origin employed 26,500 staff, generating annual revenues of more than € 3 billion.

On July 1<sup>st</sup>, 2011, Atos announced that it has completed the acquisition of **Siemens IT Solutions and Services** – to become a new IT champion. The deal created a new company with pro forma 2011 annual revenues of € 8.5 billion and 74,000 employees across 48 countries. Ranked in the top ten global IT services providers; number five in Managed Services worldwide and the number one European player in Europe, the new company is a powerful combination of two highly complementary organizations. Together as Atos, they create a leader in foundation and business critical IT services that will accelerate growth.



## A.6.2 Management and organization

Atos is incorporated in France as a “Société Européenne” (European Company) with a Board of Directors.

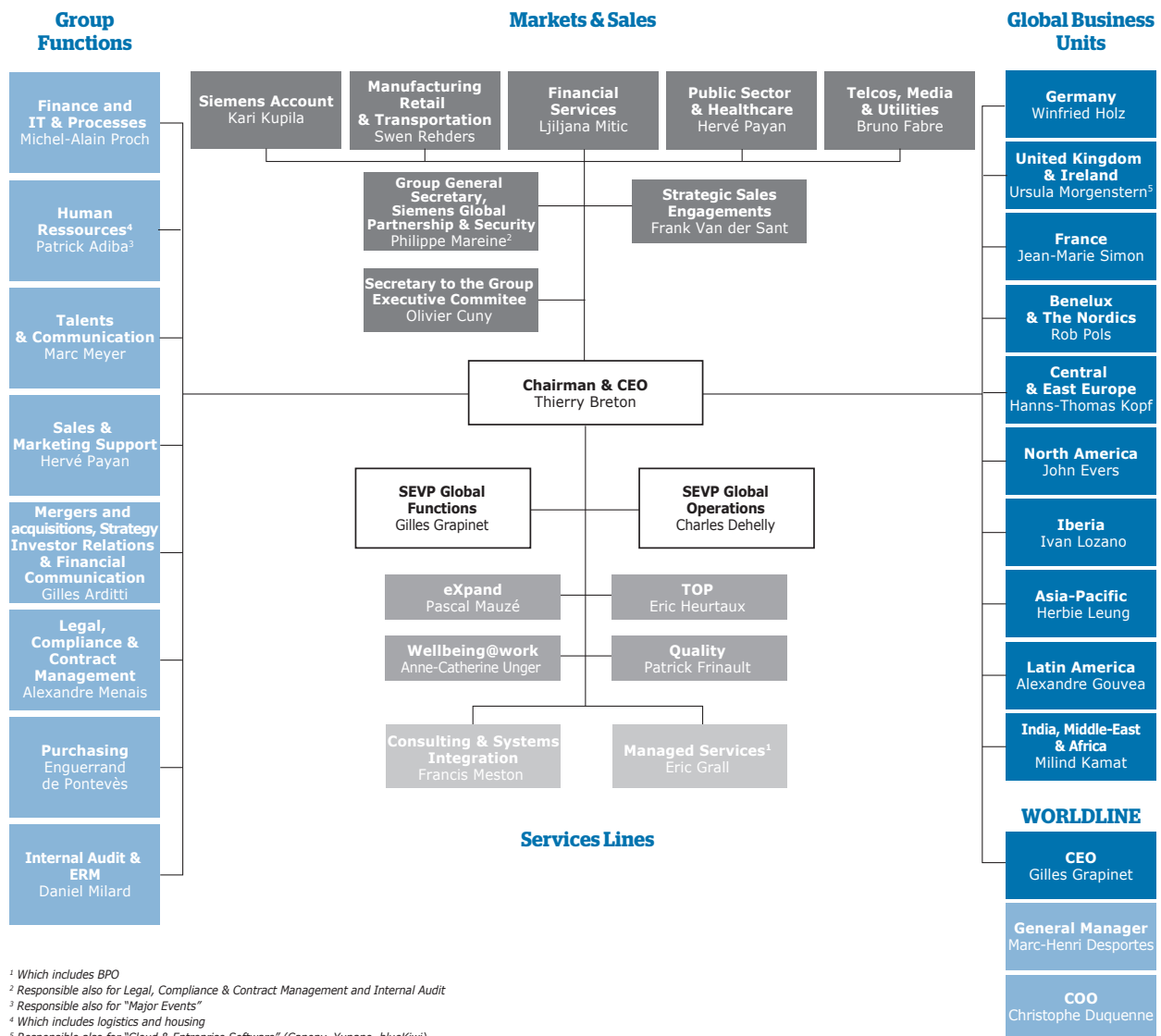
### A.6.2.1 Group general management

The General Management is composed of a Chairman and Chief Executive Officer and two Senior Executive Vice-Presidents, chaired by Thierry Breton, Chairman and CEO.

Name	Title	Responsibility
<b>Thierry Breton</b>	Chairman and Chief Executive Officer; Worldline Chairman	
<b>Charles Dehelly</b>	Senior Executive Vice President in charge of Global Operations	Global Operations, Responsible for Global Consulting & Systems Integration, Global Managed Services, TOP Program, Global Purchasing and Geographic Business Unit*
<b>Gilles Grapinet</b>	Senior Executive Vice President in charge of Global Functions; Worldline CEO	Support functions, Responsible for Global Support Functions, Global Sales and Markets, Siemens Strategic Partnership, and Worldline

\* Excluding Worldline that is under the responsibility of Gilles Grapinet.

### A.6.2.2 Organization chart



<sup>1</sup> Which includes BPO

<sup>2</sup> Responsible also for Legal, Compliance & Contract Management and Internal Audit

<sup>3</sup> Responsible also for "Major Events"

<sup>4</sup> Which includes logistics and housing

<sup>5</sup> Responsible also for "Cloud & Enterprise Software" (Canopy, Yunano, blueKiwi)

## A.6.2.3 The Executive Committee

The role of the Executive Committee is to develop and execute the Group strategy and to ensure value is delivered to clients, shareholders and employees; It's role is also to improve interaction and cooperation between the Specialized and Global Business Units, the Global Service Lines, the Global Markets and the Global Functions.

The Atos Executive Committee is composed of:

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

Former French Minister of Economy, Finances and Industry, Thierry Breton was Chairman and CEO of France Telecom, the second European leader telecommunications operator, and CEO of Thomson. He was previously Executive Managing Director and then Vice Chairman of the Bull Group. Thierry Breton taught leadership and corporate governance at Harvard Business School. He is graduated of the École Supérieure d'Électricité "Supelec" of Paris and of the Institut des Hautes Études de Défense Nationale. He has been honored with the prestigious awards of "Officier de la Légion d'Honneur" and "Grand Officier de l'Ordre National du Mérite." He is Chairman and Chief Executive Office and since the creation of Worldline through the carve-out in July 2013, he is in addition Chairman of Worldline.

### **Charles Dehelly, Senior Executive Vice President, Global Operations**

Charles Dehelly began this career at the Thomson Group where in 1981 he was CEO of Home Appliance divisions and later CEO of Television division. Joining the Bull Group in 1992 as Group Chief Operating Officer, he returned to Thomson in 1998 as Chief Operating Officer then as Chief Executive Officer. In 2005 he became CEO of the Equant Group, then CEO of the Arjowiggins Group. He is Senior Executive Vice President in charge of Global Operations, Responsible for Global Systems Integration, Global Managed Services, TOP Program, Global Purchasing and Geographic Business Unit.

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

A graduate of the École Nationale d'Administration, Gilles Grapinet's previous roles include financial auditor, Head of Strategy & Information System of the French tax directorate, Director of the nation-wide Copernicus program for IT transformation of the tax administrations and Executive Committee member at Crédit Agricole SA, in charge of Strategy and, then, Payments systems & Services. He served as advisor for Economic and Financial Affairs of the French Prime Minister and as Chief of Staff for two French Ministers of Economy and Finance. He is Senior Executive Vice President in charge of Global Functions, Responsible for Global Support Functions, Global Sales and Markets, Siemens Strategic Partnership, Global Consulting and Technology Services, and Hi-Tech Transactional Services. In addition to his role and since the creation of Worldline through the carve-out in July 2013, he is Worldline Chief Executive Officer. He received the French Légion d'Honneur (Chevalier) in 2011.

## Group Functions

### **Michel-Alain Proch, Head of Finance and IT & Processes**

Graduated from the Toulouse Business School in 1991 with a major in Finances, he started his career at Deloitte in 1991, where he spent six years in Paris in the Manufacturing Audit division and in London in Transactional Services. In 1998, he joined Hermès, first as Director of Internal Audit, then as Group Financial Controller and finally as Chief Financial Officer for the Americas, based in New York, supervising all functions of Finance, IT, logistics and "Store planning". He returned to Europe in 2006 to join Atos as Senior Vice President Internal audit & Risk Management before being appointed Executive Vice President and Group Chief Financial Officer in 2007. He is Executive Vice President, Group Chief Financial Officer and beyond Finances, is also supervising IT & Processes, Real Estate, Pensions, Operational Risk Management, Bidding Control and Security.

### **Patrick Adiba, Head of Human Resources & Major Events**

Prior to this position, he served as CEO of Iberia. For five years, he was CEO of Latin America. Patrick Adiba holds a degree in Electronic and Telecommunications Engineering from INSA, Lyon and did an Executive MBA at Stanford University in 2001. Since July 2013, he has been appointed Executive Vice President, Group Human Resources and also manages the Major Events Business Unit.

### **Philippe Mareine, General Secretary of the Group & Head of Siemens Global Partnership**

General Secretary of the Board of Directors, in charge of legal functions, Compliance, Audit, Security, Social Responsibility policy, and the Siemens Global Partnership. He was Deputy Manager in the French Treasury department's Inspection Générale des Finances unit and, previously, he was in charge of Human Resources in the public accounts department of the French Ministry for the Budget. From 2005 to 2007, he was technical adviser in charge of employee relations and reform in the office of the French Minister of the Economy, Finance and Industry. He held several managerial positions at the French Tax Administration. He is a graduate from the École Polytechnique and École Nationale d'Administration and joined Atos in 2009.

### **Marc Meyer, Head of Talents & Communication**

Marc Meyer comes from Dexia where he served as Head of Group Communications. Marc joined Bull Group in 1986, where he held several senior positions in corporate and marketing communications. In 1997, he joined Thomson, a consumer electronics firm and in 2001 was promoted to the Company Executive Committee. Then, he joined the France Telecom/Orange Group as Executive Vice President for Communications. He is a graduate from the Sorbonne University in Paris.



**Hervé Payan, Head of Sales & Marketing Support and Public Sector supervision**

Before joining Atos in 2009, Hervé Payan was Deputy CEO in charge of Sales development of Steria France. Hervé Payan is a graduate from the École Supérieure de Commerce de Paris. After ten years in Consulting, mostly at Arthur Andersen, Capgemini Consulting, and AT Kearney, Hervé Payan has been Sales Director at EDS France from 2002 to mid-2005 then Director of the Consulting Business at EDS Consulting EMEA.

**Olivier Cuny, Secretary to the Executive Committee**

Olivier Cuny joined Atos in July 2012. He had been Chief of Staff to the Chairman of the French National Assembly since 2009. He previously worked in the French Treasury department (Direction du Trésor) and in the French Debt Agency (Agence France Trésor). He was Alternate Executive Director for France at the International Monetary Fund in Washington DC from 2003 to 2006. He then became Economic Adviser to the Prime Minister before being appointed Chief of Staff to the Governor and Secretary of the Executive Committee of the Council of Europe Development Bank in 2007. Olivier holds an engineer degree from the École Polytechnique and is a graduate from the École Nationale d'Administration and the Institut d'Études Politiques in Paris.

**Markets**

**Swen Rehders, Head of Manufacturing, Retail & Transportation**

Before assuming within Atos, Swen Rehders was Managing Director of EDS Operations Services GmbH, the largest EDS company in Germany. In 2001, he was appointed Regional Operations Director and Sales Manager, and he was able to make a significant contribution to the turnaround, the successful business growth and expansion of customer relationships. In his final role at EDS he was responsible for large-scale projects in continental Europe. Previously, he worked for Systematics AG. As a member of the Management Board, responsible for the entire infrastructure portfolio, he also gained extensive experience in the sales and services areas during his 14 years at IBM. One of his roles there was Director of Project Sales for insurance customers in Germany, Austria and Switzerland.

**Dr. Ljiljana Mitic, Head of Financial Services**

After studying international business at the Fachhochschule Dortmund, she accomplished her PhD at the University of Plymouth. She began her career in 1992 as a consultant at MBP Software & Systems GmbH. In 1993 Dr Ljiljana Mitic moved to EDS Electronic Data Systems Deutschland GmbH, where she held different responsibilities from consulting to business management. Between 1999 and end 2004 she was responsible for the IT Infrastructure organization globally, at WestLB Systems GmbH. In 2005, she joined Hewlett-Packard GmbH as Sales Director Financial Services Germany. Since October 2010, Dr. Ljiljana Mitic was appointed as Global Head of Financial Services being responsible for key customers for Siemens IT Solutions and Services GmbH.

**Bruno Fabre, Head of Telcos, Media & Utilities**

Bruno Fabre joined Atos Origin in 2010 and he was previously Thomson Telecom CEO and Member of the Thomson Executive Committee. Prior to that role, Bruno Fabre was CEO at ATLINKS, an Alcatel Thomson joint venture; Vice-President Sales, Supply Chain and Customer Care at Alcatel Mobile Phones, Sales Director Europe & South America at Alcatel Radiotelephone. He has also held senior positions at Afrique Métaux and SAGEM. He is a graduate from IDRAC, CNAM and Stanford SEP. Since July 2013 and the creation of the new market through the consolidation of the Telcos, Media and Technology and the Energy & Utilities markets, Bruno Fabre is Head of Telcos, Media & Utilities.

**Kari Kupila, Head of Siemens Account**

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

**Global Business Units**

**Winfried Holz, Head of Germany**

Winfried Holz has more than 20 years of experience in the IT sector. He began his career in 1984 at Siemens AG Germany, where he held a variety of management positions, including Vice President of Siemens Nixdorf Information system and President of International Operations at Siemens Medical Solutions. Following his position of Managing Director of Fujitsu Services GmbH, he was appointed CEO of TDS in November 2007. Winfried Holz has a degree in industrial engineering.

**Ursula Morgenstern, Head of United-Kingdom & Ireland, Head of Cloud & Enterprise Software**

Ursula Morgenstern joined Atos in 2002 through the acquisition of KPMG Consulting. Before assuming the role of UK Chief Operating Officer earlier this year, from 2009 Ursula Morgenstern was Senior Vice President responsible for Private Sector Markets, and from 2007 she was Senior Vice President responsible for Systems Integration. Prior to that, she held a variety of roles in Systems Integration including management roles for sectors, custom practices, and package solution business units. Since September 2013, she is managing the recently created Cloud and Enterprise Software unit in addition to her role as United-Kingdom & Ireland CEO.

**Jean-Marie Simon, Head of France**

Jean-Marie Simon held various R&D and Production positions within Schlumberger, first in Clamart in France then in Oslo in Norway. He worked in Indonesia as Operations Technical Director for Asia. He was CIO for Schlumberger Oilfield Services during three years. He moved to Schlumberger Sema following the

acquisition of Sema Group and then Atos developing, Consulting and Integration Systems practice around Human Resources. He was previously HR Director for France, Germany, Italy and Spain from 2005 to 2007 and Group HR Executive Vice President from 2007 to 2013. He is now Atos France CEO.

#### **Rob Pols, Head of Benelux & The Nordics**

Rob Pols has built a considerable track record in the IT services and consultancy market place. Between 2003 and 2005 he was general manager of Adresco BV, an organization specialized in interim management services. Previously, he was a Member of the Board of Directors at Syntegra – part of BT – and Director of Syntegra/KPMG Consulting in France. In 2005 he held the position of general manager and COO at Fujitsu Services in the Netherlands. Since 2007 he is CEO of Atos Benelux and as from July 2013 he is responsible for Benelux & The Nordics.

#### **Hanns-Thomas Kopf, Head of Central & Eastern Europe**

Born in Austria and studied in Vienna (AT), Erlangen (GER), Boston-Wellesley (USA Massachusetts) and Innsbruck (AT). He started the professional career as SW-engineer and Operator in different IT companies. 1989 he joined Nixdorf Computer which has been renamed to Siemens Nixdorf one year later. After eight years in the marketing management he changed in the function as Sales Director for nine South Eastern European countries. Previously, he held various management level positions within the company (President Service and Operations in CEE of Siemens AG, Chief Operating Officer for Siemens IT Solutions and Services CEE as Country Manager for Austria and the Southeast European countries).

#### **John Evers, Head of North America**

Prior to his appointment, John Evers served as the Chief Executive Officer of Siemens IT Solutions and Services, Inc. where he was responsible for leading the organization into the High Value Service market leveraging Siemens' capabilities in Data Center, Application Services and Consulting. Previous to Siemens, John Evers was the Vice President of Worldwide Outsourcing Sales at Hewlett-Packard and served a 19 year career with the IBM Corporation, in a series of progressively responsible sales, business development and executive roles. John Evers holds a Bachelor of Science degree with an emphasis in Marketing from the Pamplin School of Business at Virginia Tech.

#### **Iván Lozano, Head of Iberia**

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

#### **Herbert Leung, Head of Asia-Pacific**

Herbert Leung (also known as Herbie) was previously COO in the same region. Prior to this, he was the Senior Vice President of Managed Services for the United-Kingdom, Americas and Asia Pacific since 2004. Before joining Atos, Herbie was the Vice President of Global Service Delivery with SchlumbergerSema. He started his career with Schlumberger and has worked as country manager for China and Canada, Worldwide Technical Director and Vice President for Europe, Africa and CIS. Graduated from the University of Dundee, Scotland, United-Kingdom, Herbie completed his Bachelor of Science in Electronics with a first class honours.

#### **Alexandre Gouvêa, Head of Latin America**

Alexandre Gouvêa is an Electrical engineer with a Master degree in Business administration, has been the CEO of Atos Latin America for two years. Alexandre Gouvêa has over 30 years of experience, of which 15 were in international positions. Alexandre Gouvêa worked for five years for Orange Business Services, a company of the France Telecom Group, where he served as Senior Vice President of Operations. He had previously worked for 20 years as an Executive in Equant and Embratel, including responsibility for Global Network Operations in over 220 countries.

#### **Milind Kamat, Head of India**

Milind Kamat comes from CMC a TCS Group of company where he was leading Financial Services Business for national and international clients. Milind Kamat is an electrical Engineering Graduate from Mumbai University. He completed his MBA in Financial Management from Jamnalal Bajaj Institute of Management of Mumbai. After 16 years in Financial Services with CMC (TCS Group company), he joined Origin. He worked in different roles from Service Practice Management to Sales and Marketing of Global Sourcing in Atos Origin. Milind Kamat has 31 years of experience in IT services Industry in India. He took over as Chief Executive Officer of Atos Origin in 2007.

### **Service Lines**

#### **Eric Grall, Head of Managed Services**

Eric Grall was President and General Manager at Hewlett-Packard with responsibility for Atos' sourcing activities in Europe, Middle East and Africa. Eric Grall has spent his professional Career at HP in a number of roles related to outsourcing. In 2008 he was appointed as Head of Outsourcing activities in EMEA for Hewlett-Packard. He is a graduate from ENSIED Grenoble and from the University of Brest.

#### **Francis Meston, Head of Consulting & Systems Integration**

Francis Meston joined Atos from the EDS French subsidiary where he has been appointed CEO since January 2002. In 1996, he joined AT Kearney as Vice President in charge of EMEA business transformation and strategy practices as well as MIA Global practice. He was previously Vice President of Capgemini Consulting where he led the French operations, the EMEA Telecommunication practice and the EMEA business reengineering practice. Francis Meston is a graduate of École Centrale Marseille and holds a MBA in Finance from Purdue (Indiana). Francis Meston is also "maître de conférences" à HEC Business School.



Worldline

Marc-Henri Desportes, General Manager of Worldline

Marc-Henri Desportes is a graduate from École Polytechnique and École des Mines de Paris. From 2006 to 2009, he was CIO in BNL, Italian subsidiary of BNP Paribas. From 2005 to 2006, he was in charge of control coordination at BNP Paribas. From 2000 to 2005 he was Deputy Program Director of Copernic at the French Ministry of Finance. In 2009, he joined Atos where he was Head of Global Innovation, Business Development & Strategy, and then he was Executive Vice President of Hi-Tech Transactional Services & Specialized Business. In July 2013, he was appointed General Manager of Worldline.

Christophe Duquenne, Chief Operations Officer of Worldline

A graduate of the École Centrale Paris, Christophe Duquenne joined Atos in 1987 where he held positions of management, supporting the deployment of Atos' Worldline expertise in its multiple dimensions. For six years, he led Atos Worldline France Operations until July 2011 before being in charge of Atos Worldline Global Operations. Since the creation of Worldline through the carve-out in July 2013, he is Chief Operating Officer.

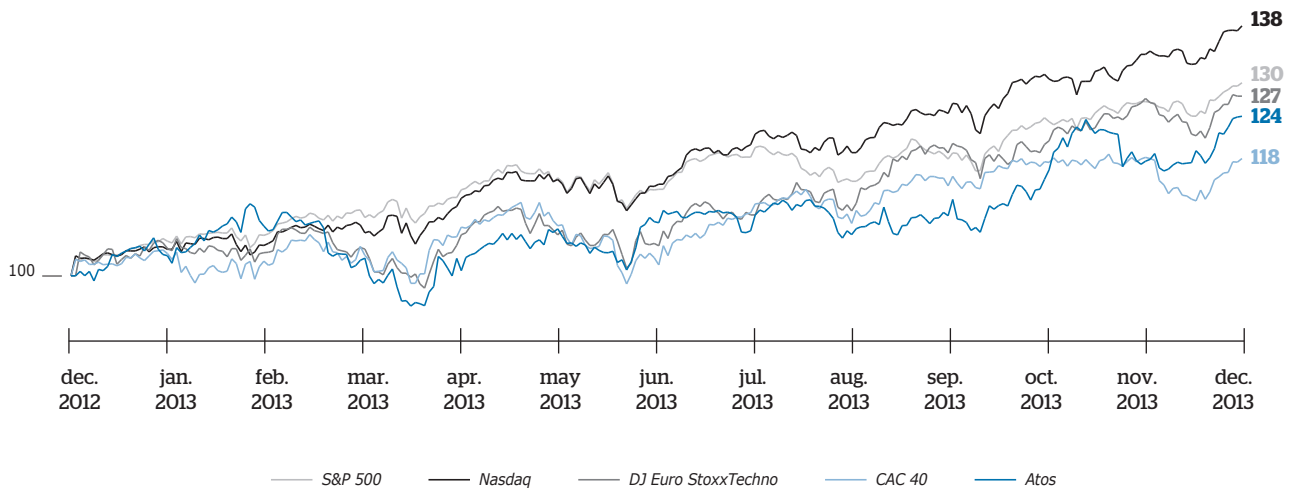
A.7 Stock market overview

While the French reference index, the CAC 40 increased by +18% in 2013, Atos stock price recorded a +24% increase, broadly in line with its European peers of the technological sector (DJ Euro StoxxTech +27%). In the US, indices reached a higher range of performance with for example the Nasdaq index

which increased by +38% in 2013 (+16% in 2012) and the S&P 500 by +30% (+13% in 2012).

Atos market capitalization reached € 6,458 million at the end of 2013.

ATOS' SHARE PERFORMANCE IN COMPARISON WITH INDICES (BASE 100 AT DECEMBER 31ST, 2012)





# B

## Atos positioning in the IT market

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B

## B.1 Market trends

Atos identified in 2012 a strong trend with technology driving the segmentation between transactional-payments activities and the more traditional IT services. This trend continued and even accelerated in 2013, confirming Atos' strategic move at operating two different activities:

- **IT Services**, in which customers' shift to the Cloud is transforming this business. But also other category of technology trends opens up completely new application fields, which extend the existing range of usage of IT. The most important trends in this area are Big Data and Internet of Things, Mobile Computing, social technologies and digitalization of business. Atos IT Services units are ready to respond to these market demands, focused on industrialization and standardization of business enabling IT services – and now the Cloud, with Canopy;

- **payments and merchant transactional activities:** This business is being turned around by the B2C revolution, mobile explosion and the emergence of a merchant-centric ecosystem. Worldline is serving this demand.

With the further proliferation of IT, partly into completely new areas, the privacy of user data, security and location is becoming more and more important, with security issues massively increasing. Solving these challenges is a prerequisite for the adoption of most of the trends described here.

In the following sections are described the most significant trends driving innovation (Cloud, Big Data, Social Networks and Mobility) that combined with the continuous pressure on the IT industry, will define the world in which Atos will operate.

### B.1.1 Cloud Computing

#### Offer IT in a pay-per-use delivery model, yet secure and reliable

For Atos, Cloud Services refer to any service delivered to clients over the Internet on a pay-per-use basis. Cloud Services are a continuum of existing services, classified in four functional layers:

- **Business Process as a Service (BPaaS):** e.g. helpdesk, CRM, and card management;
- **Software as a Service (SaaS):** e.g. ERP applications, or Industry specific software;
- **Platform as a Service (PaaS):** middleware including database and transaction processing platforms, on-demand development environments;
- **Infrastructure as a Service (IaaS):** processing, storage and networking on-demand.

Cloud services are offered in three delivery modes:

- **Public Cloud:** Services are offered to an extremely large set of customers on a shared infrastructure, highly standardized, e.g. Amazon elastic compute services;
- **Private Cloud:** Services are offered only to a single client or to a controlled set of clients (Community Cloud) based on a Cloud environment. In this delivery mode, security, service levels and customization can be better addressed. Private Cloud can be implemented within a company or organization, managed and run by an external provider (Managed private Cloud); or provided by an external provider who is in charge of provide and operate a dedicated Cloud architecture (hosted private Cloud);
- **Hybrid Cloud:** Usually, even a single client will have a mixture of multiple public Clouds, private Clouds and legacy systems, requiring orchestration.

This market represents today business volume that analysts estimate to be above € 60 billion in 2013. A significant growth of around 30% annually is predicted by Industry analysts in all segments over the next 5 years, with a considerably higher growth of Private Cloud services and IaaS.

New market segments are opening or strengthening, with adoption rates increasing in all vertical markets, including Public administrations. Government and other public agencies that were initially reluctant, are finally embracing Cloud Computing. However still significant differences are observed by regions: US leads adoption, major vendors and consumers concentrating on public Cloud. EMEA follows, bridging the gap, but Asia Pacific is still lagging behind.

SaaS is becoming a standard for buying new applications, and is already cannibalizing over traditional IT licensing model. As an example, 40% of CRM solutions were sold as SaaS in 2013.

Cloud Computing is also likely to become a game changer in terms of competitive landscape, as it blends together parts of different IT markets, like hardware, software and services. Arriving from the mass market to the enterprise, the Cloud players offer massive savings through Cloud Services for any organization that can live with a one-size-fits-all approach, and are now broadening the scope of their Cloud offerings.

Cloud Computing, in its different and complex forms, will be another way to deliver IT services that will need integration with legacy systems and management of the resulting quality of services, security or interoperability, thus creating new business opportunities for IT services companies. The joint ventures built by Atos, such as Canopy, formed with EMC<sup>2</sup> and VMware, or Yunano, formed with Chinese Enterprise software leader Yonyou (formerly Ufida), illustrate Atos' ambition to develop innovative partnerships in this field.



## B.1.2 Mobile Computing and Internet of Things

### More interactions from anywhere, at anytime

Mobility is transforming business radically, not only affecting the way business communicates with its customers, employees and stakeholders, but also in the Company's internal processes and culture. Forrester estimates there will be more than 2 billion smartphones in the world by 2014. But the growing number of other devices such as tablets or wearable devices also needs to be considered in this game-changer trend. Moreover, nowadays smartphones include different sensors, GPS and, most specially, Near Field Communication features that expand their possibilities beyond the early concept of being just a mobile internet connection.

Besides the proliferation of smartphones, tablet PCs continued their market success in 2013. Initiated by Apple's iPad but now dominated by Samsung, in 2013 more than 250 million tablet PCs were sold worldwide. According to IDC, in 2015 tablets will outsell PCs. For the smart mobile devices, the battle of platforms is continuing among iOS, Android and now Windows 8 phones, tablet and Windows OS. But also, many expectations to have operating system independent apps are put on the new web standard HTML5. This should strongly impact the overall structure of internet.

Most promising valuable mobile applications are in the area of mobile payments are yet to come. An NFC-enabled phone is provisioned with a version of the payments application (i.e., credit, debit card or prepaid card) issued by the consumer's financial institution. The phone uses the built-in NFC technology to communicate with the merchant's contactless payments-capable Point of Sales (POS) system. Advantages of this method are speed, convenience, and the fact that NFC payments use the existing financial payments processing infrastructure.

The future most important aspect of mobile applications is context awareness. The value derived from an isolated web or mobile application will fall short compared to the possibilities of one that is integrated and harmonized with the CRM and other business systems. Mobile devices can be the perfect channel to communicate with clients but only if the Company is prepared to deliver in the right time. To allow the real time context analysis, companies need the analysis of past data to cast powerful insights that will improve customer relationship in different ways, from smarter app design to customized customer care. The synergies between the fields of mobility and Big Data will leverage great value among industries.

Closely connected to the concept of mobility, there is the one of the Internet of Things (IoT). This trend refers to the blending of digital and physical worlds by creating a network of connected objects that communicate to one another or with computers and other devices. By 2020, Cisco expects over 30 billion intelligent things will be connected to the Internet. This hyper-connectivity is leading to increasing opportunities in the IT market, making concepts like smart cities, connected cars, predictive maintenance (predicting failure by analyzing the data from in-machine sensors) or smart grids to become a reality.

Atos believes the market benefits here of what the economists have named "two sided market", where companies will enjoy significant opportunities through the usage of a platform to create information that holds value; and while end user access to services and consume via an almost free access to the platform of services sponsored by the first ones. Such an approach requires a capability to crunch, analyze, store and extract large amounts of data, sometimes in real time. The Scientific Community of Atos has developed several programs on these themes.

## B.1.3 Big Data

### Digital data as the new business advantage

Business Digitalization has emerged as part of the strategy of any business function, which are extending and supporting electronic channels, content and transactions to transform their business capabilities, creating new sources of customer value and competitive differentiation. While digital business is most commonly associated with selling products online, the digitization of business is now happening across the entire value chain and in all industry sectors. Maximizing data assets (digitization of business transactions) will be a key lever to grow businesses. The use of analytics will improve decision-making and outcomes.

While even the data assets within an enterprise grow tremendously, the amount of global data is even more exploding, due to three key factors: personal data economy, Internet of Things and open data. The term Big Data is referring to the extension of the data that are used within the enterprise today in several dimensions.

So far, the main application for Big Data technologies and techniques focuses at improving customer experience, but there is a wide and growing number of use cases across every industry and business functions, including product development or forecasting and planning, for example. Industrial data generated from the connection of millions of machines that

deliver and share information, also referred as Internet of Things, will also enhance business value (i.e. drive efficiencies in Industrial machine operations), and has the potential to create even greater value in contributing to the efficiencies of second-order industrial networks or to create new disruptive business models.

Big Data is being divided into two kinds of solutions; the first type seeks for valuable insights in the analysis of great amounts of static data. Such solutions are normally based in open software applications, especially Hadoop. The second type is the fast-data architectures which purpose is to analyze inbound data in near real time in order to predict or correctly respond to specific events.

Mastering the underlying techniques, such as data mining, predictive analytics or natural language interpretation as well as acquiring expertise in the new emerging technologies will be a prerequisite to address the full value of Big Data. Further development of these skills and talent recruiting are perceived as main challenges by many organizations.

In 2014, the IT market will see the rise of Big Data solutions, from pilots to a good number of successful implementations. This will come along with the arrival of easier Big Data tools, ready to use and integrated with legacy systems. According to Industry analyst firms, Big Data will drive more than € 15 billion of worldwide IT spending in 2014, and is expected to grow at around 40% rate from previous year.

## B.1.4 Customers demanding on IT Services providers

Clients continue to be very demanding towards IT Service Providers to help them decreasing cost of operations, providing quality, becoming sustainable and environmentally friendly, and in some cases to take over full responsibility of non-critical processes.

- **Globalization and Industrialization of IT:** the need for lower costs and higher quality drives standardized and optimized global delivery networks. Improvement methodologies, like Lean and Six Sigma, are being used to further optimize service delivery and reduce overhead as well as cost of non-quality. Globalization of standardized processes across multiple delivery sites, countries and regions allows for larger economy of scale, use of low cost resources/offshoring, as well as flexible assignment. At the same time, it supports the customers' growth and globalization ambitions.
- **Pervasiveness of IT and Business Process Outsourcing:** more and more high value and even industry-specific processes are now handed over to service providers, e.g. in healthcare, insurance, financial services. They are so called Business Process Utilities (BPU), i.e. highly automated facilities to serve multiple customers, mostly based on a pay per use model, will accelerate this trend in the coming years.

- **IT for environment:** leverage IT to implement sustainability beyond Green IT. As IT makes up only about 3% of the overall energy consumption, a far bigger lever is to make use of IT to improve sustainability in other areas. Driven by cost savings, regulations and stakeholders as well as public pressure, customers are looking for IT solutions for sustainability reporting, building energy efficiency, waste reduction, smart grids, traffic and fleet management, etc.
- **IT/OT Convergence:** integrate production environments with IT to improve time to market and flexibility. More and more assets of the production environment contain standard IT components or even migrate to standard IT systems. On the other hand, customers are forced to shorten time to market and to be able to flexibly transfer production between different sites. This can be accomplished by integrating the IT and OT systems (e.g. PLM-MES integration), which is the trend that industry analysts are calling IT/OT Convergence.

## B.2 Market sizing and competitive landscape

### B.2.1 Overall market size

According to Gartner’s forecast published in early January 2014, End-user spending on IT Product and Services in 2013 is estimated to be worth € 2.9 trillion, out of which Telecom Services is 45%, Devices is 18%, Enterprise Software 8%, Data Center Systems 4%, and overall IT Services Market 25%. At constant exchange rate US dollars, IT spending grew at +2.5% in 2013.

Spending on devices was almost flat in 2013, due to the convergence of the PC, ultra-mobiles (including tablets) and mobile phone segments, as well as erosion of margins. Enterprise software spending growth continues to be the strongest throughout the forecast period, at 6.8% annual growth rate:

Customer Relationship Management (CRM) and Supply Chain Management (SCM) experienced a period of strong growth. Telecom Services (1.5%) and Data Center systems (1.3%) slightly grew compared to 2012.

Spending in IT Services reached approximately € 697 billion in 2013, of which direct hardware and software support activities are € 115 billion. Therefore the size of IT services market where Atos is active is sized at € 582 billion (often reported as “business professional services”), of which close to 30% is in Europe (West/East), i.e. € 174 billion, the Group’s principal market today.

Market by region - 2013	Total (in € billion)
North America	249.7
Latin America	25.4
Western Europe	166.8
Eastern Europe	7.1
Middle East and Africa	9.7
Asia/Pacific	56.9
Japan	66.4
<b>TOTAL</b>	<b>582.0</b>

Source: Atos estimates and Gartner for Professional Services (consulting, development and integration, IT management, process management). Currency rate of € 0.76 per USD in 2013.

### B.2.2 Competitive landscape and new expected position of Atos

In 2013, Atos was ranked number 8 in the world and second largest IT business services company in Western Europe in 2013 with a market share of around 4%. Atos is the number 1 European IT Service provider in Europe just behind IBM.

With its scale, Atos is one of the few companies able to cover all the European geographies. In the largest European countries, the main competitors of Atos are IBM, HP, Accenture, Capgemini, CGI and some local champions with strong regional footprint like Capita (United-Kingdom), Fujitsu (United-Kingdom), T-Systems (Germany) and Indra (Spain).

### B.2.3 Market size and Atos market share in Europe

According to Gartner and based on 2013 estimated figures for external IT spending for Business Professional Services, Atos market shares in each main country and service line are presented below, reflecting the positioning of Atos as a true European champion.

(in € billion)	Market size		2013 Atos	
	2013	Weight	2013	Market Share (%)
United-Kingdom & Ireland*	54.7	31%	1.6	3%
Germany*	26.9	16%	1.8	7%
France*	21.6	12%	1.4	7%
Benelux	15.6	9%	1.3	8%
Iberia*	10.6	6%	0.3	3%
Central Eastern Europe*	14.1	8%	0.9	6%
Rest of Europe	30.4	18%	0.2	0%
<b>Europe</b>	<b>173.9</b>	<b>100%</b>	<b>7.4</b>	<b>4%</b>
Managed Services	66.9	38%	3.2	5%
Systems Integration	54.5	31%	2.2	4%
Process management (BPO & Worldline)	27.1	16%	1.4	5%
Consulting & Technology Services	25.4	15%	0.6	2%

\* Revenue by geography (GBU and Worldline).

Source: Gartner 2013 for Professional Services (consulting, development and integration, IT management, process management).  
2013 Currency rate of € 0.76 per USD.

### B.2.4 Mid-term perspectives

The global economy showed a weak recovery in 2013, driven by the persistence of risk factors in all regions. The result was a lower-than-expected growth in the IT market. The difficulties of European countries to address structural reforms while relaxing austerity policies and a persistent high unemployment, together with a fragile economic growth in the US and a slowdown in emerging economies such as China, Russia or Brazil still lead to conservative forecasts for the IT market by most of the analysts. An improved economic outlook for 2014 and 2015 should translate into better growth in the IT professional services market where Atos operates.

In the future, according to the latest forecasts provided by the International Monetary Fund, Europe is expected to return to positive GDP growth, starting with a rather slow recovery in 2014, and continuously growing over the next 3 years, at a CAGR of +1.3%. Europe is expected to be the region with the highest growth differentials when comparing the last two years with the forthcoming two years. This acceleration of GDP growth rate would make the region more progressive in the next two years than the US or emerging countries, a very encouraging signal for a company like Atos where more than 80% revenue are generated in Europe.

An improved economic outlook for 2014 and 2015 would translate into better growth in the IT professional services market where Atos is active. Industry Analysts have slightly revised downwards the IT services growth rate until 2017, as companies are planning moves to the Cloud faster than expected before. Despite these small reductions, they anticipate consistent 4 to 5% annual growths through 2017.

Analysts' predictions for 2014 are heavily driven by investments in new engines for growth and innovation. Technologies pillars of mobile computing, Cloud services, Big Data and analytics, and social technologies, should drive IT spending growth and should play a major role in digital transformation, especially in developed markets. On the other hand, changes in operating and alternative delivery models – in particular Cloud and offshore models – could possibly have also an impact on the market.

## B.3 Strategy, organization and objectives for 2016

### B.3.1 Business Context

Atos is operating in the Information Technologies (IT) services market in a very competitive landscape subject to some price pressure. On one hand, players are facing large global companies, such as US based groups IBM, HP, Accenture, and on the other hand competing against companies coming from low cost countries. These mainly are Indian (Cognizant, Wipro, TCS, HCL, Infosys) who are willing to expand their operations, after having first served English speaking countries, but also Latin American and soon Chinese. Furthermore, Atos is also facing national champions with strong relationships established with local public authorities.

Moreover, Atos operates in a market meeting significant changes where innovation is extending the role of IT, which was traditionally used to support operations of large organizations. A first extension of the market entering in 2000 was the use of IT as a growth enabler by introducing technology in the business processes to drive growth, followed by a fast maturation of

more recent trends around Cloud, mobility, internet of things and Big Data, which are opening new opportunities for the Group. Starting 2010, social networks have taken a new dimension moving from consumer to enterprises generating further development areas to the IT services market. In those areas, Atos is facing the competition of new players coming from the Web such as Amazon or Google.

As the European champion, Atos considers that in Europe, clients are ready to pay a premium for services with embedded added-value and innovation, or if they answer to regulatory compliances, trust and security issues. Reciprocally, in fast growing countries, local competition is strong and the Group is developing its position either by accompanying its European clients or by addressing the local markets with highly differentiated offerings and strong support of established local partners.

### B.3.2 Atos' ambition and core strategy

Over the period 2011–2013, the Group focused on the integration and turnaround of SIS to become a leading European player in the IT business services industry. At the same time, Atos started and completed the carve-out of Worldline in June 2013 with the objective to provide strategic and financial flexibility for its own development. The Group is today deeply transformed and ready for the next strategic move. With Ambition 2016, a new important step for the period 2014–2016 is designed in order to become a Tier 1 company and THE preferred European IT Brand.

For Atos Group, the ambition is the following at the horizon 2016:

- organic revenue growth: +2% to +3% CAGR over the 2014-2016 period;
- operating margin improvement between +100bp and +200bp compared to 2013;
- free cash flow of € 450 million to € 500 million in 2016.

For Atos IT Services:

- c. +5% revenue CAGR over the 2014-2016 period of which more than half stemming from external growth;
- +100bp to +200bp operating margin improvement compared to 2013.

And for Worldline:

- +5% to +7% CAGR growth per year over the 2014-2016 period;
- above +200bp increase in OMDA compared to 2013;
- completion of Strategic acquisitions;
- ambition to complete the IPO in 2014 (after consultation of European Works Council).

Hereafter are the main levers to reach the 2016 Ambition, grouped according to the purpose it addresses: accelerating top line growth and improving Atos operational efficiency.

This strategy is supported by three programs ensuring that the execution will enable strong financial results, overall growth, and employee satisfaction. These three main streams are named TOP<sup>Tier1</sup> efficiency program, eXpand, and Wellbeing@work:

- **TOP<sup>Tier1</sup> Efficiency Program**, is the third wave of TOP further to TOP launched in 2009 and TOP<sup>2</sup> in 2011: it is securing the Group's operational and financial performance, margin, cash generation. TOP covers as well numerous initiatives aiming at improving the overall cost of operations (offices, purchasing, travel) and G&A's cost structure improvement. After the successful execution of previous programs (one, aimed at restoring profitability in line with the Industry; and another one to properly integrate SIS business), Atos is now starting the third phase of the journey toward excellence with the "Tier 1 Program". This new program focuses on customer satisfaction, business mix improvement and cost improvement to create more value from everything Atos is doing. TOP<sup>Tier1</sup> has been strengthened with new very focused initiatives:
  - end-to-end process management in Managed Services,
  - META, a Global Delivery initiative in Systems Integration,
  - TEAM, a transformation Program in Worldline,
  - the further consolidation of suppliers, as an efficient purchasing strategy will contribute to reach Group's targets;
- **eXpand** addresses overall growth, with a specific attention given in higher profitable business areas by strengthening differentiation, value creation, Intellectual Property. During 2013, the Group continued the execution of eXpand, a program to create a sustainable growing revenue flow and ensure that Atos sales organization, commercial performance, and brand awareness are in line with this objective. Atos is giving a strong attention to the portfolio management as it is a pillar of sustainable growth, which is also managed as part of the eXpand Program. The Portfolio strategy is to reinforce the horizontal multi-industry portfolio elements while developing strong industry specific proposition to address specific client demands with where needed geographic localization;
- **Wellbeing@work** is contributing to the wellbeing of Atos' staff, and powering progress to transform the Firm of the Future. The aim of this Program is to transform the Company, setting new standards for the Group workplaces and the way the Group collaborate with one another, which support a better work/balance for employees and make the Company more efficient. Driven by this transformation program, Atos has the ambition to enter the Great Place to Work rankings. Atos Corporate Social Responsibility (CSR) program is also part of this initiative in order for Atos to become a Tier 1 sustainability leader.

### B.3.2.1 Initiatives to accelerate growth

Atos ambition is to further improve its leadership in Managed Services and Systems Integration, bringing to market innovative offerings and becoming the leader in the European Cloud. From a geographical standpoint, the Group targets expanding primarily in the US, the world's leading IT Services market and selectively reinforce its commercial positions in emerging economies. Finally, Worldline will be provided financial flexibility to grow and anchor its leadership position on Payments:

- **anchor Atos global leadership in Managed Services.** In Managed Services, Atos already reached the scale, business mix and coverage to follow the clients across the globe, and built its credibility which is today recognized in the market for large deals. Over the next 3 years, Managed Services is expected to evolve towards higher value added services, increasing win rate and profitability. The priority in this journey is to increase customer satisfaction;
- **reinforce growth and competitiveness of Systems Integration.** After achieving increased sales and efficiencies, Atos Systems Integration will leverage the three global practices (Application Management, SAP, Solutions) to become even more global and to reinforce its vertical market dimension with new differentiated customer offerings;
- **bring to market disruptive and innovative offerings.** Atos growth in the next few years should also come from innovative offerings that it has prepared over the past years

by investing and anticipating in technology and business trends:

- Cloud services will be a key factor for growth the next three years. Canopy, based on the innovative and long term alliance with EMC<sup>2</sup> and VMware,
- a push of the vertical portfolio, focusing more on high value and growth areas, and moving away from commodity services, will be also a new source for growth,
- innovation workshops will be core in the Group's strategy to boost transformation of Atos as a strategic innovative partner, and position Atos well upstream of its clients' major future issues;
- **pursue global strategic partnerships with technology leaders.** In the recent years, Atos has developed strong partnerships. In Cloud, for instance, the Group created Canopy with VMware and EMC<sup>2</sup>. The Group has also entered into Global Strategic Alliances with key leaders such as Microsoft, SAP, Oracle, or Samsung more recently. All these strategic partnerships with Technology leaders are a strong lever allowing Atos to get necessary skills and know-how and to generate business growth. The strategic business Alliance between Siemens and Atos has created one of the most extensive work and strategic relationship ever between a European industrial technology manufacturer and a European IT provider. Atos has decided to further leverage on the complementarities over the next 3 years:

- reinforcing Atos and Siemens strategic sales cooperation to win new customers and new businesses,
- further using the joint investment fund (€ 100 million) to invest together in Big Data, Cloud and Security technologies,
- expanding together Atos footprint in the emerging countries (Turkey, Russia, China, Middle East, South America...) with the objective to double in these regions the Alliance business over the next 3 years;
- **further expand Atos' foothold in the US and accelerate growth in emerging markets:**
  - the Group worked in the last years and will continue doing in the future to improve the geographical profile of Atos in Europe, having already 80% of IT Services revenue generated in the northern part of the continent,
  - a key lever of Group's Ambition 2016 Plan is to expand the Company's foothold in the US, the largest IT Services market in the world, and double revenues in order to reach € 1.2 billion in 2016,
  - finally, Atos expects to increase its emerging markets position in two specific regions: First, in Asia Pacific, where it will leverage on existing global clients in key countries

such as China, Malaysia and Australia leverage on Yonyou partnership mainly in Mainland China on software and system integration; and focus on new markets such as Indonesia and Philippines;

- **provide strategic flexibility to Worldline to anchor its leadership in Payments.** After the spinoff of Worldline, that provides strategic and financial flexibility to anchor its leadership in payments in Europe, the Company will continue to work on industrialization and innovation, while reinforcing partnerships.

As a conclusion, Atos' growth strategy can be seen as twofold:

- on one hand, Atos has a resilient business with around three fourth of the revenue realized through multi-years contracts and being the basis for fertilization. The Group will pay as usual attention to renewals and a more significant portion of its revenue will be around "Cloudification" of the IT landscape;
- on the other hand, Atos has the objective to overperform in the other fourth of its business, leveraging the portfolio for strongly increasing its footprint, bringing more intellectual property, and last, the large deal team should bring further expansion by winning large scale contracts.

### B.3.2.2 Initiatives aimed at improving competitiveness and decrease the cost of operations

Overall, Atos will drive efficiency improvement via four initiatives:

- **moving TOP transformation program one step further.** Since the beginning of 2009 Atos has been a pioneer in IT services' Lean programs, the lean approach being the tool to endlessly improve productivity by removing all inefficiencies and focusing on the client's needs. As of today more than 33,000 of the delivery staff went through such program. Atos can now embark into a next step which is not only to optimize team's activities, but to optimize global processes involving multiple teams. This is what the Group calls "End-to-end" which like Lean program is an approach widely utilized within best in class manufacturing companies. End-to-end is the catalyst of Atos continuous improvement. Lean end-to-end transformation will lead to cost, quality and timeless improvement in both Managed Services and Systems Integration;
- **META is the code name of the Systems Integration improvement program.** A key Global Delivery initiative is to bring Systems Integration workforce to 50% offshore in 2016. The target is to grow the Global delivery workforce ratio from 30% to 50% by end of 2016, putting Atos in the full

range of its competitors. Expectation for this Global Delivery work force is to reach 15,000 out of a total 29,000. In parallel, Systems Integration expects to continue reinforcing the process integration of the delivery centers in Poland, Russia, Thailand, China, Morocco as well as South America. This will help to address customer specific needs such as language, time zone and regulatory requirement such as data protection;

- **TEAM is the code name of the Worldline improvement program.** TEAM objective is to deliver new levels of efficiency. This Global Drive will help going toward more integration in Worldline, with the ambition to go beyond all that has already been done with the current Atos global initiatives to get specific cost base and bottom line benefit. Starting with infrastructure and Global Factory, it will follow a renewed focus and selectivity on Portfolio innovations, market offers targeted where scale effect can be achieved and a greater Optimization through tighter control and more shared service centers in local delivery;
- **Atos will further consolidate suppliers to deliver further recurring savings.** Atos purchasing strategy, gives more agility to adjust the cost base.

### B.3.2.3 Alliances strategy

Alliances and Joint Ventures are an important step in the Group's strategy to further grow the market share in specific services and markets that can fully benefit from combining and leveraging specific skills, resources or local knowledge for innovations around Cloud, mobility, Internet of things, social networks, and Big Data:

- with **EMC<sup>2</sup>** and **VMware**, Atos has formed a strong alliance in which Canopy will be the vehicle to develop jointly Cloud services. The launch of Canopy in 2012 accelerated in 2013, providing Private and Public enterprises' journey to the Cloud thanks to a leading one-stop-enterprise shop for (i) Cloud professional services – consulting and Systems Integration, and (ii) Cloud services. An industry-vertical portfolio was gradually launched during 2013 based on sector-specific offerings, focusing initially in four core industries of Atos (Public, Healthcare, Finance, and Manufacturing). Europe remains Canopy's core focus with countries such as Germany, France and the United-Kingdom leading in terms of size and opportunities, alongside with North America, in which Atos will cover the design and build phase – including data centers and Cloud solutions and the build out of its integrated private Cloud platform;
- in 2013, Atos and **Yonyou** extended their strategic partnership, Yunano: initially focused at bringing Yonyou's CRM and ERP solutions in SaaS mode in Europe, it is now expanding to provide private enterprises with applications and services and integrated manufacturing solutions for the Chinese market. This partnership will help Atos grow its brand

recognition in China, generate Asia Pacific revenue streams for Canopy and expand its SaaS market reach in China;

- with **Microsoft**, Atos has developed several initiatives among which providing innovative Cloud based solutions for workplace embedding collaboration and communications services (A3C) is one leading offering in the market;
- with **SAP**, the Company has continued to develop new solutions including in memory computing (SAP Hana), mobility and sustainability;
- with **Oracle**, Big Data has been an interesting opportunity to introduce new services around Exadata set of products, leveraging Oracle platform EPCE;
- the partnership with **Siemens**, the largest shareholder of the Company, is unique in the IT services market in its threefold approach: Siemens is not only Atos' largest client, there is also a joint go to market strategy in circa twenty identified fields (Manufacturing, Healthcare, Energy, Mobility...) to address new opportunities, via Siemens One, and a joint investment program that started in 2012;
- **Samsung** alliance has been developed through the signature by Thierry Breton and Boo-Keun Yoon, CEO and President of Consumer Electronics Division at Samsung Electronics, in Seoul in June 2013 of an agreement defining joint offerings in end-to-end retail technology, digital signage, connected vehicles, end user Cloud computing and mobility solutions, leveraging on Samsung technology.

## B.3.3 Innovation and portfolio

The Group positioning defined as "Your Business Technologist, Powering Progress" expresses in a few words Atos' profile and the ability to bring together people, technology, and business

expertise for succeeding and supporting its clients. This innovation is developed in the Atos portfolio and leverages the work done by the Scientific Community.

### B.3.3.1 Developing a global offer portfolio

Besides the development of strong offerings of the Group, the eXpand Sales program continued and pushed the product positioning and execution on local level, following the success in 2012. EP1 was therefore one of the key streams for the offering push – with even more solutions compared with the year before. The program focused on the best in class product development and Go-To-Market packaging with active sales push at local level.

28 push offerings (among Global Key Offerings, Vertical offerings and horizontal offerings) were selected for 2013 to be pushed via the eXpand Program, compared with the 16

offerings promoted in 2012. Based on the proven blueprint and offering methodology, focused on product/offering, Life cycle management, the readiness of each offer was tracked along the 4 axes: Sales, Pre-sales, Marketing and Delivery capability.

This is performed in combination with a strong assessment, KPI settings, HR resource balancing, re-defining the strategic offering positioning and direction (Go to Market) and focus on the "last mile" at country/GBU level, enabled the Group to steer the focus, enabling more organic growth via this offering dimension.



For each Offer, dedicated e-learning modules were developed with a unique certification program targeted at the sales force, with high impact resulting in more than 3,000 certifications among the sales force including pre-sales.

Special attention – via dedicated marketing campaigns – was paid to the upsell and cross sell activities among the different offerings. More than 300 dedicated Account Opportunity workshops were held to boost the pro-active lead and opportunity generation among accounts.

As part of the eXpand EP1 blueprint, the monitor of the roll-out at GBU level was done with a strict management control level by appointing Global Offering Managers as well as Local Offering Managers in Atos' key geographies.

A yearly selection process was developed in 2012 and roll-out was in 2013 to define for each year the new offerings among the entire Group. As part of this process, new offerings were strengthened OR enhanced: Social Collaboration, Cloud, and Mobility. Furthermore the Group decided for 2013 to launch 3 new offerings:

- **Big Data** will address the new usages, leveraged by the emerging of new technologies: in memory management, analytics on structured (previously ERP) and unstructured data (previously Web Based), reports and analytics designed by the end user and the capacity to handle huge volumes of data (over the Petabyte). Atos will quickly verticalize this offer for some markets such as Public sector and Finance;

- **Data Center Services (DCS)** is an example of the strong collaboration with Siemens. Atos will provide Consulting, Transformation and optimization of its customer's datacenter. Part of the transformation may concern Energy and cooling which will be driven in collaboration with Siemens products. Atos will therefore provide to the customers his expertise and knowhow based on more than 70 datacenters in operation (this offer is part of the journey to Cloud);

- **Journey management** (e-ticketing) provides urban services for transport companies. Such services are ticket management, payments, loyalty management and also the planning management of bus and tram fleets.

On the overall portfolio strategy, the Global Key offerings were further verticalized per market, in combination with other offerings or delivery models e.g. Enterprise Smart Mobility delivered in combination with Canopy. Details on Atos' Global Key Offerings are available on the [www.atos.net](http://www.atos.net) website.

Following the launch in 2010 of a new program dealing with the Intellectual Property Rights (IPR), Atos has improved its policy in this domain after the SIS acquisition. Atos' IP strategy aims to better identify in a systematic way the IP created, to value their potential of reuse and define the appropriate protection vehicle. This initiative has the ambition to facilitate, encourage and manage the development and use of Atos' IP through the whole organization. Therefore this policy contributes to improve Atos perceived value by customers and Atos sales performance by bringing the Group innovation to its proposals. These also sustain the reduction of the Group operating costs by reusing existing assets rather than rebuild them or buy technologies from a third party.

### B.3.3.2 The Scientific Community

The Scientific Community mission is to help Atos anticipate and craft Atos' vision regarding upcoming technology disruptions and the new challenges faced by the industry. By sharing this vision with its clients and investing on the related findings, Atos intends to help them make critical choices regarding the future of their business solutions.

In 2013, The Scientific Community concentrated on the following activities:

- the preparation and execution of Atos' Innovation Workshops. Around 100 workshops were done in the Atos Business Technology & Innovation Centers (BTIC) network: Bezons, Utrecht and Pune. In each workshop, clients and/or partners have been exposed to the latest view of Atos on innovation topics and proofs of concept developed across the world;
- a significant contribution to the Atos/Siemens Alliance through the Innovation Committee: two large investments have been prepared for Internet of Objects CCP and Big Data IDA (Industrial Data Analytics);

- two Awards received for concepts developed in the Scientific Community Ascent Journey 2014 "Enterprises without Borders" publication:

- Nasscom Innovation award for Cloud Messaging and Renault Best Innovative Company for Context Aware Computing in the car,
- the second successful "IT Challenge", an international innovation competition, jointly sponsored by Renault and Atos, where universities of all over the world compete to present their innovative applications: Atos awarded as first prize to "Evergreen" project proposed by Hagenberg Institute in Austria and soon to be installed on R-Link the Renault Connected Car System.

- innovation in collaborative mode: the 120 strong Atos Scientific Community now is fully operational on blueKiwi ZEN, Atos' Enterprise Social Network, for all tasks they performed for the Scientific Community;

- the launch of new edition of Ascent Journey 2018, showing Atos vision, is well on track with most of the positioning papers on new tracks delivered and a strong Editorial Board which has already started cooperation with key industry analysts firms such Gartner, Ovum and Forrester;
- its contribution to the fifth edition of Ascent Look Out. This independent report provides an in-depth analysis of the emerging trends, business needs and technologies that will be driving innovation in 2014 and beyond.

For 2014, the fifth year of existence of the Scientific Community of Atos, it has to face new challenges:

- develop another round of 100+ Innovation workshops out of Atos Business Technology & Innovation Centers (BTIC) network augmented by Munich, London and Madrid sites;
- roll out Strategic Partnerships where Scientific Community members will be invited to participate in a voluntary basis:
  - International Olympic Committee (IOC) which has renewed the Atos Contract with the commitment to create a joint Scientific Community,
  - a large Energy company which has selected Atos for their strategic development plan, sharing with the Scientific Community their long term vision,
  - Samsung with which Atos is eager to strengthen the partnership initiated in June by Atos' CEO, Thierry Breton, in Seoul,
  - Siemens, with a closer cooperation with Atos in Big Data and Cloud areas.



# C

## Sales and Delivery

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C



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## C.1 Sales and Business development approach

### C.1.1 Marketing approach

#### C.1.1.1 Context

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A Global Marketing function has been created in 2009 with two primary missions:

- **sales enablement:** providing the Sales force with the Sales materials (presentations, customer cases, references, and other sales tools and materials) to ease customer interactions, to increase the number of touch points with clients and prospects and to raise time to customer;
- **demand generation:** through the creation and the management of Global Sales campaigns focused on selected customer value propositions.

Over the last couple of years the scope of Marketing has been extended to include:

- account-based marketing to help reinforce relationships with the Group largest customers;

- bid support to bring to bid teams the Marketing expertise in defining customer messages and crafting distinctive value proposition;
- customer innovation forums to help Sales team propose innovation that creates value for customers;
- market and customer intelligence to help Sales teams target the right customers and collect relevant intelligence about these targeted customers.

The Marketing organization is fully aligned to the Group organization with Marketing teams in the field supporting the three dimensions of the organization: Global Markets, GBUs & SBUs, and progress offerings.

Atos Marketing function is fully measured against Sales targets like number of generated leads, pipeline created and Order Entry achieved.

#### C.1.1.2 What's new?

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In 2013, a new channel was set up: the lead generation factory, a group of marketers whose role is to generate leads through direct customer approach and telemarketing; the lead generation factory was the prestigious B2B marketing award as being the best demand generation initiative of the industry.

Following the inauguration of the Business Technology and Innovation Center (BTIC) in the Bezons Headquarter in 2012, further business centers were created or transformed: Utrecht (Netherlands), Pune (India), Madrid (Spain) and Vienna (Austria). All BTICs provide a consistent, unique experience to clients and prospects to explore live demos and solutions and enable clients and prospects to explore new ideas and solutions which they did not have on the agenda before. Over 800 client meetings and innovation workshops were held in the BTICs in 2013, creating an incremental pipeline of over € 600 million.

Atos invested in new marketing tools such as marketing automation to further increase the marketing efficiency and to leverage new, digital channel. To get there, a significant effort was done to globally consolidate the database of clients and contacts.

Exhibition fairs and conferences were reduced and replaced by BTIC workshops, a standardized event format (customer innovation forums), which helped to further improve marketing efficiency.

In 2013, Atos Marketing function delivered thousands of trainings to sales on various campaigns and initiatives and helped generate an incremental order entry of more than € 400 million/5% of total orders. More than € 2 billion of wins were significantly supported by marketing, representing about 25% of total order intake.

### C.1.1.3 Atos Ambitions

Atos ambition is to will increasingly drive sales activity by creating a steady flow of leads and opportunities which marketing hands over to the sales force in order to continue improving sales productivity. Atos will continue to apply modern marketing tools to engage with defined prospects and key decision makers.

To do so Atos intends to ramp down traditional marketing activities such as exhibition fairs and conferences and to invest into digital marketing activities and channels.

At last, at the existing account based marketing program is going to be extended to loyalty programs aiming to raise the loyalty, the win rate and Atos share of wallet on the major accounts of the Group.

## C.1.2 Strategic Sales Engagement

Companies have always been trying to manage their IT Budget while simultaneously gaining flexibility and innovation. During the financial crisis they had to control their IT Budget even more than ever. Now, moving slowly away from the financial crisis of the last few years, Atos sees new trends in the market emerging. First, like in the early days of Outsourcing Atos see now a trend to hybrid deals: an award of an outsourcing contract combined with the full or partial takeover of the captive IT provider. These hybrid deals also tend to have longer contract duration than standard outsourcing deals, due to the initial asset and people takeover. Second, Atos sees a trend moving partially away from large single-source transaction to global but smaller multi-source transactions in which a bundle of global services is awarded to multiple providers, all with global capabilities; in some cases also introducing an outsourced Service Integration Layer. In the past, cost reductions were achieved by industrialization, standardization, and by using a mix of near-shore and off-shore resources, today there is also an increasing focus on innovation, virtualization and automation topics such as Cloud computing or Atos' Virtual Desktop Initiative, Workplace of the Future themes, etc. Many of these require flexibility on demand or, at the least, "Pay as you use" business model providing high flexibility for the customers if their volumes are moving.

Therefore, today's large projects, even if they come in more phases or segments than in the past, are more complex in terms of the required technical and commercial solution, more global, more strategic and long-term oriented. Instead of having one full-scope partner per country or region, very often customers now require multiple partners servicing all of the customers' geographies for selected services. In some cases the customer even requires services that are universally available, regardless of geographical presence of the respective service provider. The successful partner needs to fit well into the customers' Eco System including other service providers, his global stretch and different local cultures. In some case, the service provider while being the Service Integrator even takes on responsibility to manage the other service providers. The success of today's large deals is measured by its direct added value for the customer's operations and its associated costs. However, this also requires changes at the customer level as he must implement a professional Demand Organization to manage multi-service partners in several geographies.

Thus, large, multi-country or even global deals represent a high level of complexity for which a dedicated team of internationally proven experts is required. Atos, being one of the leading innovative IT Services providers, has got the answers.

### C.1.2.1 What's new?

By acquiring Siemens IT Solutions and Services (SIS) the new Atos became a leading European based IT services company. With the clear view, that growth will, amongst others, be generated by winning new logos and pursuing large, multinational or global deals, Atos established a new unit called "Strategic Sales Engagements" (SSE). SSE is split into:

- local SSE units within the larger Atos' GBU's to focus on the large deals predominantly within the GBU;
  - a global SSE unit to focus on even larger, multi-country, multi-geography deals.
- Bid Teams are staffed from a mix of multicultural SSE resources such as:
- Deal Makers (Customer focus; Strategy Development, Relationship Manager and overall coordination);
  - Bid Directors (Pursuit Project Management, Strategy Execution, Bid Budget Development and Controlling as well as end to end Management of the entire bid team);
  - Outsourcing Advisors (shaping the fit of Atos' USPs to the customers' strategic and operative requirements, Benchmarking, etc.);



- Financial Architects (designing innovative, commercially attractive and tax proven financial models, etc.).

In addition, GSSE established a dedicated deal development group to identify and shape upcoming opportunities at least a year before RFP/Offer phase. This includes collaboration with business and M&A consultants with a focus on hybrid transactions.

Other GSSE members are involved during and prior to the bid phase as experts from GBUs and Global Service Lines, for example, Solution Managers, Solution Design Architects, Transition and Transformation Managers: Subject Matter Experts like HR, Legal, M&A, or Tax.

The deals in focus cover all geographies and all Service Lines of Atos.

### C.1.2.2 Atos ambitions

Atos' ambition is to reap a significant share of the large deal market by leveraging its size and expertise and successfully selling Atos' horizontal and vertical portfolios to current and new, large, international customers.

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## C.2 Markets

### C.2.1 Manufacturing, Retail & Services

#### C.2.1.1 Context

In 2013, the manufacturing sector in some geographies led the way towards growth, with the retail and service industries following an increasingly positive trend. Many of the large multinational customers in the sector posted record numbers and showed strong intentions to further enhance their position through targeted investments and programs while carefully watching their costs in the face of continued unpredictability with regard to growth in many geographies.

In all three sectors, fluctuating demand created challenges with regard to both capital and cash flow. At the same time, consumer demand developed positively in most of the markets.

Commitment to sustainability and ethical behavior remained strong, thanks in part to the recognition in all sectors that these

are intrinsic to continued business success, not only in terms of cost and operational efficiency, but also in terms of brand and reputation.

Globalization should continue to be a driving force, and the ability to serve diverse markets and to optimize extended supply chains with real agility was regarded as a high priority throughout the year. There is a clear trend evolving which shows that the companies who established their global presence early enough are benefiting from the globally balanced setup. These are corporates which now have the resources to invest in further growth and optimization which is in many cases supported by IT projects. Besides programs to optimize IT infrastructure costs, many of these projects are aimed at optimizing product development processes, supply chain and production IT.

#### C.2.1.2 What's New?

For Atos' clients, business priorities remained largely stable in 2013. The key focus on improving business processes and on reducing enterprise costs, for example, continued to be strong recurrent themes.

There was a marked increase, however, in the emphasis that Atos' clients placed on the importance of product data management, production IT, innovation and workforce productivity – and these reflect the demand for actionable, real-time information and intelligence across all three sectors.

Atos is well set to respond to these demands in the respective specialist sub-sectors with a dedicated and focused portfolio:

- Aerospace and Transport Equipment;
- Automotive;
- Chemicals, Metal & Mining;
- Consumer Packaged Goods (Food and Beverage);
- High-Tech and Engineering;
- Machinery and Plant;
- Pharmaceutical;
- Pulp, Paper and Wood.

### C.2.13 Atos Ambitions

With over 10,000 specialists in Manufacturing, Retail & Services, and 30 years' experience, Atos continued to crystallize its focus on four specific solution areas of expertise in 2013 and each of the following items would contribute directly to clients' business value:

- **product and service innovation** – continuous innovation underpins success and differentiation in manufacturing, retail and service. Atos' depth of expertise in Product Lifecycle Management (PLM) is particularly relevant here;
- **manufacturing operations excellence** – the traditional focus on operational excellence at individual plants was extended across all operations. This is becoming pivotal both in the drive to reduce the cost of production and in the ability to compress time-to-market for new products and services. In 2013, Atos further refined its Manufacturing Execution System (MES) proposition, boosting its ability to support clients in this critical area;
- **ERP Consolidation and Harmonization** – whereby Atos is helping many of the top international organizations to

streamline global shared business processes and harmonize the supporting ERP systems around the world. Projects in the area typically result in significantly increased transparency and data quality, large cost savings and enhanced capability of Atos' customers to carve in acquired companies and carve out selected business units;

- **customer loyalty and brand equity** – loyalty and brand were massively affected by online presence and the ability to build and sustain client relationships at any time and from any location is high on clients' agenda. Atos' depth of experience in CRM and hi-tech transactional processing combine with more recent developments in smart mobility to offer distinctive and differentiated propositions.

In Manufacturing, Retail & Services, Atos continued to combine the value of foundation IT and Canopy Cloud Services with industry-specific capabilities during 2013. This approach was rewarded with both a high proportion of contract renewals and a significant volume of new business.

### C.2.14 Industry-specific expertise

In each of the business segments, Atos has clear and differentiated industry-specific offers. Manufacturing and engineering are very much part of the Atos DNA, and this was further strengthened with the launch of the new Atos. Highlights of 2013 include:

- **Product Lifecycle Management (PLM)** – The new Atos has a very strong proposition with leading software solutions from partners such as Siemens, PTC and Dassault. Atos is particularly keen helping both major enterprises in their desire to rationalize and extend PLM, and smaller manufacturing companies, in adopt what is fast becoming a "must have" PLM capability. This is one of the reasons why Dynamic PLM became one of the first enterprise solutions which became available on the Canopy Cloud offering. A crisp consulting offering in this area was launched (M4PLM) to help customers evaluate the business case for PLM and the potential technology choices. In this context, Atos have ramped up significantly its PLM capability in China and underpinned this with a number of new project wins in China;
- **PLM on demand** – with Cloud delivery a clear path to business agility, Atos has refined its PLM proposition in partnership with Siemens to offer this critical capability as an on-demand service out of the Canopy Cloud environment. This has proven to be particularly attractive to suppliers working closely with larger OEMs;
- **MES** – during 2013 Atos extended its core MES capabilities with an extended range of consultancy services referred to as M4MES. This approach and the supporting tools help clients scope and value the MES opportunity and build a qualified business case for MES adoption across the extended enterprise as MES is increasingly becoming part of the CIOs responsibility;
- **Smart Mobility** – launched in 2010, Atos' smart mobility capability was extended in 2013 with a strong emphasis on the automotive sector where a number of new contracts have been signed leading to strong growth in this area.



## C.2.2 Public sector, Healthcare & Transports

### C.2.2.1 Context

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Public sector, Healthcare & Transports (PHT) is the broadest of the market categories in which Atos operates. This is extended further when one considers that Education and Defense & Security, each specialist markets for the Company in their own right, are also included. It's key not to forget that all Atos businesses related to major events and sports, such as the Olympics IT Atos has been servicing since 1992, are classified under the PHT market umbrella.

With such a broad scope, it is important to retain focus on each sub-sector. But on the other hand this broad scope also provides the possibility to combine the specific knowledge from the sub sectors and make this beneficial to clients throughout the whole market. In this case the Group can address more effectively the challenges, trends and concerns they held in common.

One of the commonalities to highlight is that 2013 was still in general a difficult year in terms of budget constraints.

Nevertheless most of the European economies noticed the promised green sprouts appearing at the end of the first semester or at the beginning of second semester.

In this complex environment where the end of the crisis seems to get closer, it becomes even more critical to get prepared for a speedy future. Security breaches like the Snowden case reminded all public and private organizations that cyber security must be at the inner business everywhere. Cities are firmly stepping up into the collaboration world and citizens are each time more engaged in their city life, no longer behaving like mere spectators. IT is everywhere; and so it is the need to get access to data, applications, infrastructure and services ubiquitously...

As a sample, during 2013, Atos was deeply involved in setting the standards for the European Cloud of the future to keep on being the best of the partners for its PHT customers.

### C.2.2.2 What's New?

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Across all PHT sectors, Atos can point to engagements in 2013, in which the intelligent and innovative application of information technology made a difference.

Atos worked during 2013 in the consolidation of the Public, Healthcare & Transports Go-to-Markets, like myCity, recently created in 2012, whose focus is the delivery of integrated services to citizens across fixed and mobile devices, for the sake of a safe, well-governed, connected, mobility, educated and sustainable working city.

The carve-out of Worldline in July 2013 strongly have empowered the Go-To-Markets of PHT, in particular those under the Transport umbrella. Worldline, making 25% of its business volume in the PHT market, created a difference with competitors as every customer need is considered an Atos company challenge, and solved by adding a solution where risks are shared and business targets are partaken with the customer. Atos' solutions for Journey Management and Rail Operations Go-To-Markets, together with Atos' Go to Market for Hospitality, recently created to cover the Tourism and Hospitality sector needs, will cover more than ever the Connected Travel Management integrated solutions. The Group focused on institutions, regulators,

operators and passengers, for the convenience of a seamless passenger experience.

The Atos solution portfolio was "Verticalized" during 2013 by reinforcing relationships to the best of breed partners at each and every technology and customer need. Some relevant samples could be the strong cooperation generated with EMC<sup>2</sup> for the Healthcare market for Data storage and analysis, the collaboration with Microsoft to improve its city cockpit solutions, the Extremely Performing Customer alliance with Oracle for a Big Data solution using their engineered systems, etc.

One of the Group other very valued alliances is the one which constitutes the base of Canopy, an Atos company created under the framework of the extended EMC<sup>2</sup> and VMware alliance, which offers full end-to-end Cloud services with proven experience.

On top of that, during 2013 Atos PHT leveraged many company capabilities which are considered "cross-market or horizontal" to create specific PHT discourses adapted for different kind of customers' natures and needs. Atos PHT showed that the Group understood its customer requirements by speaking the language of the PHT institutions and private organizations.



### C.2.2.3 Atos Ambitions

Atos' ambitions for the Public sector, Healthcare & Services will continue to focus on areas in which expertise creates value and differentiation.

Atos PHT organization is as flexible as PHT customers' need. Today, there are no hard boundaries between citizens, institutions and partners. This is the world of now, where speed and innovation are at the heart of Atos PHT portfolio and service delivery models have been designed to satisfy the expectations of now.

Foundation IT services will remain an essential element in Atos' engagements in these sectors: managing the infrastructure and applications on which the Group clients rely, and providing the support that their workforces need to work productively, safely and securely.

The Group plan for growth 2014-2016, created by mid of 2013, states the Atos PHT clear focus to accompany customers building their future.

Atos wants to become the leader Cloud provider for government in Europe, by leveraging Helix Nebula or the so mentioned Canopy workforce; become THE partner during the journey to Digital by Default or implementing Worldwide Digital Agendas; Atos will focus in the upcoming years too in leveraging Big Data capabilities or Enterprise Social Network solutions in governments, educational and healthcare organizations, either implementing Atos' blueKiwi solution or configuring any other social collaboration environment. And finally, last but not least,

Atos wants to be an IT leader in protecting customer's systems from the unseen cyber enemy.

Innovation is clearly in Atos' DNA. That's why Atos have embedded in daily the PHT behavior a continuous link with Atos Scientific Community and Atos Research & Innovation, not just to achieve the Group growth targets but also to enrich the daily job of all Atos' business technologists.

Security remains high on the agenda across these sectors, and here too, Atos has a particular strategic focus. Atos is actively involved in national security initiatives, with identity management, border control solutions, risk management and secure communications all featuring in its activity. Atos was also increasingly involved in the development of the strategic approaches needed to counter cyber security challenges.

Not only does Atos position itself only as an IT service supplier to PHT clients, Atos is extremely pro-active in its stance, and aim to establish relationships of genuine partnership. Formal collaboration between public and private sector organizations, with appropriately crafted contract and commercial models, is now a recognized business model in the public sector, and one which Atos actively endorses. The Group aims to anticipate need, while becoming actively involved in both strategic and operational challenges.

Atos has a clear understanding of the trends affecting each of the PHT markets, and has crafted focused strategies and approaches for each, as summarized below.

### C.2.2.4 Industry-specific expertise

The ability to craft foundation IT services to meet the specific requirements of Public sector, Healthcare & Transports clients is an essential capability. The way, for example, that a local government uses Cloud-based information delivery to the citizen may be very different from the way in which central government agencies exploit shared service centers.

Atos also offers a broad spectrum of highly specialized solutions for its clients in Public sector, Healthcare and Transport. A small selection of these is illustrated here:

- **@Government** – helping public sector agencies to seamlessly integrate end to end services securely and efficiently, including the most deperate analytics for massive data;
- **Smart Mobility solutions** – helping local governments to engage citizens in co-managing the city environments;
- **ticketing and journey planning** – giving people the tools they need to plan journeys and purchase tickets with maximum value and convenience, from both fixed and mobile devices;
- **eHealth solutions** – exploiting the best in communication and collaboration technologies to inform and educate the patient;
- **hospitality solutions** – giving tourists the right information and tools to get the utmost of their trip, and offering the hospitality agents the proper tools to improve their services to tourists;

- **civil and national security** – a full-spectrum solution and service approach that helps clients to detect, prevent, respond and recover in a network-centric environment. This comprehensive suite of answers from mission planning and border management to data fusion and emergency response will deliver more integrated and more agile information performance;
- **cyber security**- deeply interconnected to Civil and national security, cyber security is a new domain that supersedes previous technologies since it can affect a whole society at once, with attacks launched from any location, at any time and using any level of complexity. Atos has created the Three 'must-do's customer should apply to protect their citizens, partners and own network from cyber threats;
- **MyCity solutions** – a broad variety of solutions to provide an integrated approach for local governments around the world, in the fields of safety, health, MyCity portfolio is a range of solutions, guided by deep understanding and strategic insight, which enables governments and empowers citizens to work together. With this integrated approach Atos achieves long-term improvement that transforms the city both in terms of efficient services and more rewarding experiences for people.



## C.2.3 Telcos, Media & Utilities

### C.2.3.1 Context

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The Telcos, Media & Utilities sectors are all distinct markets and each faces its own particular business and technology challenges. But before considering their specific challenges and contexts, it is worth noting the commonalities between them.

During 2013, Telcos, Media & Utilities companies all experienced both continuing changes in regulation, the emergence of new business models and aggressive competition. In telecommunications, for example, new regulations were announced to reduce roaming costs for consumers. Meanwhile, the energy and utility sectors faced continuing change with regard to the use of nuclear, new energy sources such as shale gas and the balance of renewables.

In the face of regulatory change and increased competition, companies in all three sectors were under pressure to improve and indeed transform existing business models. This imperative is in part driven by the need to optimize operational efficiency, and in part by the need to win and retain customers in an environment in which it is increasingly easy to switch suppliers and service providers.

Notably, across all three sectors, there is also a common need to turn technological turbulence to advantage. This is true for all aspects of business technology, the domain in which Atos specializes. It is equally true for the disruptive industry technologies such as 4G in telecommunications, user-generated content in media, or the advances in shale gas extraction so much in the news for energy and utility companies.

In addition to these common challenges, each sector has its own specific focus – often with different specificities in different geographies: flat or negligible growth in established markets with more buoyant conditions in emerging countries.

- **Telcos:** tougher competition leads to a decrease in Annual Revenues per User, with profit further eroded by the need to invest in network capacity, and the emergence of new pure internet and Cloud players. Erosion of traditional revenue streams pushed telecommunications companies increasingly towards new earners – Cloud for enterprise and consumer markets, along with increased interest in machine-to-machine communication;
- **Media:** the passage from analog to digital is relentless. Audiences become increasingly fragmented and media services more personalized as a result. The challenge of managing monetization is acute and increases in complexity as the choice of platform expands. For press-based publishers, the need to carry content through to online and digital media remained an unavoidable imperative with its associated monetization opportunities and challenges;
- **Utilities:** upgrading or replacing aging infrastructure demands staggering levels of investment which in Europe at least is not currently matched by flat revenues. In oil and gas, the cost and complexity of extraction poses similar challenges. Across these sectors, although good business becomes increasingly data-driven, progress has been slower than anticipated. The emergence of smart grids and smart metering, for example, remains sluggish.

### C.2.3.2 What's New?

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In 2013, Atos grouped its focus on Telcos, Media & Utilities together – in recognition of the common challenges faced across these sectors in transforming to data-driven business models. The challenge, for example, of turning real-time usage information to applied business intelligence is as much a requirement for Telcos, as it is for a media or utility company.

During the year, Atos continued to invest in and develop its capabilities in both Cloud delivery and Big Data, and both of these are set to become critical to Telcos, Media & Utilities

clients. They will be particularly valuable in helping clients manage and exploit the new opportunities associated with machine-to-machine communication, in which there are already joint opportunities developing between Telecoms and utility service providers. This cross-sector collaboration is also emerging in the area of the Personal Data Economy, and Atos has been instrumental in establishing new, three-way dialogue involving Telecoms and utilities.

### C.2.3.3 Atos Ambitions

Atos ambitions in the Telcos, Media & Utilities sectors remain in line with the Group 2012 statement, and this is in itself a validation of the previously stated strategy.

Atos ambitions can be summarized as a two-point strategy:

- **innovation:** maintain the focus on innovation, as evidenced by propositions including consumer Cloud services in telecommunications, multi-device management in media, and smart grid in utilities;
- **IT Outsourcing:** as business technologists, position the Group as the ideal IT outsourcing partner, especially in Europe where this focus extends to include selected business process outsourcing.

Note that, IT outsourcing has become far more sophisticated than the simpler historical focus on desktop, network, datacenter and application management. Atos continues to provide all of these essential services, but today, the sector-specific knowledge in Telcos, Media & Utilities adds entirely new levels of business value. When for example, the Group provide the facilities for

full Cloud delivery, the ability to scale the service is driven by dynamic changes in client business demand.

The ambitions shared across the sector group are further enhanced with numerous sector-specific objectives, including:

- in **Telcos**, to help clients transform from voice-centric to added-value data services in both consumer and business markets;
- in **Media**, to continue to expand capabilities as a provider of extended media operations outsourcing;
- in **Utilities**, to continue to focus on the Group clients' transformation to smart grid models;
- in **oil and gas**, to exploit Atos' global reach to serve this most global of markets.

Atos and Siemens collaborate closely across these sectors, and will continue to work together to maximize the combined value of their respective market-specific business technology and engineering skills.

### C.2.3.4 Industry-specific expertise

As business technologists, Atos continues to develop and extend the solutions and services its Telcos, Media & Utilities clients require both to optimize their operations and to serve their customers. With many of the Group specialists recruited directly from the sectors Atos serves, Atos ensures that its solutions respond accurately to these fast-evolving markets. As expert system integrators with a deep knowledge of the technologies favored by clients, the Group is continually engaged in helping clients succeed in their individual journeys to transformation. The greatest shared benefits, however, are delivered when Atos formalizes and industrializes the approach, as illustrated by the following examples.

#### Telcos

- **Cloud:** Cloud delivery has become essential both as a means for Telcos to manage their own massive distributed data resources and as products for offer to both consumer and business customers. Atos' Cloud solutions respond to both requirements, and are designed to allow near instant scalability, allowing Telcos to rapidly trial and market new products and services.
- **NGIN:** Atos' Next Generation Intelligent Networks are one of the few commercialized solutions on the market which allow mobile operators to fully exploit fixed/mobile convergence. This is particularly useful in the enterprise space, and allows operators to offer genuinely integrated contracts and services across fixed and mobile devices, even in hybrid 3 and 4G environments.
- **B2B and M2M:** as Telcos come to recognize the business opportunities presented by machine-to-machine communications, Atos is ready to help them manage and monitor these vast new data volumes, delivering essential real-time intelligence.
- **Next Generation BSS:** as the Telcos mix gets richer, so the demands made on the systems used to manage billing, mediation and customer relationships increase. Next Generation BSS solutions are ready for the future, whether fixed, mobile, 4G or beyond.
- **OSS Transformation:** every Telcos needs to manage increasingly complex operational landscapes and Atos helps its clients establish the integrated operational support systems needed for agile and sustainable operations.



Media

- **Media Facility Creation:** Atos has helped forward-thinking broadcasters design and build the fully integrated digital facilities needed to feed 24x7 multi-channel media consumption.
- **Broadcast Operations Outsourcing:** broadcasters must now be able to manage not only on-demand and multi-channel distribution, but also a radical increase in interactivity. Atos is excellently positioned to assume responsibility for large tranches of these operational processes.
- **Interactive TV:** consumer expects instant access to their choice of program at home or on the move, and Atos' Interactive TV solutions allow media providers to deliver to any platform efficiently, creatively and profitably.
- **Media Asset Management:** monetization is a minefield in the world of new media, and media asset management is the foundation for any sustainable media future.

Utilities

- **Smart Metering and Smart Grid:** Atos' solutions cover both commercialization and operation and are supported by exceptional global system integration capabilities.
- **Big Data analytics:** With focus on both operational and exploratory intelligence on the one hand, and commercial and consumer data on the other.
- **Cloud:** Enabling energy and utility companies to exploit the Cloud for optimized management and delivery of both industry-specific and generic commercial and business applications.
- **Oilfield monitoring and optimization:** Creating a comprehensive digital dashboard of all upstream operations.
- **Nuclear instrumentation and control:** Every French nuclear power station uses Atos systems.
- **eCar and eMobility Solutions:** Atos is at the forefront of innovation, with the Siemens alliance adding another dimension to its expertise in on-board and charging systems.

C.2.4 Financial Services

C.2.4.1 Context

The macro-economic environment stabilized in 2013 and mostly improved from a growth perspective. Key developments included:

- Euro crisis containment;
- US Recovery – Fed Quantitative Easing tapering with the resumption in growth;
- BRIC and Emerging Markets – continued growth but at a reduced level.

Intensification of Financial Services regulation has necessitated extensive business model changes in the near to mid-term:

- bank structure reform – separation of trading and deposit taking, potentially impacts the profitability of maintaining a universal banking model;

- progress to an European Banking Union in order to break the lender and sovereign link – central control agency, Bank failure plan and resolutions fund still under discussion;
- enhanced US regulation of foreign banks – requiring additional capitalization;
- Basel 3 and additional KPI metrics such as Leverage ratio – driving further reduction in exposure and balance sheet optimization.

Banks and Insurance clients will pursue the agenda of “doing more for less” for the next few years. Transformation programs are targeting year on year multi-million Operating Expense savings, but combined with growth driving business model change supported by savings re-investment.

C.2.4.2 What's New?

Financial Services institutions are positioning to capture growth opportunities from a number of major trends over the next 15-20 years. Major trends include:

- emerging markets dominance in world GDP rankings (Center for Economics and Business Research). China and India to be Number 1 and Number 3 by 2028, coupled with expanding wealthy urban populations (more than 1 billion in China & India

alone). This will necessitate offensive commercial strategies from Financial Services institutions particularly towards Asia Pacific, with differentiated and tailored offerings;

- aging population – number of people more than 65 on target to double – requiring new products and services, driving an expansion of insurance pension and health businesses;

- disruptive new “digitalization” technologies – accelerated digitization of existing business services and enable creation of new/efficient business model. Particular in the front office/distribution, for example, On-line/e-tailing services to dominate the business model with more than 70% online vs less than 30% branch mix. Together with securing trust and integrity of digital models by advanced Cyber Security will be paramount.

The macro-economic and major trends are driving firms to realign their competitive strategies and investment plans:

- industry consolidation is expected to continue e.g. today approx. 6,200 Eurozone banks with a 17% reduction over the last 5 years;
- building differentiated franchises either as regionally champions, global monoline businesses or universal bank & insurance businesses. Market share is expected to concentrate around these models;
- core business process focus – extensive use of business ecosystems with outsource partners providing non-core business services e.g. Payments, Fraud, Claims;
- enriched digital business models and product offering innovation mandatory to counter new entrants e.g. peer-to-peer lending, PayPal, Google;
- overall, top performing Financial and Banking institutions are enlarging the gap with followers, causing further consolidation, potentially from stronger non-European institutions. Sharper clarity on business franchise models, leading to more ambitious transformation with greater outsourcing activity and emphasis on strategic partnerships.

As a leading international technology services company, Atos is a natural strategic partner for clients requiring innovative technology know-how and scale, to support global business growth, cost saving and risk reduction strategies and accelerate transformation of business models.

Example growth strategies supported by Atos:

- assisting international customers capture growth from balanced investment in Europe, Asia Pacific/India Middle East and Africa and North America, and particular in growth markets;
- digitization of the business model e.g. 24\*7 solutions delivering a compelling customer experience exploiting mobility, social and Big Data life style information.

Example Cost and Risk reduction strategies supported by Atos:

- leverage industrial scale and expertise in Outsourced Business Services – leading to a simplified business model, benefiting from use of multi-line of business shared services, low cost location exploitation and OPEX models e.g. Payments, Clearing and Settlement, Fraud;
- regulation & cyber security – Regulatory risk, compliance and security transformation solutions and services to secure balance sheet optimization and operational risk reduction;
- IT virtualization and transformation leveraging Cloud and OPEX models to deliver resilient, standardized and efficient automated global operating platforms.

### C.2.4.3 Atos Ambitions

Atos is already among the Top 3 providers to Financial Services customers in Europe. The vision is to be the “partner of reference to the Group targets clients in selected IT Business Solutions and end-to-end Business Services”.

With the established and strong platform the Group aims to deliver the following strategic growth priorities over the next few years:

- **Market Leader** – building further profitable growth in core Europe and growth in non-European geographies, with the aim of achieving the number 2 ranking in Europe;
- **Partner of Choice** – delivering innovation using Atos’ global platforms and Financial Services vertical offerings. This includes leveraging Atos’ innovation investments in

Cloud Services (Canopy), Big Data/Analytics, Application Management, Digital Workplaces. Mobility Services and Cyber Security;

- **Accelerate Insurance sub-market penetration** – to progress to 30% of Financial Services revenue, with a strengthened global leadership;
- **Financial Services Global Delivery Centers** – Hub of expertise for Atos’ vertical and Business Services Go-to-Market offering, whereby clients gain the benefits of Atos’ business domain know-how, Atos’ intellectual property and partner solutions expertise;
- **Leverage Atos acquisitions** – to accelerate and further differentiate Atos’ Financial Services Go-to-Market offerings.



## C.2.4.4 Industry-specific expertise

Significant progress was made in 2013 in cementing Atos leadership in Financial Services with industry-specific services and solutions. The primary growth areas are based on six key Go-to-Market offerings which can be delivered discretely or in combination with new full scope Business Services (business processes delivered “as a Service” end-to-end).

Key Go-to-Market Offerings:

- **Digital Transformation** – in the world of “Now Banking and Insurance” customers are digital, and digital business processes for acquisition, cross sell/up sell, customer support and loyalty, deliver consumable services anytime, anywhere and anyway. Atos is at the forefront of supporting clients in digital transformation of operating models and enriching customer experience. Bring for example a combination of sophisticated multi-channel, mobility and analytical solutions. Atos is rated as a top 10 Mobility provider (Gartner). The Group sees digitalization of client businesses accelerating, across all geographies;
- **Risk Compliance and Regulatory Reporting, Cyber security** – Atos transforms fragmented RCRR environments into real-time, integrated and standardized platforms delivering consistent, efficient and high performance Risk and Security Management. Atos offers six transformation services covering advisory, solutions, integration and Business Services e.g. end-to-end outsourced Cyber Security, Payments Fraud BPO. IDC estimates that this market will grow to USD 80 billion, CAGR +5% by 2017;
- **Payments Services** – Industrial payments processing is at the heart of Worldline’s offerings into Financial Services. Worldline is a leader in Financial Services Acquiring, Issuing, Value Added service (such as Fraud, SEPA) and product licensing. Joint new target accounts and new geography penetration such as in CEE and the Nordics provide a positive underpinning for growth;
- **Financial Markets (FM)** – FM solutions typically are based on Atos’ intellectual property, support the operations of market intermediaries directly (e.g. securities clearing houses, securities custodians or RTGS Automated Clearing Houses), or enable participating Financial Institutions to efficiently manage transactions and connect into intermediaries e.g. high value payments into Target2 and into the Target2-Securities settlement platform. New regulation such as post trade central counterparty clearing (CCP), T2S etc. aimed at reducing systemic risks and also operating costs for participants is driving the adoption of highly scalable, standardized solution both in Europe and also in the

emerging markets. Atos is a leader in providing solutions to Financial Markets e.g. LCH Clearnet for securities Clearing and Settlement solutions;

- **Managed Services** – As the number 1 European provider of IT outsourcing for Data Centers, Infrastructure Utility services and digital workplace solutions, clients are extensively using Atos in Financial Services to transform the cost, quality and agility of IT. Atos saw an increased demand for Infrastructure Services Integrator solutions and innovation benefits from the adoption of new Cloud IaaS/PaaS services, underpinned by ultra-secure service level agreements designed for Banking and Insurance environments. Digital workplaces support new ways of working incorporating BYOD (Bring Your Own Device), social media and unified communication collaborations environments. Atos is ranked as a leader in Digital Workplaces (Gartner);
- **Application Management (AM)** – clients utilize Atos for business enabling AM services provision related to financial services applications: from partners such as Oracle and SAP, or for Atos’ intellectual property solutions in core banking, core insurance, e-banking, Financial Markets etc. And finally for client customized Application Management support. Benefits include leveraging Atos’ scale, global sourcing model and tailored support models. Specific Atos USP include the ability for combined Application Management and infrastructure outsourcing platforms to deliver even higher quality SLAs and cost efficiencies for a whole business chain e.g. settlement processes, or on-line service. As being ranked number 3 AM provider in Europe and number 7 worldwide, Atos is positioned for growth in that business area.

### Business Services

Atos has a long history in providing Business Services to clients whereby the complete business process can be delivered either “as a Service” including business process operations (BPO), technology applications, platforms and technology services (Application Management, Managed Services, Testing), or clients can mix and match component services (SaaS only). Atos market leading examples include Worldline Payments and Fraud, and Atos UK Savings BPO. The Financial Services business Services markets is estimated currently to be USD 142 billion at growing at +5% CAGR (Nelson Hall), with emerging process considered to be non-core the Group expects the market will grow to over USD 250 billion over the mid-term. Atos plans to reinforce its leadership with the launch of additional Business Services. The major renewal with NS&I in the United-Kingdom confirms the strength of Atos as a Business Services partner.

## C.3 IT Services

### C.3.1 Managed Services

Atos specializes in managing and transforming the IT systems of its clients and is ranked in the top three in the European market and in the top six globally. Managed Services represents around € 4 billion and has 29,500 staff worldwide in 47 countries. Atos is one of the few companies that can provide all the “design, build, and operate” elements of a complete outsourcing solution providing the management and transformation of end-to-end and joined-up workplace, infrastructure, application, security and Cloud services.

The main revenues of Managed Services come from Infrastructure and Cloud services, Workplace solutions, Application operation, Network and Communication, and Mainframe and are broken down as follows:

- 54% – Data Center, Managed Infrastructure and Cloud services;
- 25% – Workplace Services including service desk;
- 11% – Application operations;
- 10% – Network and Communication services.

The top five geographical Business Units from a revenue perspective are Germany, United-Kingdom & Ireland, Benelux and the Nordics (BTN), North America, followed by Central & Eastern Europe (CEE). From a market perspective, 38% come from Manufacturing, Retail & Services followed by Telcos, Media & Utilities, Public sector, Healthcare & Transportation and Financial Services.

#### Data center and managed infrastructure capabilities

Atos’ Data Center strategy focuses on its hubs and satellite architecture with 4 Cloud hubs all twinned (8 Data Centers) backed up by strategic Data Centers in 11 locations. This provides the focus for all the Group managed workloads and is the continuous target for migrating workloads from the remaining 100+ multi customer local and peripheral Data Centers and data rooms which continue to be consolidated and phased out in line with successful consolidation of up to 40-50 locations 2012-2016.

Atos has engaged in a 4 year Data Centers program to upgrade its Data Centers, build new modular Data Centers and to continue reducing the Power Usage Effectiveness (PUE) down

in existing and new Data Centers. The program also aims to ensure Atos’ Data Centers will provide sufficient capacity and business continuity for Cloud portfolio expansion plans and to invest in building new state of the art data centers in key strategic countries.

Atos continued deployment of the worldwide “Ambition Carbon Free” program which includes the reduction of energy consumption in the Company’s facilities and those of its customers, conducting carbon audits in data centers, and compensation plans for the emissions of the centers. This was demonstrated along with leading edge innovation to become the infrastructure provider partner for the new high-specification supercomputer Teide-High Performance Computing. The Teide-HPC will be the second most powerful supercomputer installed in Spain, with 2,200 processors, 17,600 cores. One of the features of the new installation is its environmentally friendly sustainable infrastructure, since the Supercomputer energy consumption will be covered by energy from solar panels and wind turbines.

From these Atos energy efficient global Data Center’s Atos has a strong track record of providing managed infrastructure services with a full range of end-to-end SLA backed infrastructure services. These continue to include managed server (more than 143,000), storage (more than 170,000 Terra bytes) and mainframe (more than 117,000 MIPS) offerings however the Group also enhanced its portfolio in 2013 with continued expansion of Atos’ Cloud services (see C.3.3 *Cloud & Enterprise Software*), Extreme Performance Computing environment (Oracle) and SAP HANA offerings all providing a solid Data Center and infrastructure foundations for future expansion plans.

#### Workplace and Service Desk capabilities

The Adaptive Workplace provides modular and innovative workplace and service desk services, based on extensive, proven experience in all industry sectors. Today, Atos manages 2.4 million seats, with 10 global service desks operating as one virtual global delivery unit, complemented by 39 local serviced desks, handling in excess of 45 million tickets annually in 39 languages. This is combined with on-site support capability in 149 countries, giving Atos a true global workplace services footprint. The global delivery organization has a total headcount in excess of 9,500 staff. The largest locations include the Philippines (1,100 people), Morocco (600) and Poland (540). In addition to



traditional workplace services the Adaptive Workplace delivers services that meet the changing workplace requirements within enterprise clients today. Key solutions such as mobile device and application management, virtual desktops, collaboration and corresponding user support solutions...

These enterprise ready services mean Atos' clients can benefit from securely introducing solutions such as "bring your own device" and corporate file sharing. For end users "one size fits all" is no longer applicable, and the Adaptive Workplace approach results in a user experience where working anytime, anywhere with any device is reality.

The successful integration of SaaS based workplace offerings from Canopy, including Microsoft Office 365, Canopy A3C (Anytime Communication & Collaboration Cloud) and Anytime Files (corporate "dropbox") has enriched the core portfolio with more choice than ever with flexible "as a service" consumption models. A strong focus on customer care and the total end user experience including self-help, chat and self-healing solutions, such as password reset, has placed the way Atos works today and in future, at the core of the Atos' approach. In turn, reducing costs and increasing agility and mobility of end users, whilst opening the door to Zéro email™ by integration of social collaboration solutions. Enabling clients to redefine their future digital workplace within a user centric, creative enterprise environment is central to the future direction for Atos. This will be supported by continued optimization and enhancement of the Group's offshore capabilities and investment in automation, coupled with a reduced carbon footprint, through initiatives such as bringing desktops into green data centers.

The Adaptive Workplace received very positive ratings in 2013 from multiple independent analysts, reaffirming the strategic direction Atos is moving in with its Workplace Services offering. In particular Gartner recognizes the Group stature as a company that understands the future needs of the enterprise end user, positioning Atos again in its 2013 "leader quadrant" in both European and North American End User Outsourcing Services reports. Moreover Atos was recognized as most visionary leader in Europe (by virtue of being placed further to the right, in terms of "completeness of vision").

### Application Operations capabilities

Since SIS activities integration, Atos manages over 1 million SAP business users, more than 5,000 SAP instances and 5,000 managed business application instances (1.5 million users).

Application Operations offers a key differentiator for Managed Services focusing on application availability and offering a compelling alternative to the in-house operation and support of the IT infrastructure, with a flexible, end to end, business outcomes approach to meeting customer's application requirements.

In 2013, Atos successfully enhanced the capabilities of its Extreme Performance Computing environments (Oracle), Application Performance Management offerings, and SAP hosting capabilities which have built solid application foundations for future plans.

Key developments in this domain for 2014 and beyond are expected to continue with key business relevant differentiation, aligning and complementing the Group Cloud capabilities,

offering Big Data Analytic environments, Enterprise Archiving solutions, High Performance hosted SAP solutions, vertical sector solutions and all enhanced by the increasing provision of services to emerging and faster growing economies.

### Network and Communication capabilities

Network and communication services provide customers with the essential connectivity services to provide fully managed network, voice and communications services in and out of the Cloud. Atos provides global, standard, repeatable and innovative services to meet the high expectations of a dynamic mobile, global workforce.

Atos' evidence of scale is proven by facts such as managing the world largest Microsoft unified communications installation for a single client with more than 360,000 seats, and have WAN MPLS reaching to more than 120 countries via the Group network partners. With over 1 million LAN ports, 500,000 PBX/PABX lines, 42,000 switches, 17,000 wireless access points, 23,000 contact center seats, 10,000 routers managed globally and filtering for 146,000 email mailboxes.

Going forward Atos will be focusing on increasing is already considerable capabilities for intelligent networking, mobility, unified communications, Cloud computing and videoconferencing.

### Atos Cyber Security

With the offering of a comprehensive Cyber Security services portfolio Atos helps its customers to cut through the complexity of security and compliance issues. Experience in all markets and the Group understanding of industry specific business processes and operating models enables us to deliver solutions that ensure that the related customer investments are aligned with the value in their business. Atos enables its customers to do more, while risking less.

**Atos has Depth:** the Group offers a combined portfolio of market proven "in house" and "partner provided" security products and services, with over 20 active patents. Atos demonstrate its depth of expertise every day with its services, solutions and its Cyber Security R&D centers.

**Atos has Scale:** the Group has over 650 dedicated security and risk management consultants and engineers worldwide. Atos provides security and risk management services for some of the world's largest organizations and for organizations with extremely rigorous security requirements.

**Atos sees things differently:** the Group sees that top performing organizations are risk takers but what really separates them from the pack is their ability to drive positive outcomes from the risks they take. Atos believes that by viewing digital security, regulatory compliance and business governance through a single lens Atos can help its customers to manage their risks better, enabling them to take more opportunities and generate more positive outcomes.

In the latest Market scope on Managed Security Service Providers in EMEA Gartner rated Atos as "Positive" for the fifth year in a row. One of the highlighted strengths is Atos' experience in integrating security services with complex, large-scale IT programs.



### BPO: Business Process Outsourcing

Atos has one of the leading BPO businesses in the United-Kingdom in its' chosen markets. The combined direct headcount exceeds 3,500 staff, with a significant proportion of offshore utilisation through a dedicated BPO team in India. One of the key differentiators, particularly in Public Services, Financial Services and Healthcare, is that in these sectors Atos manages the full end-to-end service, deploying employees with specific technical expertise. This enables the Group to add value via its domain expertise in addition to the traditional benefits associated with BPO.

Atos continued to capture business thanks to continued success in industry leading customer contact centers, case and document management and print operations, as well as the bookings and account relationship management systems that are unique in the marketplace. These capabilities ensure that the Group is able to offer radically improved service and efficiencies via scalable operations to existing and prospective clients.

This was clearly recognized in 2013, when Atos successfully renewed its large BPO contract with NS&I. Atos has been awarded an outsourcing contract to deliver customer-facing and back office services to 25 million customers. Atos supports its range of simple and straightforward savings products and its payments processing services for government clients.

## C.3.2 Consulting & Systems Integration

### C.3.2.1 Consulting

#### 2013 and perspectives

The consulting sector suffered during the last years as the recession forced companies to significantly decrease their discretionary budgets and postpone projects not having an immediate return on investment. In 2013 customers are carrying very carefully on with both IT and business transformation projects in order to improve their market competitiveness in the post-recession environment.

Commercial models are increasingly shifting from time-based towards performance achievement-based models. Customers continue to invest in consulting projects that deliver cost reductions or effectiveness improvements with a quick pay-back.

Furthermore, consulting services are increasingly becoming an essential component of larger IT service engagements. Customers are increasing the demand of end-to-end services from their IT providers, as part of their large transformation projects. Consulting services are also playing an important role at strategic outsourcing deals: customers aim to leverage IT not only as a way to reduce costs of their existing IT infrastructure, but also to implement major changes in their business strategy.

A challenging economic climate, growing needs for connectivity, new working behaviors and communication cultures, globalization lead to develop innovative, more productive business processes and ways of working.

In addition to these social and economic trends, IT innovations such as Enterprise Social Networks, smart mobility, A3C, Cloud, Big Data, bring solutions to the new customers' requirements for effective information management and communication, and collaboration, anytime, anywhere and, from any place.

#### Role of Consulting

Consulting translates business issues into sustainable growth and higher performance, by maximizing the potential of IT and by making change happen from diagnostics and design right through to long-term management and refresh.

Being part of the larger Consulting & Systems Integration Service Line, Atos brings innovation to its clients by performing both Business IT consulting, and Professional services. This combination helps Atos offering its full strengths and makes a significant impact on the market. All of the skills and resources needed for an end to end service are brought together within the same service line, enabling speed, agility and responsiveness.

Consulting experts contribute to customer business growth by adding value to the other Atos Service Lines, while helping to move up-market, securing larger and more profitable engagements.

Both in 2013 and 2012, Atos Consulting played an essential role in turning the internal Zéro email™ initiative into a Social Collaboration solution to support Atos' clients in their adoption of Enterprise Social Networks for smart collaboration within the enterprise. Atos Consulting can design and build a full social collaboration solution while ensuring that all supporting activities (change management, training, integration with existing solutions, etc.) are lined-up to ensure a successful implementation.

Atos Consulting's "Digital to performance" approach helps clients to take advantage of digital technologies in their specific context. Much more than just a product implementation, Atos Consulting's Digital Transformation solutions transition



organizations to connect and collaborate both within and outside the organization much more effectively.

Digital transformation is not limited to technology: transformation in the way leaders and organizations do business needs also to be managed carefully. Atos' clients also need a new type of consulting that is relevant to today's world – getting the most of the digital economy to create value.

A unique combination of strong expertise in IT innovations, in depth industry knowledge, and advisory and change management services enable Atos Consulting to define and deliver a successful digital transformation building the firm of the future.

### Business positioning

Consulting is based on resources that are in close proximity to clients. This involves both business know-how and technology expertise, and covers the entire spectrum of activities from diagnosis, assessment & planning to build and then run.

Because Consulting is contained within the Consulting & Systems Integration Service Line, there are no difficult hand-over points between development and execution: all stages are handled as part of a single, seamless process that also contains all aspects of training and managing change.

Atos Consulting offers a comprehensive portfolio combining market specific and cross sector solutions.

### Business Consulting Portfolio

The consulting value proposition is based on expertise in blending industry-sector, process innovation, technology and Transformation acceleration. The objective is to ensure that Atos' clients are empowered to manage the resources provided, maintaining control of their processes and projects as well as the ownership of their assets and systems, including transformation to benefit from Digital technologies and Cloud solutions.

## C.3.2.2 Systems Integration

Over the last years, Atos has built a robust and globalized Systems Integration business from a decentralized organization at the beginning of 2009, where most of the projects were conducted locally, very often in time and material, and with a very limited offshore activity, to a globalized service line organized around 3 global practices – Solutions (which focuses on projects), SAP and Application Management (AM) – leveraging global processes around all geographies, particularly

Atos' business consulting solutions include:

- Customer Management leadership (Business Innovation and Social CRM);
- HR/IT (HR Transformation/HR Management);
- Application Strategy (Business & IT Alignment and Emerging Business Technologies);
- Business Process Management (Process Optimization/Lean Management);
- Procurement (Cost Reduction/Process Efficiency).

### IT Consulting Portfolio

Consulting aims to make IT a key success factor for C-level business decision-makers: in other words, to demonstrate that IT not only supports the business, but that it generates business value and new opportunities for growth. Atos builds strong relationships with companies that recognize the business value of IT and encourage others to move in this direction. In this way, it is possible to have top-level discussions that combine business strategy and IT execution.

Eight Technology Consulting offers have already been developed and implemented:

- CIO Advisory;
- Security and Risk Management;
- IT Delivery Excellence;
- Information Management Excellence;
- Application Transformation;
- IT Infrastructure Transformation;
- IT Program Management;
- Data Centers Services.

through Atos Global Delivery Platform which defines how to deliver application services in an industrialized and standardized manner across the world. Since 2009, Atos Systems Integration has increased its offshore capability and significantly improved its profitability.

Since the acquisition of Siemens IT Services in 2011, Atos Systems Integration has also strengthened its customer base, being now well positioned in all vertical markets. Moreover,

the projects have significantly grown in size while serving customers in key strategic business domains. Most customer relationships include simultaneously Solutions, Application Management and SAP or ERP scope and leverage one or more of the global delivery centers. One example is the project signed with NSN worth several hundred of million euros over 3 years, in which Atos is now the customer's application service partner in the largest part of its application portfolio, and for which it is building a force of 600 engineers in India and transforming the overall application portfolio and IT governance. This type of engagement shows that Atos has become one of the global partners of choice for customers in application services.

Global Solutions, SAP and Application Management practices have strongly strengthened, Atos received an increasing number of market recognitions in Systems Integration from Industry Analysts for its performance in Application Management (Gartner, PAC, IDC), Smart Mobility (Gartner & Forrester), testing (Gartner), Business Intelligence and Information Management Services (Gartner), Big Data Vendor Benchmark in Germany (Experton) or Identity Provisioning/Security (KuppingerCole). In 2013, Atos also received two SAP Pinnacle Awards, one for Sustainability and one for Application Co-Innovation.

### Atos vision for 2016 in Systems Integration

In 2014, Atos is entering into its second 3-year plan since the acquisition of Siemens IT Services in 2011. Its aim is to reignite the growth that has been challenged by the tough economic environment of the last years, both organically and through strategic acquisitions, while continuing to improve its profitability.

In September 2013, Atos launched META in Systems Integration, a transformation program aiming at reaching this profitable growth by accelerating the "verticalization" and globalization of the Systems Integration organization.

In order to reach its organic target growth, Atos has identified five main levers in Systems Integration:

- Differentiating offerings;
- Business Intelligence (BI) and Analytics;
- Global Application Management;
- New account management structure;
- Growth of the North American business with a dedicated Systems Integration go-to-market leveraging an India based global delivery.

### Market focused differentiating offerings

In order to fuel the expected growth, Atos has built in Systems Integration a portfolio of vertical and horizontal offerings which are – and will increasingly be – supported by dedicated expert sales, architects and global delivery capabilities. As examples:

- in Energy and Utilities, Atos leverages its portfolio of offerings covering the full value chain of the energy industry. Atos, through Atos Worldgrid, has a strong expertise and best-in-class solutions in energy production (e.g. nuclear industry where Atos owns solutions in command/control of a nuclear plant), in smart metering, or in grid management system. Atos counts over 2,000 energy technologists with customers in all continents;
- in Manufacturing, Retail and Transportation, Atos designs, builds, deploys and maintains strategic solutions in PLM, MES, or SAP. It is actually one of the very few providers on a global scale being able to integrate ERP such as SAP with MES and PLM, i.e. with Atos "Digital Manufacturing Plant" solution. Atos serves 5 of the largest automotive manufacturers in the above strategic domains.

Atos Service Integration offering, for instance, delivers increased quality, security and overall savings across business processes to its customers. Atos is taking an end-to-end responsibility for the performance of customer applications across all layers of the IT value chain: network, infrastructure, application management and projects. This also includes supplier management to really free up the client to focus on its core business.

### Business Intelligence (BI) and Analytics

Atos foresees Business Intelligence and Analytics services as a major growth opportunity for its Systems Integration activities. The market is actually expected to grow by 9% on a yearly basis until 2020 to reach € 60 billion. In 2013, Atos created a business practice fully dedicated to Big Data Services especially targeting Industrial Data Analytics and that capitalizes on the current strong Business Intelligence offering within its Global Solutions Practice.

To capture and support the rapid growth, this practice is located in India. It includes a center of competence by industry to develop business cases, a center of competence by technology, as well as dedicated bid and deal solutioning units. The Big Data Services practice is strongly supported by the Group strategic partnerships with technology vendors such as among others EMC<sup>2</sup>/Pivotal, SAP (HANA Technology) or Oracle, and is leveraging the Cloud Canopy platform to deliver Analytics as a Service.



## Global Application Management

Atos expects its Application Management business to accelerate its growth over the next three years. In 2013, Application Management portfolio was boosted by offering three layers of business to its customers:

- Foundation Application Management (cost reduction and quality enhancement);
- Business Enabling Application Management, among that transformation drivers such as Application rationalization and modernization (e.g. re-platforming, re-scaling, Cloudification);
- Vertical Application Management where application services are tailored to specific domains such as PLM, Telecom or Financial Processes.

Atos Application Management practice is fully globalized. Almost 50% of its resources are already located in offshore centers (mainly India but also Russia, Poland, Thailand, Morocco and South America), and the objective is to increase this share up to 65% in 2016. To support the growth in that area, Atos is further expanding the global Application Management sales and deal solutioning teams who already manage most of the Application Management opportunities centrally.

## New account management approach in Systems Integration

In order to capture underlying growth from existing accounts, Atos is putting in place an even more robust account management, the objective being to better address new opportunities. To capture this potential, Atos has recently appointed an Account Partner, in addition to the existing project managers and service delivery managers, in each of the top 38 Systems Integration accounts.

The Account Partners focus on identifying and addressing growth opportunities while increasing customer intimacy and value. In particular, they push to customers the overall Atos Systems Integration portfolio, i.e. vertical, horizontal, as well as light house offerings such as Business Intelligence, Application Management or Service Integration approach.

## Address the US market leveraging India delivery

In order to accelerate the growth in North America, Atos is increasing its sales focus by setting up a Market driven sales

organization, Systems Integration having its own sales force and presales team, and by leveraging its Global Delivery Centers especially India. This new go-to-market approach through a dedicated sales force is in place since the beginning of 2014 and has already increased the size of the pipeline.

## Further globalization of Atos Systems Integration

During the last 5 years, Atos Systems Integration offshore headcount has grown from around 3,000 staff to 8,000 at the end of 2013, including 6,000 in India. Outside India, Atos has nearshore or offshore global delivery centers in Morocco, Poland, Russia, Thailand, Brazil (Londrina) and Spain (Valladolid) to address customer specific needs in terms of language, time zone and regulatory requirement such as data protection.

Atos ambition in Systems Integration is to increase the percentage of global delivery from 33 in 2013 to more than 50 by the end of 2016, and is therefore strengthening its team and resources in India to conduct that transformation. The offshore growth will be driven specifically by global application management, the expected growth in the US as well as an increased offshore ratio in the project business.

Beyond offshoring, Atos Systems Integration will continue to focus on the transformation and improvement of its processes to increase its efficiency. Atos has identified a set of core processes where an end-to-end reengineering approach should generate significant cost savings. It notably includes corrective maintenance and enhancements in application management and software engineering in application development. Therefore, META the new "Lean End-to-End" program to improve profitability was launched early 2014.

## Verticalization and globalization of the practices

Through META, Atos is continuing the verticalization of its organization by creating global Markets (already existing at local level) which focus on revenue growth, offering innovation, customer intimacy and satisfaction, and is pursuing the development of the global practices (Solutions, SAP and AM) with focus on deal solutioning and excellence in delivery.

In the course of 2013, Atos Worldgrid and the Systems Integration elements of former HTTS & Specialized Businesses Service Line joined Atos Systems Integration.

## C.3.3 Cloud & Enterprise software

### Canopy offerings

In 2013, Atos helped its clients transform their businesses and customer relationships through the application of leading-edge technologies and solutions like Canopy Cloud, Social Collaboration, Big Data and Analytics, Connected life, Payments and Sport. Atos' Cloud computing solutions are gathered under the brand of Canopy and are detail below.

#### Canopy Consulting

Canopy and the Cloud are transformational. They open the door to a whole new world of IT delivery and services. Canopy Consulting focuses on business objectives first to make the most of improved business agility and cost savings. They create transparency of IT costs and a long-term roadmap for Cloud adoption. Atos teams have top-tier strategic consulting backgrounds and first-hand experience driving Cloud transformations. Canopy Consulting works closely with business and IT leaders, providing a structured approach to sustainable value creation, risk management, resource management and technology optimization.

#### Canopy Infrastructure

Canopy IaaS (Infrastructure as a Service) provides a comprehensive range of secure and resilient managed Cloud and private Cloud platforms designed to meet the needs of enterprise customers. Leveraging the experience from successfully delivering the Olympics infrastructure, Canopy Infrastructure provides flexible solutions suitable for hosting production and business critical workloads without compromising security or compliance. Canopy also has proven experience in managing the transformation of business processes to the Cloud, allowing organizations to benefit from more flexible and agile ways of working.

#### Canopy Platform

Platform as a Service (PaaS) from Canopy delivers availability, scalability and agility on another level compared to a traditional IT infrastructure. This Cloud-based platform enables clients and Atos developers to develop, compose, distribute and deliver applications faster and cheaper. Through a standardized, shared environment, PaaS facilitates collaboration so organizations can make the most of their workforce's skills, wherever teams are based. With transparent, usage-based pricing, cost reductions are clear and easily realized with PaaS.

#### Canopy Software

Canopy SaaS (Software as a Service) provides customers with ready to deploy solutions based on Tier 1 Independent Software

Vendors' and Atos' own software, enabling them to add new capabilities in an accelerated fashion. The advantages of SaaS include a transparent and predictable cost of ownership and an ability to scale with the business. SaaS leads to major increases in productivity based on an intuitive user experience.

#### Security

Canopy's primary Cloud infrastructures are built from components supplied by VMware® and EMC<sup>2</sup> – companies that build security into their products. Hosted in secure data centers owned by Atos, Canopy's solutions security is based on recognized standards such as the information security standard ISO 27001 and the Cloud Security Alliance. What's more, Atos solutions are backed up with 24/7 security monitoring.

#### Market adoption

Canopy has consolidated its European lead in IaaS where it has a sizeable business, and is now extending it with support for specific customer verticals and workloads, such as the virtual private Cloud solution, Helix Nebula, for the global scientific community.

Canopy is industrializing its PaaS solution both as an integral part of the tools used by Atos Systems Integration, as well as a strategic platform provided on-or-offpremises with private and hybrid environments to support Canopy's SaaS business, together with partner and customer application workloads.

Having established a strong horizontal SaaS application portfolio with its Tier 1 software partners, Canopy is leveraging that foundation and Atos' deep market expertise to develop compelling vertical offerings, starting with media, and government.

Canopy Consulting supports clients in bridging the gap between the value proposition of Cloud and the tangible benefits resulting from this transformation, bringing to bear business and technology expertise, and wide partner ecosystem including Canopy's own Cloud services. Each of these (IaaS, PaaS, SaaS, and Consulting) are experiencing strong growth, and are fully complimentary as they together provide customers with all they need to navigate their Cloud journey.

Finally, Canopy is working closely with its equity and software partners to develop significant sales pipelines through joint go-to-market activities, leading to significant successes particularly in its key markets of North America, United-Kingdom & Ireland, Benelux & the Nordics, France, and Germany.



### Business impact

With circa € 280 million in pro forma revenue in 2013 and major client accounts around the world, the Atos Cloud, Canopy, is a leading company in Europe in enterprise and government Cloud. In 2013, Canopy had 16 major customer wins, and to date it has built its own infrastructure platforms in seven countries. Canopy offers 22 Cloud offerings and aims to increase its revenue to € 700 million by 2016.

Customers using the Cloud often face real issues affecting security, compliance, data sovereignty, service levels, and lock-

in. Canopy delivers tangible benefits to its customers through its unique advantages: end-to-end consulting, deployment and operating capability as well as transformation expertise. In addition, Canopy, backed by Atos, has in-depth market expertise, including an intimate understanding of its customers' environments. Canopy's offerings are packages with multiple variants so customers can choose whether to run solutions off-or-on-premise to best meet their business needs, and also customize certain components. Concretely, Canopy customers experience double digit reduction on cost of ownership and full CAPEX avoidance.

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## C.4 Worldline

In July 2013, Atos announced the completion of the carve-out process off all its payment activities and transactional services within a single entity, Worldline.

Between July and December 2013, all the payment services and transactional services activities of Atos Group were separated from the rest of Atos activities and its subsidiaries. These activities were gathered into Worldline and/or its subsidiaries to form the Worldline Group.

These reorganization operations concerned 16 countries in Europe, Asia, and Latin America. They are detailed below and mainly related the implementation of several transfers of shares or assets in accordance with the following principles:

- the activities of the companies comprising both activities entering and exiting the scope of the Worldline Group and activities not included in this scope were split. In eight countries (Austria, China, Spain, Hong Kong, Malaysia, United-Kingdom, Singapore and Taiwan), assets held by an Atos Group company entering the Worldline Group scope of activity were transferred to Worldline subsidiaries in the country. The operation was realized in the other way in Argentina and in France where assets not entering in the scope of Worldline activities have been transferred or contributed, as appropriate, to an Atos SE subsidiary outside the Worldline perimeter;
- in Indonesia, India and Germany, local companies whose activities were exclusively relevant for the Worldline scope of activity and which were not Worldline subsidiaries were transferred to Worldline and/or its subsidiaries by entities of Atos SE by share transfers;
- in Argentina, Spain and Austria, reorganization operations consisted of a combination of divestments and contributions. Activities relevant for Worldline and Atos were split so that Worldline activities are housed in a dedicated Worldline entity which was then transferred to Worldline and/or one of its subsidiaries.

Following the completion of the reorganization operations, Worldline brings together under one single head of the Group entity and under its own brand the activities of payment services and transactional services of Atos Group and become the European leader in these fields, operating in 17 countries in three regions of the World, Europe, Latin America, and India and Asia, with more than 7,200 employees worldwide.

Worldline, the European leader of payment and transactional services benefits from a strong emerging market footprint. With over 40 years of payment systems expertise and operations in 17 countries across Europe, Latin America and Asia, Worldline operates across the full extended payment services value chain, providing a full range of merchant acquiring, payment processing and business solutions services to financial institutions, merchants, corporations and government agencies. Worldline works closely with its clients to run outsourced services, typically under long-term contracts where it receives fees for the initial implementation of the solution as well as recurring revenues over the life of the agreement based on business transaction volumes. The strong culture of innovation allows Worldline to help its clients enhance their existing services and harness advances in technology to create new markets and services. In 2013, Worldline generated total revenues of € 1,115 million and an Operating Margin before Depreciation and Amortization (OMDA) € 205 million.

Worldline operates as one global factory that leverages its increasingly integrated infrastructure platform to support its three global Business lines:

## C.4.1 Merchant Services & Terminals

With 2013 revenue of € 360 million representing 32% of total revenue, Merchant Services & Terminals global business line offers merchants a range of payment-related and value added services that help merchants building customer intimacy and to complete a transaction when customer is willing to engage, while optimizing payment-related activities. Worldline supports merchants at each step of their relationship with their customers – before, during and after the sale. Digital omnichannel services and in-store, online and mobile payment acceptance solutions enhance merchants' ability to offer compelling and seamless omnichannel and cross-channel shopping experiences in stores, online and via mobile devices. Worldline also offers a range of

data analytics and private label card and loyalty services that help Worldline merchant clients mine the rich data generated by a client's payment history to better understand customer needs and provide targeted offers. Worldline currently provides services to merchants, from micro merchants through to large international enterprises. Key services offered to merchants through this global business line include commercial acquiring and associated value-added services, online services including data analytics that cover the full digital commerce lifecycle for e-merchants, payment terminals, private label cards, loyalty programs, sales promotion services and self-service kiosks.

## C.4.2 Financial Processing & Software Licensing

With 2013 revenue of € 391 million representing 35% of total revenue, Financial Processing & Software Licensing global business line, delivers solutions that allow banks and financial institutions to manage cashless payments by outsourcing some or all of the key business processes involved in issuing credit and debit cards, processing electronic payment transactions (both issuing and acquiring), offering multi-platform online banking services (including online banking e-payments) to their customers, and providing new payment options such

as electronic wallets. Worldline offers banks solutions to address a challenging and evolving regulatory environment by leveraging its industrial scale processing operations and provide innovations that support alternative pricing models. Worldline is one of the few processing services providers to cover the full extended payment services value chain. In addition, Worldline offers banks and financial institutions that prefer to perform processing in-house a range of payment software solutions on a licensed basis.

## C.4.3 Mobility & e-Transactional Services

With 2013 revenue of € 364 million representing 33% of total revenue, Mobility & e-Transactional Services global business line goes beyond the Worldline traditional client base of merchants, banks, and financial institutions to address the needs of private and public sector clients developing new solutions and business models that take advantage of the digitization of the physical world, thus addressing new markets Worldline believes will generate significant additional payment transaction volumes in the years to come. Worldline leverages its expertise in the areas of payments, digitizing business processes, processing large transaction volumes and data analysis to help provide solutions for companies and government entities facing the challenge of

strategically transforming their operations through new digital services. The Mobility & e-Transactional Services global business line focuses principally on three sectors that Worldline believes have the potential to generate significant additional payment transactions: e-payment and m-payment, which includes electronic ticketing, automated fare collection and journey management services; e-Government Collection, where our platforms provide paperless secured systems for better public services; automated traffic enforcement and healthcare reimbursement; and e-Consumer and Mobility, which includes our connected living and contact and consumer cloud services.



**Sales and Delivery**





# D

## Corporate Social Responsibility

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## D.1 Best in class - Building the firm of the future

### D.1.1 Leadership position in Corporate Responsibility

#### D.1.1.1 Market opportunities

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Sustainability management remains a corporate priority in 2013. Difficult economic conditions, rising energy prices, the coming scarcity of resources and increasingly environmental regulations are impacting business models significantly, compelling organizations to focus on reducing their costs and conserving energy, operating in a more sustainable manner.

As part of Atos commitment toward society and the environment, the Company has identified where social and economic benefits could be further enhanced across the value chain. Providing innovative IT solutions and services that help Atos clients become more sustainable, with responsible impact on society while developing their revenue streams and complying with their corporate objectives:

##### Energy & Utilities

A wave of change is disrupting the Energy & Utilities sector, driven by the Industry and public consciousness of sustainability, stricter environmental regulations and the need to ensure the commercial reality for renewable energy resources. Use of data and operational intelligence is becoming key to long-term success:

- smart grids are the utilities' response to the requested efficiency of processes adapting energy generation to predicted demand, optimizing the distribution and the mix of renewables;
- smart metering infrastructures are changing the relationship between consumers and providers: Users seek to reduce usage and costs while service providers exploit smart technologies for optimized delivery and operational efficiency;
- finally, the emergence of electro-mobility solutions, like the e-car, presents a compelling potential to reduce dependency on fossil energies and adapt urban lifestyles for a more sustainable future.

##### Cities

City authorities face today several issues derived from the growth of urban areas as a result of global change. They need to ensure sustainable development of the city for their residents, improving their quality of life, while becoming as efficient as

possible. Technology driven services are bringing the concept of smart cities to new dimensions:

- traffic and congestion monitoring and signal optimization help to reduce traffic pollution and increase energy efficiency in designated geographical areas, while meeting air quality and climate change commitments;
- web-based transport sharing initiatives and e-transport allow new environmental & efficient ways of transport;
- smart ways for waste collection management and water process full optimization;
- creating social commitment and promote democratic participation through digital channels.

##### Healthcare

Technology can also contribute to the creation of a joined-up, transparent healthcare service where professionals can provide the highest quality care within the context of shrinking budgets and an aging population. New delivery methods and innovative technologies combined to a greater willingness of patients to take a more active part in their own care could be the catalyst for major improvements in a range of key areas:

- providing clinicians with easy and secure access to essential sources of information;
- giving greater empowerment to patients;
- improving accessibility to high quality care, even for people living in remote locations;
- providing faster and more accurate interventions, leading to improved outcomes.

##### Transport

The social cost of transport such as accidents, air pollution and physical inactivity of passengers requires new technologies and systems that focus on transport integration, convenience and efficiency, (i.e. route planning, enhanced mobile-based ticketing systems), ensure uncompromising security procedures, both for travelers and nations, and responds to environmental issues.

## Education

Technology can help educational bodies face today's challenges with confidence:

- ensuring that educators always have access to future-proofed, best practice IT, emerging technologies, innovative thinking and complete security;
- providing social networking platforms such as blueKiwi that can transform the educational system, allowing collaboration and knowledge sharing on the widest basis;
- facilitating the remote access to high-level education through e-learning platforms.

## Cross sector Opportunities

- **Green IT for the benefit of Civil Society:** CxOs face tough challenges when it comes to transform and managing the IT infrastructure in an environmentally friendly way. Green IT technologies present opportunities to meet target carbon reductions by the use of infrastructures that run IT operations with minimal or no impact on the environment. Technology can also help companies to address its impact on climate change by implementing low carbon strategies into the performance

management of the business. Carbon accounting can require investment in IT solutions (software and services) to track carbon emissions, to report on environmental performance, social benefits but also on financial outcomes. The tooling plays a strategic role in the Company's ability to collect, and share the information, but also to monitor and facilitate the reporting process.

- **The design of the new working environment:** the design of new working environment, combining forward-looking workplace concepts and digital and collaborative technologies, will meet Atos' clients' challenges of boosting internal innovation, profitability, labor flexibility, and talent retention.
- **Digital inclusion:** access and use of information and communication technologies impacts individuals and the community as a whole. A digitally inclusive community is essential to economic and workforce development, civic participation, education, healthcare, and public safety. Technology and internet-based strategies facilitate digital inclusion: E-learning technologies train and guide small businesses. Youth digital media projects guiding young people toward professional technology use and civic engagement. Accessibility technology for persons with disabilities.

## D1.1.2 Atos vision and strategy - Building a Tier-one Sustainability Leader

Atos' ambition is to be recognized as a responsible European IT champion with global reach, providing support to customers to reinvent their models of future growth at a time of massive change is affecting them financially, technologically, environmentally and socially.

Atos embraces the principle of shared value, which involves creating economic value in a way that also creates value for society by addressing its needs and challenges, in other terms, connect Company success with social progress. Atos ultimate mission is the drive financial profitability with a responsible social and environmental impact.

To achieve this, **Atos Corporate Responsibility strategy is based on three strategic axes:**

### Reinforce leadership on IT for sustainability

Consolidate and increase Atos positions in recognized sustainable rankings as GRI, Great Place to Work, etc. and investor ratings (DJSI, FTSE, etc.) is a continuous exercise for Atos to challenge its corporate performance and consolidate credibility in the market. Numerous awards received during the year showing the increased worldwide commitment of the Group.

### Embed corporate responsibility at the core of Atos business and processes

Atos drives sustainability into the Company's DNA through corporate values, innovation, green operational excellence, social responsibility and business development. Sustainability is part of Atos' innovation process, enabling the creation of new offerings in different fields of expertise as energy and carbon management, social collaboration, public services, etc.

By making sustainability part of Group's business and the IT transformation process, Atos is convinced that its clients can better future-proof their organization, create new opportunities, encourage innovation and ensure competitive advantage. Atos aims to progressively embed corporate responsibility in day-to-day employees working life no matter the culture or where are they located. Continuous efforts are made to support all regions through a coherent approach that strengthen Atos' position while composing with local needs and concerns.



**Identifying challenges, establishing priorities, measuring performance**

Atos set to itself the ambition to strengthen open stakeholder dialogue in order to endorse strategic challenges for the Company as well as key performance indicators that will measure and publicly report the advancements of Atos

Corporate Sustainability program. Manage these expectations help to better focus on relevant areas of action satisfying existing regulations and transparency on appropriate topics. Essential part of stakeholder engagement is the integration of Corporate Responsibility matters in the exchanges with investor's community.

**D.1.1.3 Corporate Responsibility Governance**

The General Secretary, member of the Group Executive Committee and reporting directly to the Chairman & CEO, supervises Atos Corporate Responsibility and Sustainability Program and provides guidance on the general strategy and the actions to be performed.

Atos Group Executive Committee is associated with the strategy and implementation roadmap of the Corporate Responsibility and Sustainability Program. On a regular basis, the General Secretary presents the latest achievements and planned objectives on the environmental and social initiatives of the Group, both at global and a regional levels.

The Corporate Responsibility and Sustainability program is part of Atos' Wellbeing@work global program aiming to transform the Group into a Tier 1 leader and one of the best companies to work with.

The Corporate Responsibility and Sustainability Office is a global entity led by a Program Director and composed of an international team of around 20 people, including 10 Group Business Unit heads of corporate responsibility, as well as representatives of Worldline and representatives of all support functions. Weekly and monthly workshops are organized to design, implement and monitor main axes of actions and targets follow up. Special channels are in place to facilitate communications across Business Units and regions.

Wellbeing@work Council and Scientific Community members are active think tanks feeding the program with innovative ideas and project proposals to strength corporate commitment and positioning in the market.

**D.1.2 Building Corporate Responsibility Program integrated in Atos business strategy**

**D.1.2.1 Connecting financial and extra financial performance**

**Targeting an enhanced integrated reporting**

Climate change, respect of human rights, responsible reputation are subjects which are increasingly affecting the performance of investment portfolios and should therefore be considered alongside more traditional financial factors to enable ethical relations with investors.

Atos aims to continuously progress in getting a more accurate integrated extra-financial reporting. First Atos' 2012 Corporate Responsibility Integrated report, was presented and distributed to the Board of Directors and to Atos' shareholders during the Annual General Meeting (AGM) in May 2013.

Atos Integrated report is composed of two documents:

- **Corporate Responsibility report** with main Key Performance Indicators (KPIs) and highlighting key initiatives and cases studies. This report is an engaging document for general public;

- **Registration Document** with the whole set of KPIs, results of materiality assessment, fully integrated with the financial statement of Atos. This is a detailed document for investor's community and in compliance with French law Grenelle II.

Atos is closely following up the work performed by the IIRC – International Integrated Report Committee – in order to advance toward a standard way of Integrated Reporting. Integrated Reporting is needed by business and investors. Companies need a reporting environment that is conducive to understanding and articulating their strategy, which helps to drive performance internally and attract financial capital for investments. Investors need to understand how the undergoing strategy creates value over time.

**Partnership with SAP for an automated reporting**

Since 2012, Atos has implemented the SAP Sustainability Performance Management® (SuPM) application to monitor and track KPIs and targets. The solution helps Atos gather information from all the entities worldwide, and ensures a more accurate and standardized CSR data collection process building a unique global data base.

Atos is one of the first companies to perform Sustainability reporting with a dedicated IT tool such as SuPM.

**Extra-financial rating and non-financial stock exchange indexes**

Atos has been ranked in several well-known non-financial indexes such as Vigeo, EIRIS, Bloomberg, Ecovadis, etc.

Currently, the Group is listed in four market indexes where the CSR-criteria prevails:

- FTSE4Good ESG (since 2011);
- ASPI Eurozone® (since 2011);
- Carbon Disclosure Project (since 2013);
- DJSI World Index (since 2013).

Being in member of Dow Jones Sustainable Europe Index since 2012, Atos joined in 2013 Dow Jones Sustainable World Index, positioning the Company among leading 2,500 global companies (worldwide top 10) as a leader in terms of corporate sustainability.

Finally, in 2013, the Carbon Disclosure Project rewarded Atos for both scores: the CDLI (Climate Disclosure Leadership Index) with a score of 93% recognizing Atos for the high level of information transparency, and the CPLI (Climate Performance Leadership Index) raising Atos in the band A which positions the top 10% leaders best assessed.

**D1.2.2 Materiality Assessment of Atos Corporate Responsibility program**

**Approach and material aspects identification**

Atos communicates regularly with its stakeholders who can alert, mobilize and share their key topics, reflecting the organization’s relevant economic, environmental and social impacts.

Since 2010, the Group has performed regular materiality assessment in order to identify the essential challenges that the market and main stakeholders consider as essential for Atos to manage and communicate in its annual Corporate Responsibility report.

In 2013, the Group continued to work on better categorize and prioritize a consistent set of aspects validated by Atos management and relevant stakeholders.

Since 2012, Atos has been carrying out regular meetings and electronic surveys with a selection of stakeholders to check expectations and elicit concrete opinions relating to the Corporate Responsibility Program. In 2013, a global event was organised with external stakeholders during Planet Workshops Global Conference at the UNESCO headquarters in Paris with special focus on social responsibility concerns.

During 2013, meetings have been organised with employees to continuously consult and take into account their opinions and proposals to better adapt the corporate program.

Ambition for 2014 is to undertake specific dialogue with selected best-in-class companies on corporate sustainability in order to share expertise and get in-depth opinions for what themes an IT company must focus on.



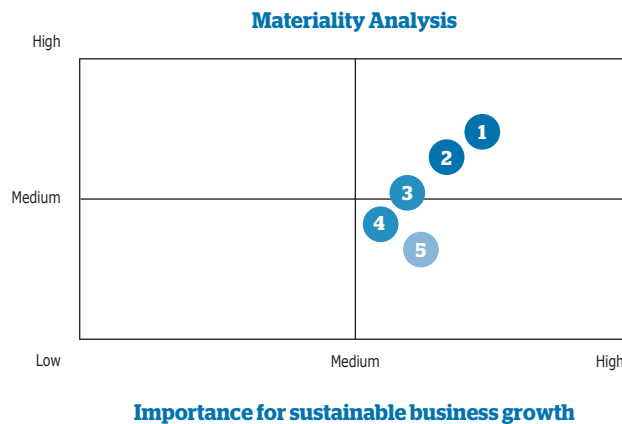
### D.1.2.3 Prioritization of Atos Challenges

As result of 2013 material assessment process, five challenges have been selected and prioritized according to their impact on sustainable business growth and their likelihood of happening.

Nb	Key Challenges
1	Be a responsible employer attracting talented candidates and promoting a new way of working based on collaborative technologies and well-being at work
2	Manage data security and ensure high level of customer satisfaction
3	Reduce the environmental impacts of datacenters, offices and transportations to strive for carbon neutrality and contribute to the sustainability excellence in customers (zero carbon, DCIM, smart campus, cloud services, etc.)
4	Promote ethical leadership and business behavior in the Company and the entire supply chain
5	Develop and ensure the positioning regarding innovative services with responsible impact in the society contributing to the development of emerging countries and local communities. (Health, education, digital citizenship, etc.)

Financial impact, legal or regulatory compliance, stakeholder confidence, customer loyalty, employee satisfaction and reputation were the six areas of influence considered for defining the importance on the sustainable business growth.

#### MATERIALITY ANALYSIS



### D.1.2.4 The Key Performance Indicators aligned with Atos Challenges

The detailed mapping, with recognized standard guidelines defined by the GRI allowed the selection of 46 significant KPIs on which global reporting has been focused. Out of these, 36 KPIs correspond to standard definitions and protocols provided by the GRI and 10 are specific to Atos’s context and business.

Priority	Atos Challenges	Categories	Relevant KPIs	Link with GRI
1	Be a responsible employer attracting talented candidates and promoting a new way of working based on collaborative technologies and well-being at work	Social responsibility and people well being	Number of employees by geographical localisation	LA1
			Employee attrition	LA2
			Absenteeism rate	LA7
			Preventative measurements for managing the health and safety of its workforce; Work balance	LA8
			Number of trainings hours per employee & per year	LA10
			Percentage of employees benefiting from annual performance review	LA12
			Results of surveys measuring employee satisfaction	A02
			Top management commitment with employees	A012

Priority	Atos Challenges	Categories	Relevant KPIs	Link with GRI
1	Be a responsible employer attracting talented candidates and promoting a new way of working based on collaborative technologies and well-being at work	Social responsibility and people well being	Atos culture and values awareness	A013
			Percentage of employees participating in health benefits	LA3
			Percentage of employees covered by a collective agreement	LA4
			Employability initiatives for skills management and lifelong learning	LA11
			Management diversity ratios	LA13, A06
			Ratio of basic salary of men to women by employee category	LA14
			Ratio between the local minimum salary and the Company salary	EC5
			Number of incidents of discrimination and actions taken	HR4
			Number of employees using collaborative working tools	A011
			Number of sites on smart campus concept	A09
2	Manage data security and ensure high level of customer satisfaction	Governance, ethics and compliance	Security and safety incidents	A03
			% of employees attending security awareness trainings	A03
			Number of consumers complaints regarding loss of personal data	PR8
			Customer satisfaction survey results	PR5
3	Reduce the environmental impacts of datacenters, offices and transportations to strive for carbon neutrality and contribute to the sustainability excellence in customers (zero carbon, DCIM, smart campus, cloud services, etc.)	Environmental commitment and operational excellence	Energy consumption in datacenters	EN3, EN4
			Energy consumption in offices	EN3, EN4
			Energy saved due to operational efficiency (data centers, offices and travel)	EN5, EN6, EN18
			Travel rationalisation: Total number of hours of remote working tool usage	EN7
			Number of initiatives/projects to improve energy efficiency and the cooling system of datacenters	EN6
			Direct & indirect GHG emissions	EN16
			Cooling fluids (HFC, HCFC) consumption	EN19
			ISO 14001 certified sites (Offices plus DC)	EN28
			Office paper used	EN1
			Revenue related to operational excellence services (Energy and water management, etc)	A07
			Total revenue related to sustainability offerings	A07
			GHG emissions reduction obtained at customer level	EN26
4	Promote ethical leadership and business behavior in the Company and the entire supply chain	Governance, ethics and compliance	% of employees trained to Code of Ethics	SO3
			Actions taken in response to incidents of corruption	SO4
			Significant fines for non-compliance	SO8
			Responsible supplier screening	HR2
5	Develop and ensure the positioning regarding innovative services with responsible impact in the society contributing to the development of emerging countries and local communities. (Health, education, digital citizenship, etc.)	Social responsibility and people well being	Number of innovation workshop with clients	A010
			Financial assistance from governments	EC4
			Revenue related to digital citizenship solutions	A07
			Funding for social communities	EC1
			Number of people recruited locally	EC7
			Number of IT projects/initiatives implemented for local communities	EC8
Percentage of local suppliers	EC6			

Out of the 46 KPIs, 16 have been selected as main KPIs for the Group (in blue) that are followed up in standard operational management.

Since 2012, a series of interviews with members of the Group Executive Committee were conducted in order to validate main focus areas and Key Performance Indicators with a higher significance for Global Business Units.

In alignment with the Materiality assessment and following recommendation of Atos Internal Control department, Atos has defined a Book of Internal Control (BIC) in order to carry-out regular controls on the implementation of the CSR Group program (policies, processes, tools, etc.).

In addition, Atos has integrated Sustainability and Corporate responsibility in its Enterprise Risk Mapping. According to the results of this Mapping, Sustainability Risk is perceived as well managed by Atos managers (see section F. Risks analysis).



## D.1.3 Atos Corporate Responsibility Program in Action

### D.1.3.1 Atos Domains of Action

Atos' Corporate Responsibility program covers four different domains of action:

#### Corporate Governance, Ethics & Compliance

This ensures that Atos implement corporate governance best practices, complies with international regulations and that Atos respects ethics in business and in the Group's relationships with its stakeholders.

#### Social Responsibility and Corporate Citizenship

Atos has developed and launched its Wellbeing@work initiative to improve the Group employees' working environment and the Company's social impact.

#### Environmental Commitment

Atos is continuously consolidating green initiatives aimed at measuring, monitoring and reducing the Group's impact on the environment (carbon emissions, energy efficiency, renewable energy, waste, purchasing, travel, etc.).

#### Business Development

Atos accompanies its clients on their journey toward sustainability and bring about IT-enabled transformation and behavioral change solutions in Atos' clients' approach and attitudes towards sustainability.

The Atos Corporate Responsibility program follows the principles of the ISO 26000 international standard and OECD Guidelines.

### D.1.3.2 Key achievements

#### Sustainability Ratings and Awards

- Rating A+ by GRI for its Corporate Responsibility report, for the third year.
- For the first time, Atos has been awarded to be member of the Dow Jones Sustainability Index World (DJSI), recognition that demonstrates its corporate responsibility leadership worldwide.
- The Carbon Disclosure Project has rewarded Atos for both its scores: the CDLI (Climate Disclosure Leadership Index) with a score of 93% awarded Atos for the high level of information transparency, and the CPLI (Climate Performance Leadership Index) included Atos in the band A positioning the Company among the top 10% leaders assessed.
- Atos in Asia Pacific has won the IAIR Sustainability Award.

#### Sustainability awards

- Atos France has been ranked #2 as the best attractive company following a survey made by Regions Job on 9,000 persons.
- The global Atos initiative "Success Story Awards" awarded by ORAS (Observatoire Rémunérations & Avantages Sociaux).

- EFMD awarded Atos and HEC for a joint international talent development initiative "Gold Program".
- Award on Women Leadership in Spain.

#### Great Place to Work (GPTW) Awards/Wellbeing@work:

Millions of employees from thousands of organizations are involved in The Great Place to Work Surveys every year, making it the largest metric of its kind worldwide to establish the standards that define a great workplace. Atos Turkey, Poland and Austria were awarded in 2013:

- for the second year running Atos Poland was recognized by the Great Place to Work® Institute. In 2013, Atos Poland climbed one place higher to **number 2 Best Place to Work** on the list of best companies in Poland. Atos is the only IT company in the GPTW list (March 2013);
- Atos Turkey has been awarded the **number 2 Best Place to Work** in Turkey for companies employing over 500 people (June 2013);
- addIT – an Atos company based in Austria was recognized by the Great Place to Work® Institute as number 1 Best Place to Work in Austria (Region Carinthia) (April 2013).



### Environmental initiatives

- 9 Atos' major sites have completed the process of implementing ISO 14001 (2013 target: 9).
- Atos has reduced its carbon footprint by 41% over the period 2009-2012 (2008 baseline).
- Offsetting the Datacenter Carbon emissions: 38,739 tons equivalent CO<sub>2</sub> offset thanks to wind farm projects in India [EN26].

### Events strengthening stakeholders' dialogue and developing Business

- Atos welcomed partners and suppliers at its third Global Stakeholder Meeting.
- Atos was the official partner of the "Global Conference", organized by The Planet Workshops, for the fourth consecutive year. Group Chairman and CEO co-animating the debate "Towards a smart and decarbonized economy".

## D.2 Being an Ethical and Fair actor in Business

### D.2.1 Compliance

Since the acquisition of Siemens IT Solutions & Services in July 1<sup>st</sup>, 2011 Atos' presence has been reinforced in the market, with a higher exposure to compliance risks.

In addition, national regulations and customers (including in exposed countries) tend to be more and more demanding regarding the compliance processes and procedures in place to ensure efficient compliance. To reduce and prevent these

risks, Atos deployed an effective compliance program, which was reinforced in 2013 in many areas.

The main objectives for 2013 were to reinforce the governance, establish new internal rules and deploy a new strategy for awareness and training of Atos employees on compliance matters.

#### D.2.1.1 Compliance Governance

Since March 2013, a Group Deputy General Counsel Compliance and General Matters has been in charge of Compliance, Data Protection, Purchasing and Intellectual Property matters. She is supported by a global team for compliance matters, reports directly to the SVP Group General Counsel Legal & Compliance and is part of the Group Compliance Committee, which is chaired by the Chief Compliance Officer – General Secretary, and composed of representatives of the assurance functions of the Group.

The governance is also well defined in several GBUs where compliance committees or ethics "boards" have been created to discuss local specificities and take actions applicable for the

GBUs (Germany, United-Kingdom, Brazil...). These bodies are composed of the local management and support functions, to ensure operational support of the local initiatives regarding compliance.

Since 2012, an Ethics Committee, composed of independent and highly respected external personalities, has been created to think out the strategy and impulse realizations in terms of Ethics within Atos, with the support of Atos Legal & Compliance department. This Committee reviewed Atos' Code of Ethics and has presented a number of constructive proposals to the Board of Directors for consideration.

#### D.2.1.2 News policies to prevent from compliance risks

As a participant to the UN Global Compact since 2010, Atos has implemented in 2013 several internal policies, to prevent compliance risks such as bribery, corruption, violations of competition laws and export control laws, and fraud in general.

Atos set up several measures to prevent bribery risks [SO4]:

- any intermediaries, consortium partners or consultants assisting Atos in developing/retaining its business are

screened before the beginning of any relationship: their behavior and knowledge of ethics are essential elements which are verified beforehand. In case of risk of corruption/insolvency/disproportion regarding the compensation, the business partner is screened by Global Compliance, which recommend or not the approval by the Group General Counsel. The Group CFO is the final approver of a business partner;

- in addition, to prevent Atos from any disproportionate contribution given or received by an Atos employee, a Contribution Policy was implemented in 2013, aiming to screen any gift, invitation, hospitality packages or any other contribution for which Atos is recipient or provider, which will allow a review by management in case of identified risk.

In addition, Atos has developed and deployed in 2013 an Anti-Fraud Policy, which defines roles and responsibilities of the management and support function in the prevention of fraud, and states that Atos Refrain from any discriminatory or disciplinary measure against workers who make bona fide reports to management or, if applicable, to the competent public authorities, on practices that contravene the law. If an allegation of fraud/non-compliance is raised by an employee or assumed by an internal control, the compliance team is responsible for internal investigations.

### D.2.1.3 Improvement of the awareness

Atos aims to promote awareness of employees with respect to Company policies through appropriate dissemination of these policies, including through training program which is part of Atos compliance program.

First, Atos deployed a strong implementation plan of its compliance policies in 2013: all compliance policies, such as the policy on gifts, entertainment and other contributions need to be presented to local boards and local work councils, which makes enforceable the policies' content within the Group. Then, the next step of this implementation plan is the launch of mandatory global and local specific communication to the employees of the new compliance policies.

Second, through Atos Enterprise Social Network, blueKiwi, the Compliance team ensures an up-to-date communication channel directly with employees who can join a specific community, called "Legal Compliance Organization": the objective is to give information on compliance matters, internal policies, rules, and be a tool for employees to raise questions on compliance or the use of policies. This community launched in 2013 aims to be an exchange platform for employees to share ideas related to compliance issues.

Finally, as competition and export control can represent also compliance risks, the Compliance team deployed during 2013 two new other policies:

- a Roundtable policy, giving the main rules of fair competition to be respected in case of meetings with potential and known competitors;
- an Export Control policy, explaining the main principles and prohibitions related to Export Control regulations, and providing clear processes to mitigate risks.

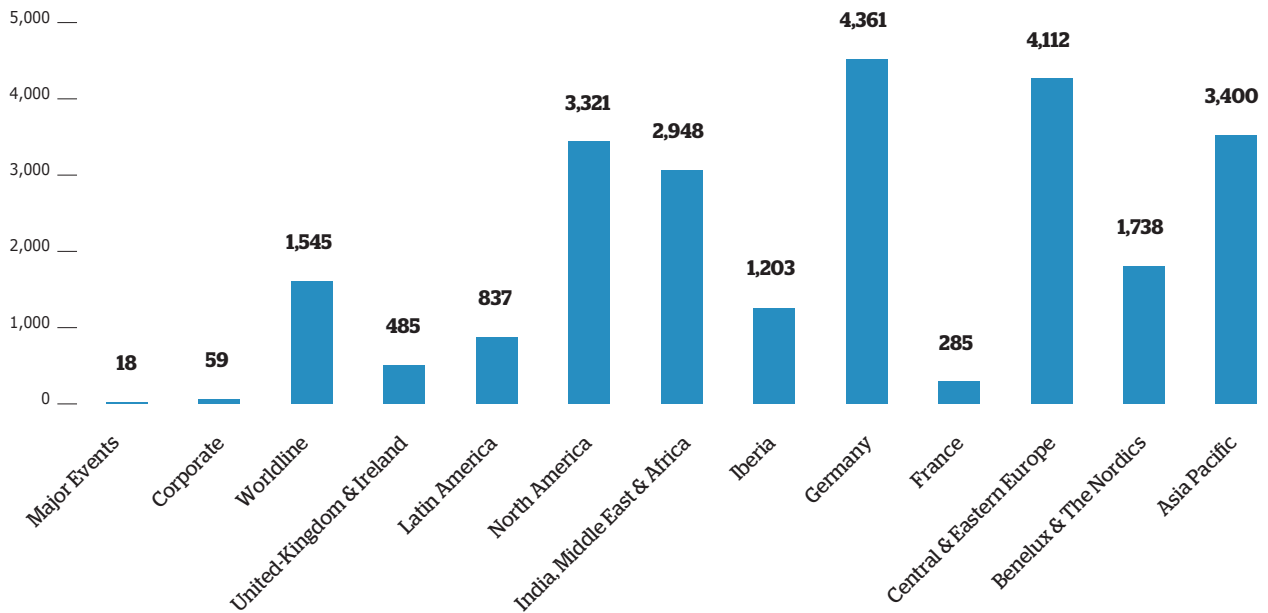
Thus, in 2013, the Group did not suffer of any significant fines or non-monetary sanctions for non-compliance with laws and regulations [SO8], neither claims with clients or suppliers related to corruption [SO4].

Concerning awareness, the launch in September 2013 of specific e-learning on the Code of Ethics has made possible for Atos to achieve another step in the improvement of its compliance program. Atos Code of Ethics was attached to all employment contracts dated as from January 1<sup>st</sup>, 2011. This specific training on the Code of Ethics' principles will ensure a better understanding of the Code and promote fair practices in the daily business activities. This e-learning training is mandatory for all employees, regardless their job, function, country and hierarchical level.

To complement this e-learning module on the Code of Ethics, specific classroom training sessions were organized in some GBUs, for top managers and for all persons considered as "core target" or who are concerned in their day-to-day professional activities with the content of the Code.

24,634 employees were trained in classroom or e-learning trainings on the Code of Ethics in 2013 [SO3].

NUMBER OF PEOPLE WHO PARTICIPATED TO THE E-LEARNING ON THE CODE OF ETHICS [SO3]



## D.2.2 Data Protection

Every day, Atos processes Personal data for its own purpose or on behalf of its customers. The importance and value of Personal data in day to day business is nowadays evidence.

Called the new black gold, Personal data raise indeed a lot of concerns from both Atos customers and Atos employee's side.

### D.2.2.1 Atos comprehensive data protection approach

First of all, being a fundamental right, the protection of Personal data is key for Atos' employees who expect from Atos compliance with the strictest applicable legal regime. Secondly, the opportunities of business created by the processing of Personal data are tremendous as demonstrated by the debate on Big Data. For these very reasons, the processing of Personal data requires Atos to adopt strong commitments as well as to implement strong organizational and security measures to guarantee to employees' and customers' Personal data a high level of protection.

For this purpose, Atos has developed a comprehensive data protection approach which relies on four pillars.

The first pillar is the Atos Group Data Protection Policy. It sets up data protection principles based on the provisions of the EU Directive 95/46 on data protection which are considered to be the most protective principles in terms of Personal data.

As privacy by design is driving data protection at Atos, the second pillar is included of procedures which are also described in the Group Data Protection Policy. These procedures ensure

that privacy is embedded in all processing of Personal data made by Atos on its behalf or on behalf of its Customers. Thus, in 2013, Atos did not receive any complaints regarding breaches of customer privacy [PR8].

In order to ensure that these principles and procedures are effectively implemented, a strong and permanent Data Protection Community is set up and constitutes the third pillar of Atos' Data Protection Program. This Community is based on a Network of Local Data Protection Offices composed of Legal Experts on Data Protection and of Country Data Protection Officers. These local Data Protection Offices are coordinated by the Group Data Protection Office.

Atos is convinced that Data Protection would not be sufficiently addressed if its employees lack awareness and knowledge on data protection and more particularly on Atos' Data Protection Policy. Atos has therefore, as a fourth pillar, developed a training targeting all Atos' employees to create general awareness on the topic as well as more specific trainings to point out the issues employees face in their particular domain of expertise.

### D.2.2.2 Data Protection in the Cloud

In addition to this internal data protection program, Atos has decided to play an active role in the field of Cloud computing. Atos is indeed represented by its CEO, in the European Cloud Partnership which brings together industry and the public sector to establish a Digital Single Market for Cloud computing in Europe. Atos is also represented in different working groups set up by the European Commission to develop standardized tools such as a Code of Conduct and Standard Clauses to increase Customers confidence in Cloud offers.

The key driver for Atos in these different working groups is to defend a European Cloud which would ensure customers sufficient transparency regarding the means of processing as well as guarantees regarding the processing of their Personal data within a European Shared Data Area.

## D.2.3 Protection of Assets

Atos has setup a Safety and Security organization to protect Atos assets and the assets of its customers, as contractually committed, from all threats, whether internal or external, deliberate or accidental.

### D.2.3.1 A transverse approach to the protection of assets

Atos' Group security organization has defined a set of 50 Global Security and Safety policies, standards and guidelines. The Atos Group security policies are mandatory and binding for all Atos entities and employees in order to guarantee the safety and the security of Atos' internal and external (i.e. "Customer related") business processes. They apply to all staff, contractors and consultants throughout the Atos organization.

The Atos Group Safety and Security policies encompass the protection of all Atos' assets, whether owned, used or held in custody by Atos (information, intellectual property, sites, network, personnel, software and hardware).

In 2013, the main Atos security policies have been integrated within the Atos' "Book of Internal Policies":

- AP90 Atos information Security Policy;

- AP91 Atos information Classification Policy;

- AP92 Atos Safety Policy;

- AP96 Atos IT acceptable use Policy.

In addition, Atos has put in place measures and policies to protect its intellectual property assets and confidential information, including, but not limited to, the use of confidential agreements, encryption and logical and physical protection of information where required.

Furthermore the Atos Legal & Compliance department advises on all commercial transactions as to ensure that appropriate provisions are included in its contracts with customers and suppliers and that confidential matters are appropriately dealt with and in compliance with applicable laws.

### D.2.3.2 Security Management System, organization and governance

Atos' Information Security Management System (ISMS), built in 2001, is enforced across all GBUs, Worldline and Service Lines. The Security organization is aligned with this continuous improvement cycle.

In 2013, Security organization and governance has been reinforced in Atos Global Service Lines (e.g. Managed Services and Systems Integration) as well as further assignment or set up of Security Management teams and roles to address specific areas (e.g. creation of a Computer Security Incident Response Team). Group security Governance has been structured around weekly calls under the responsibility of the Group Chief Security Officer – General Secretary, with all Group and GBU security officers and bimonthly global security committees with representative of all Atos entities.

Within the weekly calls, security officers from all parts of the Group organization are working all together on:

- tracking of all decisions and actions around the security;
- reviewing of all the security events and security incidents of global interest;
- reviewing results of all the vulnerabilities scanners running since the second semester of 2013 on all categories of Atos networks (Internet, Intranet, production environments);
- improving the security management system.

The Group's main certifications regarding security include: ISO 27001, ISAE 3402 (previously known as SAS70) and PCI/DSS for Worldline (payments industry).

In the 52 countries in which Atos is located, in 2013, approximately 80% of Atos perimeter was ISO 27001 certified, and Atos continued to extend its global multisite certifications scope to the remaining activities. In 2014, Atos will extend

ISO 27001 multisite certification scope and aims to achieve the objective of 90% of the whole scope certified in 2014 while getting remaining perimeters certified in 2015 to achieve 100%.

To permit achievement of this objective, Atos enforced its Global ISMS with new ISO 27001 related framework containing common guidelines for ISMS scope definition, information assets identification and information security risk assessment.

### D.2.3.3 Security Key Performance Indicators and reporting

From a security performance management perspective, two key performance indicators are formally monitored at Group level:

- AO3-1 (quality of security incident reporting) KPI is related to the timeliness (within three business days maximum – and immediately in case of highly critical incident) of reporting security incidents and security events that occur in GBUs, Worldline and SLs to the Global Security organization via agreed processes and channels. In 2013, 86% of security events and security incidents were appropriately and timely to Global Security organization, therefore allowing the Global Security teams to better address respond measure and support local teams to resolve on these incidents of global interest;

- AO3-2 (security training) KPI is related to employees' participation to Group security web-based-training: in 2013 the Group succeeded to achieve Security and Safety awareness training session to 76% of total number of employees. The objective for 2014 is to focus trainings on "Data Protection" and "Protecting confidentiality" (2 new modules developed in 2013).

In addition to these high-level indicators, technical monitoring and reporting are in place to act proactively on security anomalies (weekly security watch analysis, monthly monitoring of firewall configurations, weekly vulnerability scans, yearly penetration tests, reviews of access rights, intrusion detection systems, and monitoring and logging of system events). All these measures are part of the Atos security framework.

## D.2.4 Compliance, data protection and security KPI overview

Atos	GRI code	KPI Name	2013	2012	2011	2013 perimeter		2012 perimeter	
			Group	Group	Group	Per employee	Per revenue	Per employee	Per revenue
47	SO4	<b>Actions taken in response to incidents of corruption.</b>	0	Not disclosed	Not disclosed	100.00%	-	-	-
32	S08	<b>Significant fines for non-compliance</b>				-	-	-	-
		Total value of significant fines (higher than € 100k)	0	0	0	-	100.00%	-	100.00%
		Number of significant fines (higher than € 100k)	0	0	0	-	100.00%	-	100.00%
34	PR8	<b>Customer complaints</b>				-	-	-	-
		Number of third party complaints regarding breaches of customer privacy (higher than € 100k)	0	Not disclosed	Not disclosed	-	100.00%	-	100.00%
		Number of complaints regarding breaches of customer privacy (higher than € 100k)	0	Not disclosed	Not disclosed	-	100.00%	-	100.00%
31	S03	<b>% Code of Ethics trained</b>							
		Number of employees trained in Code of Ethics	24,634	1,622	1,295	100.00%	-	83.90%	-
		Percentage of employees trained in Code of Ethics	32.30%	2.11%	1.78%	100.00%	-	83.90%	-
37	A03	<b>Data Security Incidents</b>							
		Total security incidents	53	28	Not disclosed	91.00%	-	100.00%	-
		Percentage of security incidents reported within 3 working days	86%	81%	Not disclosed	91.00%	-	100.00%	-
		% of employees who have participated security awareness trainings	76%	81.5%	44.4%	100.00%	-	100.00%	-

A03 excludes Morocco, Spain and Austria.

## D.3 Proactive Dialogue with Atos Stakeholders

### D.3.1 Strengthening stakeholders' dialogue

#### D.3.1.1 Respect of the AA1000 Standards

Atos' Integrated Corporate Responsibility report is developed in accordance with the principles of inclusivity, materiality and responsiveness as defined in the AA1000 SES (2011) standard. This integrated Corporate Responsibility report in the Registration Document demonstrates Atos adherence to these principles.

##### Inclusivity

Including the opinions of Atos stakeholders is key in defining Atos materiality assessment and key challenges. To ensure the Atos Corporate Responsibility strategy meets the expectations of its valuable stakeholders (employees, clients, partners, suppliers and shareholders), regular meetings and discussions are organized to share views and discuss the different activities of the Company. The aim is to work together and by doing so to create a more sustainable environment for Atos, partners and the community as a whole. Since 2011 Atos has set out to develop a more structured stakeholder dialogue to review its strategy and ambitions, and accelerate Company's actions and initiatives. This strategy was further followed through with in 2012 and 2013, resulting in a yearly global stakeholder workshop taking place. The Atos Global Stakeholder Meeting on June 5<sup>th</sup>, 2013, integrated in the program of the Planet Workshops Global Conference at the UNESCO headquarters in Paris, had a focus on sustainable innovation and social engagement. Furthermore, in 2013, an evaluation of the stakeholder program took place with the participants to the global stakeholder workshop and within the global Corporate Responsibility team in Atos. As a result, an enhanced stakeholder strategy is currently being developed, focusing strongly on engaging with the right stakeholders on the right topics, starting with main clients and the Atos employees.

##### Materiality

The sustainability challenges considered to be the most significant for Atos activities are selected yearly. Atos materiality assessment process is described thoroughly in section *D.1.2.2 Materiality Assessment of Atos Corporate Responsibility program*. This selection is based on Atos stakeholders' expectations as well as Atos internal prioritization established on objective criteria related to its markets, opportunities and realizations. The main stakeholders are invited yearly to voice their opinions on what should be the material issues for Atos by holding a stakeholder survey. Whereas the stakeholder survey was executed mainly amongst the participants of global stakeholder workshop, Atos is planning to engage a larger public in this stakeholder survey as of 2014. Also, in the new stakeholder engagement strategy, there is more attention for which stakeholders to involve with which material issues. This is done to ensure Atos can have in-depth discussions about sustainability challenges, but also to ensure that stakeholder dialogues are mutually beneficial to the attending stakeholders.

##### Responsiveness

The Atos Corporate Responsibility report is published annually and integrated in the Atos Registration Document since 2013 (regarding 2012 results), containing all sustainability KPIs that Atos monitors. Next to that, a separate communications document is produced yearly, outlining only its main sustainability challenges and the actions that Atos has undertaken to tackle these, including interviews and case studies. Combined, these documents form an integral response to Atos stakeholder's expectations.

#### D.3.1.2 Identification of the level of engagement of Atos Stakeholders

In the Atos stakeholder engagement strategy, identifying and defining the level of engagement that Atos has with its stakeholders is crucial. In order to do this, the levels of engagement as presented in the AA1000SES form the guidelines to divide its identified stakeholders in subgroups based on the existing or desired level of engagements Atos has with them.

In 2013, there were different levels of engagements with different stakeholders.

##### Clients

*Consult:* sustainability was raised as a topic during many of the customer satisfaction surveys with clients. Regular talks with customers about sustainability issues happened on a GBU-level.

*Involve:* some of the bigger clients have been identified to partake in Atos' yearly Stakeholder Meeting. For 2014, sustainable innovation with clients is a topic on the agenda.

**Investors**

*Involve:* Atos investors are regularly updated on the Atos CR program and the Atos CR strategy through for example roadshows and meetings at external conferences. Specific briefing sessions on Atos Corporate Responsibility strategy have also been organized.

**Analysts**

*Consult:* during the Analysts Day in November 2013, the Atos Ambition 2016 was presented to financial analysts, with CR topics being part of the Three Year strategy.

**Suppliers**

*Involve and Collaborate:* CR is part of the supplier rating in bids (10%) and 45% of the spend has been analyzed on CR criteria through the Atos partnership with Ecovadis. Suppliers are challenged to come up with innovative and sustainable solutions, and Atos worked together with them to present these to clients.

**Partners**

*Collaborate:* partners form a critical part of Atos sustainability ecosystem. Atos collaborate with SAP on the introduction of the SAP Sustainability Performance Management module (SuPM) for clear reporting on extra-financial indicators. Atos also collaborate with Siemens on specific sustainability solutions, such as Data Center Infrastructure Management and Low Carbon Emission Zone.

**Employees**

*Involve and Negotiate:* CR topics are part of the regular meetings with the European Work Council (which became the Societas Europaea Council) to ensure a continuous social

dialogue. Also, CR questions were asked in the Great Place to Work survey and the input of employees on Atos sustainability program is requested through several spaces in blueKiwi, the Atos Enterprise Social Network (e.g. "Sustainability Passionates" Community).

**Communities**

*Consult:* Atos has done numerous and varied innovative projects and programs which contribute to better manage resources which are available to the society and the public at large. Projects range from raising money internally after the Philippines typhoon in 2013 to contributing to more efficient collaboration between the government and the citizens with innovative IT solutions. The responsibility that Atos has in the community is further exemplified by the Atos corporate citizenship program, in which a strategy is defined to let charities and local initiatives profit from Atos core business and support them with IT solutions.

A first stakeholder mapping took place during 2013. The basis for selection of stakeholders is the analysis of current inter-relations with Atos, focusing on current partners, suppliers and clients that have a close relationship with Atos and a strong commitment to progress Atos sustainability agenda. Internal stakeholders include young talent (selected members of the Juniors Group and the Wellbeing @work council) and managers whose business activities are closely linked to Atos sustainability strategy and initiatives (global datacenter manager, HR). Stakeholders are selected based on their influence on the strategic topics. The following matrix, set up on the basis of dependency and influence of stakeholders on Company, serves as a starting point for the more detailed selection that will take place in 2014.

		Stakeholder influence on company (or project, objective or business line)			
		No influence	Low influence	Some influence	High influence
Stakeholder dependence on company (r project, objective, business line)	High dependence - no choice		Suppliers / Partners		Management Shareholders & Analysts
	No direct impacts - broad range of choice		Public bodies	Employees Young talents Research institutes/ Universities NGOs	Clients

## D.3.2 Atos Clients, Investors and Financial Analysts

### D.3.2.1 Meet Clients needs and expectations

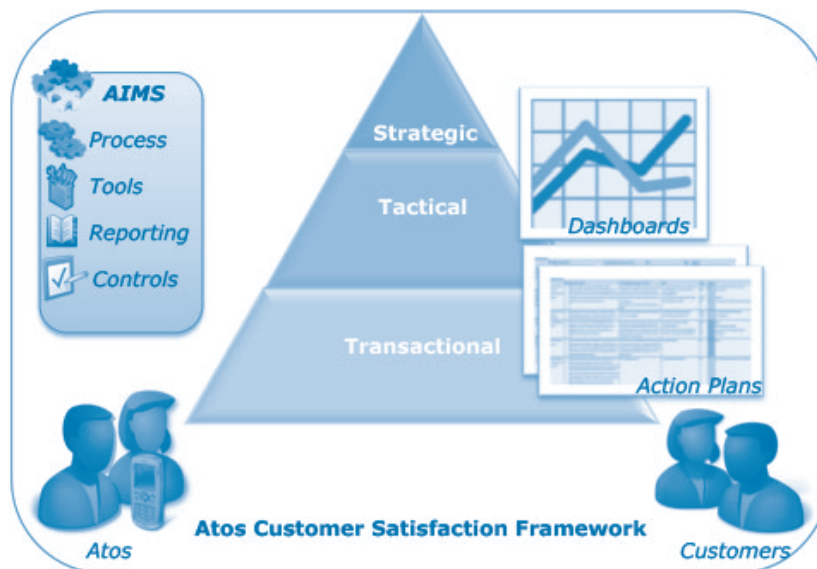
#### Permanent improvement of the client satisfaction

In 2012, a worldwide initiative was launched under the leadership of the Quality and Customer Satisfaction Officer and the Head of Sales & Marketing Support to drive a harmonized Customer Satisfaction Management.

In 2013, Atos further enhanced its Customer Satisfaction management in 2 directions:

- formalization and execution of Satisfaction survey according to Atos 3 layers approach as described below. Accounts/Contracts/Users;
- systematic development of actions following each survey, associated plan being shared with Clients to secure that Atos properly answered their feedback.

Atos 3 layers Satisfaction survey process is represented as follow:



The Strategic surveys are handled by Atos Executive representatives (Management and/or Sales) and covered more than 70% of Atos TOP 500 accounts.

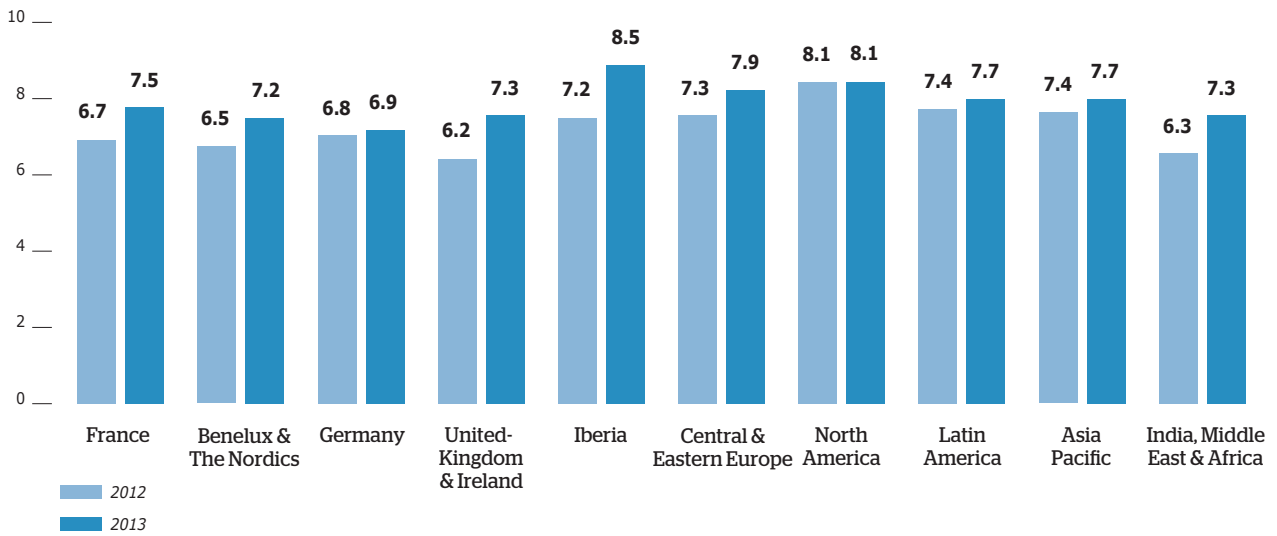
The Tactical surveys are driven by the Services Lines and allow getting feedback at contracts level from the Clients team on Atos Services or project deliverables and overall performance.

For large account serviced by Atos, an immediate feedback is requested from the end-users following a service request (on a statistical approach). This allows getting an immediate feedback on service performance perception and driving daily operations.

In 2013, Atos developed the Atos Customer Experience approach. Objective is to help managers to deploy the appropriate actions plan beyond the performance and quality of the services deliveries, such as Innovation workshops, Critical to Quality workshops and any specific shared activities with clients that local team will develop.

The Overall Customer Satisfaction from Tactical surveys (score from 0 to 9) was 7.6 in 2013 [PR5].



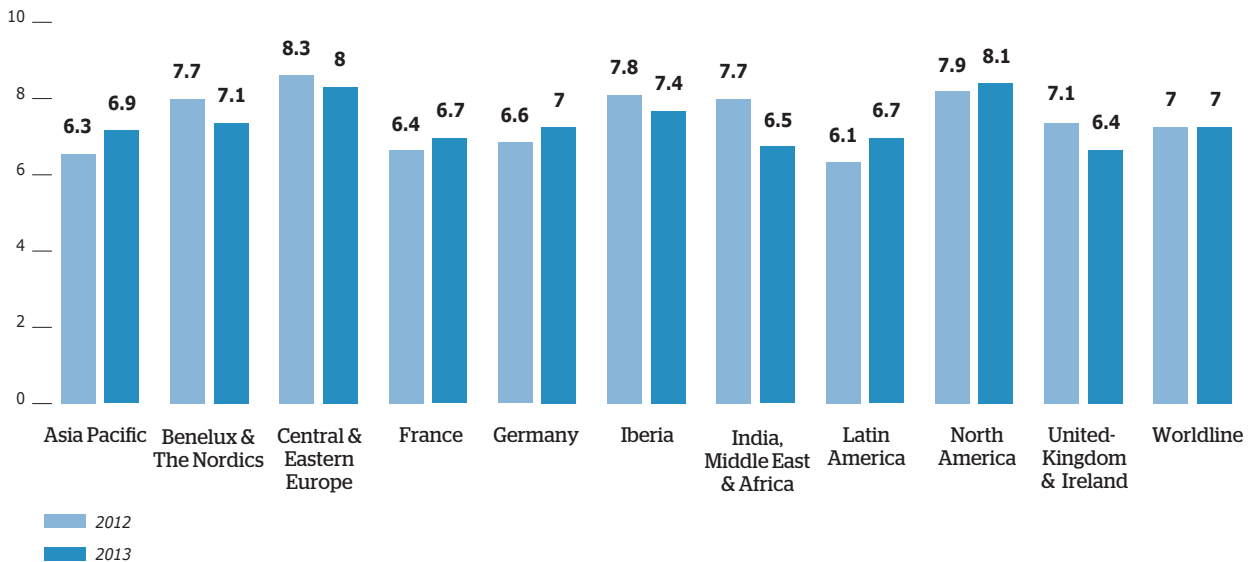


For the Managed Services Tactical surveys which are covering more than 70% of the Group services business every 6 months Atos can now display trends over 2 years in term of overall satisfaction.

For the Services Integration Tactical survey 2013 was a year of establishing baseline data.

For the Strategic survey, results are on a yearly basis and current outlook is as follow for the overall satisfaction by GBU. Mixed results, and with the pro-active action plans developed all along 2013 Atos expects the benefit to show up in 2014 (in line with Managed Services Tactical survey result at the end of 2013).

The Overall Customer Satisfaction from Strategic surveys (score from 0 to 9) was 7.07 in 2013 [PR5].



For the Services Integration Tactical survey, 2013 was the first year of systematic survey and used for establishing baseline data.

In 2014 Atos will continue to expand this Client focus approaches starting with a worldwide active training focusing on how all Atos employees behavior is driving Customer Experience at working with Atos.

**Anticipate Customers' expectations regarding innovation**

Customers are increasing looking to innovation to adapt and thrive in the constantly evolving market place. They want and need a Partner & Peer platform to collaborate, engage and create. Atos has launched an Innovation workshop program and other collaborative innovation events with its customers and partners, which will influence Atos direction and commitment.

An innovation workshop is a customer-focused and customer-tailored event aimed at helping customers to gain insight into the future of their industry and the impact on their firm, stimulate and provoke thinking around how can leverage emerging technologies and trends, and provide them with innovation strategy, innovation boosting, innovation processes or governing mechanisms.

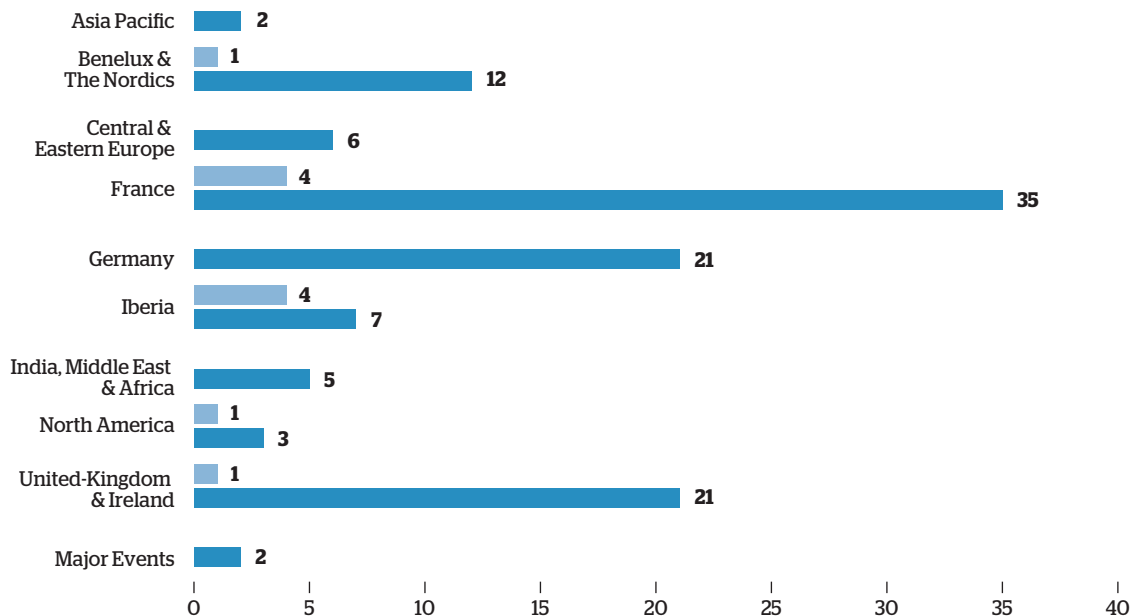
A new process has been designed by GIBS to ensure that the content of these meetings would be of high quality with the proper audience, and the progress of deployment regularly reported at the regular eXpand reviews chaired by an Atos SEVP. Key steps of the process include:

- scope determination, in which are defined the scope, key hypothesis of the workshops, topics of interest, priorities, and planning, in agreement with the client;

- preparation, with a deep involvement of the Scientific Community;
- execution, where Atos shares its knowledge and insights, market agenda/challenges/ambitions, and business and technology disruptors;
- follow up with the customer and account team;
- reporting to eXpand Program.

During 2013 Atos continued the implementation and Governance of the program, running 114 Innovation workshops with top clients applying this new process [AO10].

NUMBER OF INNOVATION WORKSHOPS PER GBU



### D.3.2.2 Develop trust and confidence with Investors and Financial Analysts

Environmental impacts and climate change, respect for human rights and quality of working conditions, corporate governance... all these subjects contribute to the reputation of responsible firms and therefore are more and more considered investment strategies alongside more traditional financial indicators.

For Atos, Corporate and Social Responsibility (CSR) is essential to perform a sustainable activity in accordance with its financial expectations. These subjects are fully considered in Atos strategy as presented by the Group Chairman and CEO during the Analyst Day on November 15<sup>th</sup>, 2013.

The Group strategy, and its CSR component, its results and achievement and its targets and objectives are presented to investors on numerous occasions all along the year. Annual general meetings of shareholders are a concrete example

as well as interim and annual results and quarterly revenue publications. These themes are documented into the Annual report, the Corporate and Social Responsibility report and the Reference Document, all available online on the Group website on [www.atos.net](http://www.atos.net).

#### Analysts Day

On November 15<sup>th</sup>, 2013, Atos held an Analyst Day at the Group headquarters in Bezons, gathering around one hundred peoples from the financial community (financial analysts, portfolio managers, bankers...) and industry analysts (Gartner, Forrester, CAP, IDC, Ovum...) to present its strategic plan over the 2014-2016 period: "2016 Ambition".

This three-year plan was presented for the Group and was declined for both the IT services and the payments services activities. It encompasses strategic, financial and CSR-related components. Regarding CSR, the Group ambitions to be recognized as socially responsible in every countries where Atos operates (Atos was awarded in 3 countries "Great Place to Work" in 2013) and to remain a long-term partner for all its stakeholders. Over the next 3 years, Atos aims to be recognized as a Tier 1 responsible company (through extra-financial rating, integration of global stock exchange indexes, awards and other environmental or social impacts efforts rankings), CSR still represents a priority for the Group over the next three years.

### Extensive and continuous dialogue with investors

Beyond financial and non-financial reporting, the dialogue of Atos with investors materialize through numerous meetings as Atos' top management is getting along with the Investor Relations team meet asset managers and financial analysts all along the year. In 2013, more than 500 investors' meetings were set throughout the world in order to detail the results of the Group and to better inform investors on its strategy in all of its components, of which the CSR themes in particular. These meetings took place during roadshows and conferences

organized by brokerage firms (Société Générale, Citigroup, Exane BNP Paribas, Goldman Sachs, Barclays...) or via specific meetings upon direct requests from investors.

Roadshows allow the Atos management to meet investors and shareholders, generally following publications of interim and annual results and quarterly revenue. Thus, Atos has completed 17 roadshows in 2013, which occurred in Paris (5), in the USA (4), in the United-Kingdom (4), in Germany (2), in Switzerland (1), and in Italy (1).

Conferences can be generalist or thematic and covering the IT Services sector or more specific topics such as Payments, PLM ("Product Lifecycle Management") or Cloud Computing. During these conferences, an Atos' top manager usually holds a presentation in plenary session and then has meetings with one or few investors. In 2013, Atos participated to 15 conferences in particular in Paris, Lyon, London, Barcelona, Boston and New York.

Finally, throughout the year, this is during many dedicated appointments ("one-on-one") requested by analysts and investors that the management has the opportunity to present its strategy and its financial and CSR extra financial results and achievements.

## D.3.3 Ensure a long term partnership with suppliers and partners

### D.3.3.1 A permanent dialogue with Atos suppliers

Atos' Global Procurement is organized in 3 areas working together both at Global and Local levels.

Global Categories, Global Process & Development and GBU Purchasing departments.

All GBU Process Managers report direct line to Global Process & Development Director, according to the Global Purchasing Policy.

Supplier relationship Management within Atos means the consistent and sustained implementation of the following activity by the relevant Category Manager, Lead Buyer or GBU Buyer, for global and key local suppliers:

- supplier selection & supplier qualification;
- project or Bid supplier selection;
- supplier relationship management (QCDIMS: Quality, Cost, Delivery, Innovation, Management, and Sustainability).

In 2013, Atos' Global Procurement department's ambition was to achieve the integration of ex-SIS entities and find additional synergies. Buyers teams worldwide worked together on two

striving objectives: finding innovative ideas to optimize the costs more savings (re-boosting program) and enforce strong relationship with Atos major suppliers.

On September 18<sup>th</sup>, the first Supplier Partnership Day was organized in Atos headquarters office. After having answered to an e-survey on Atos procurement performance, representatives from Atos' largest **100** suppliers were invited to this conference.

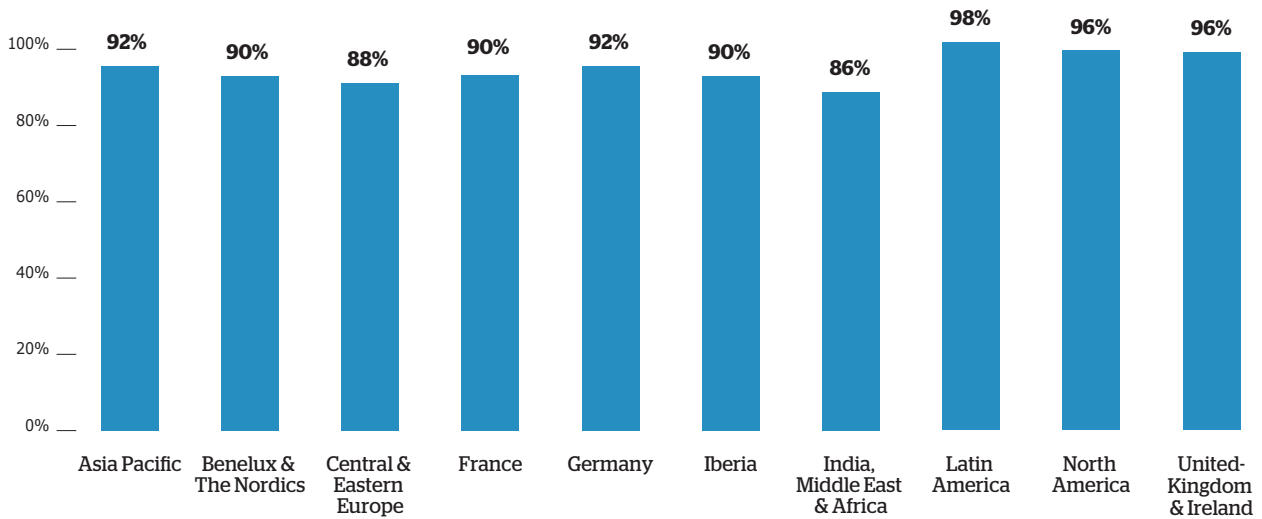
The objective of Atos is to concentrate spend on fewer suppliers, thus reducing the number of suppliers to manage. To reach this level of optimization, Atos needs to build long-term relationship with its suppliers (for example with minimum 2-3 years contracts).

Thanks to this long-term relationship and globalization, suppliers will benefit from revenue growth and access to new markets in Atos 52 countries. Procurement has also been improving its processes and systems globally in order to simplify the interactions with suppliers. The usage of e-Sourcing has developed; a contract management system including online authoring has been implemented. In 2014, an online supplier management system will be implemented and electronic purchase orders and invoices will be set up with main suppliers.

Global Procurement and the Global Legal & Compliance department have also been working closely to simplify the contractual relationship with Atos' Global suppliers. With the continuous support of the Global Legal Purchasing, Umbrella

agreement templates have been distributed to the participants of the Supplier Partnership Day. Indeed, although some suppliers are global, **92%** the delivery of goods and services are done at local level, reducing the impact on the environment [EC6].

**PERCENTAGE OF PROCUREMENT BUDGET SPENT ON LOCAL SUPPLIERS BY GBU [EC6]**



### D.3.3.2 Enhance Sustainable relation

In 2013, Atos' Global Procurement team has focused on the formalization and communication of sustainable supply chain values.

The Global Purchasing Policy has been updated with a more complete chapter on Sustainability. The rules concerning suppliers selection and evaluation criteria (QCDIMS) including 10% rating on sustainability has been communicated to the whole purchasing community.

Atos' Sustainable Supplier Charter has also been reviewed with Global Legal & Compliance department to adapt it to current Atos organization and international environmental laws. This charter is distributed to all suppliers participating to a request for proposal with Atos and is attached to all contracts. It encourages Atos' suppliers to follow the principles of the UN Global Compact in the areas of human rights, labor, the environment and anti-corruption.

Atos' relationship with Ecovadis has also grown. In 2013, 111 suppliers from 18 countries have been scored by Ecovadis representing 45% of the total spent [HR2]. The selection was

based on the level of spend, the category risk level and the geographic risk.

With the usage of blueKiwi (Atos ESN), the entire purchasing community is aware about the relationship with Ecovadis and the status of the ongoing assessments of strategic suppliers.

Atos' objective in 2014 is to better integrate these CSR assessments into the suppliers management process (during RFP phase and the performance evaluation). The target is to ensure the new Global suppliers and suppliers from more risky countries and categories are assessed. Moreover suppliers with insufficient scores are required to implement corrective action plans and to be re-evaluated after 12 months. If a supplier refuses to participate to EcoVadis assessment or has a below average score and is not willing to cooperate with Atos to improve its CSR performance this will in most cases lead to very few or no contracts being placed with that vendor.

Likewise, Atos has been assessed by EcoVadis on its CSR performance and obtained the score 70/100, improving last year's score by 2 points and validating the Gold Recognition Level from EcoVadis.

## D.3.4 Involve Employees in the Sustainable Journey

### D.3.4.1 Take in Account Employees' expectations [AO2]

Atos ensures the full compliance with the International Labor standards, by applying principles of the ILO Conventions, as it is required through its participation to the Global Compact of the United Nations, which states as principle 3 that Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.

To ensure the respect of the freedom of association, Atos has built a concrete organization of the social dialogue.

Communication with the employee representatives is a permanent and constructive dialogue within the employee representative bodies at European and country levels. The major project during 2013 was to transform the Group from Atos SA in Atos SE (European company) and to become the first IT company with a Societas Europaea Council. The agreement of the Societas Europaea Council came into force in May 2013.

The social dialogue is very constructive and positive and it can be illustrated in two ways.

#### A culture of permanent social dialogue

It was planned in the Societas Europaea Council agreement to schedule at least 3 meetings per years.

During 2013, 7 meetings were scheduled and effectively took place (both ordinary and extraordinary): 3 work sessions were scheduled with the European Work Council before it was transformed as the Societas Europaea Council and 4 meetings subsequently.

For 2014, three meetings have already been planned.

#### From social dialogue to social effective collaboration.

On top of the organization of the meetings with Societas Europaea Council, the Management and the Employees representatives have agreed to set up additional Commissions in order to have a productive, useful and profitable dialogue.

For example, subject matters that are to be discussed within these commissions are:

- Participation Board;
- Data Privacy.

In addition, Atos recognizes the role of collaboration of the social representatives for the biggest and most confidential topics within the Company.

In February 2013 Atos started the information and consultation of the European Work Council related to the Worldline project. The employee representatives' body was involved from the very beginning of this plan.

Several productive meetings were scheduled and in May 2013, two months before the public announcement of the Worldline Carve out project, the European Work Council gave a favorable opinion on this project.

#### Taking into account employees' expectations [AO2]

To go beyond the collaboration of the employee representatives, Atos has been committing since 2010 to involve employees through the annual Great Place To Work Survey. This global survey, managed by the Great Place to Work Institute®, helps Atos to determine the expectations from employees and the focused areas for improvement.

The survey is structured around five dimensions: Credibility, Respect, Fairness, Pride and Camaraderie.

Based on the 2012 results, two improvement areas were selected to improve Atos' rankings in 2013:

- management behavior and leadership style;
- reward and recognition.

In 2013, 29 countries took part in the Great Place To Work (GPTW), with 45,352 employees participating, representing 69% of the global Atos Staff: this is an increase of 10.40% of participation compared to last year (41,081 employees).

The average score on the 59 statements showed 50% positive answers, which is an increase of 3% compared to last year and 28% of neutral answers. This result of the Trust Index score demonstrates the commitment and involvement of employees to share their views and to help building a great working environment together.

The results indicate that 54% of responses to "Taking everything into account, I would say this is a great place to work" are positive or very positive.

The results are confirmed by three GPTW awards received in 2013: Atos was recognized Great Place To Work in Poland (for the second year), Turkey and Austria.



Compared to 2012, Atos has improved results in the two improvement areas selected based on 2012 results:

Management behavior and leadership style		Reward and recognition	
Management makes its expectations clear	+4%	Everyone has an opportunity to get special recognition	+5%
Management's actions match its words	+4%	Atos has special and unique benefits here	+3%
Management is competent at running the business	+3%	My manager gives me regular feedback for my development.	+2%

Improvements plans are being developed per country to help increase Atos ranking for the 2014 survey.

Based on the survey results, priorities for 2014 are the following:

- tone from the top & Management communication;
- employees involvement;
- communication.

### D.3.4.2 Develop awareness and encourage dialogue

The global Wellbeing@work program develops and implements many initiatives throughout the year to encourage an open dialogue with and active participation of employees to help create a great place to work together.

As such, 5,542 employees participated in breakfast with CEO/ local management across the countries [AO12]. In addition, 5,542 new joiners took part in Welcome Days [AO13].

The Second edition of the Wellbeing@work week took place from September 23<sup>rd</sup> till September 27<sup>th</sup>, 2013. Based on the theme "Recipe for Success" all 76,320 employees received during 5 days bite size tips and advice how to benefit from Wellbeing@work initiatives and programs. Each day had a special focus with dedicated global and local activities, for instance:

- Appreciation Day stressed the importance of thanking colleagues for their support or a job well done and saw many local CEO's and management teams taking part in lunches and roadshows;
- Fitness Day encouraged employees to get active and join sporting activities to ensure a healthy mind in a healthy body;
- Zero email Day™ encouraged employees to experience Atos new way of working using Atos social network, with local training workshops and presentations;

- Sustainability Day saw many initiatives to reach out to local communities and provide hands on support for social engagement through activities organized with local Non-Governmental Organizations (NGO) to recruit volunteers and other initiatives were met with food or goods parcel collection and donating blood;
- On Friday and in some countries also on Saturday, Atos welcomed family members to offices to meet colleagues and take part in social activities such as cooking classes, children's entertainment and local barbeques.

In total over a 100 different activities were organized in all Atos countries, ranging from management cooking for employees, to Accolade celebrations rewarding employees. Furthermore to support the theme Recipe for Success, a competition was organized for the best local recipe. More than 1,000 employees became members of the online Recipe for Success community and posted their favorite local recipe. The most liked recipes have now been published in the Atos global cookbook, which will be shared online with all employees.

The focus for 2014 will be on engaging employees working remotely or at client sites, as many of them will only visit offices occasionally and Atos would like to ensure they continue to feel part of the Atos family. Furthermore employees will be encouraged to develop and take ownership of their local activities, in addition to the activities run by the organizing communications teams.

## D.3.5 Collaborate with Communities

### D.3.5.1 Corporate citizenship approach

Atos continuously reiterates both to its own staff and to external stakeholders, its role and contribution, as a private organization, to the society. These go beyond creating employment, providing services, and generating profit for shareholders. The wider role of Atos in corporate citizenship is played by embracing an inclusive business model.

The inclusive business model that underpins and represents a key enabler to drive corporate citizenship actions and to power society at large is continuously developed and enhanced both internally within the organization and externally with non for profit organizations, Atos partners.

As an IT services supplier, staff at Atos are delivering numerous and varied innovative projects and programs which in their field of applicability do ultimately contribute to better manage resources which are available to the society and the public at large.

Internally within the organization, staff of Atos, in their individual and collective capacities, shall always think more and better about the long term implication of their everyday action so that their impact and contribution to "true" sustainability, i.e. "build now for the long term" are the highest and to make future proof organization a reality always more tangible and demonstrable.

In 2013, Atos has continued to embrace the next generation approach to corporate citizenship where responsible business practices are woven into Atos' corporate DNA, backed up by Board oversight and engagement and by layered management structures, systems, processes, and policies that make citizenship part of every employee's remit, across Atos value chain.

A global awareness campaign aiming to reach out Atos' staff was conducted during 2013. It aimed to raise understanding and conscience of the socio-economic impact of Atos' operations, and why and how its core competencies and strengths do apply to address societal and development challenges through the core business. It also aimed to reinforce toward Atos' staff, the necessity and benefits, both individual and collective to embrace corporate citizenship actions aligned with the core themes that support the Millennium Development Goals; in particular, Goal 2 that aims to achieve universal primary education, Goal 3 that promotes gender equality and empowers women, Goal 7 that ensures environmental sustainability and Goal 8 that aims to develop a Global Partnership for Development.

Externally, toward non for profit organizations and civil society organizations, Atos is also strengthening its corporate communication and governance for engagement to ensure that concrete initiatives do optimally leverage the Group core skills and competences.

Corporate citizenship and civic engagement remain the main areas of focus and continue to leverage Atos well established entrepreneurship in the public interest:

- Atos is an important stakeholder within society (employment, technologies & solutions enabling progress of society, environmental footprint);
- Atos experiences rapid growth in the BRIC's & several fast emerging countries;
- Atos is a prime partner of governments and public services (national and local authorities);
- Atos is a prime partner of basic & essential commodities/ services: energy/utilities, transportations, communications & collaboration and financial transactions/payments;
- Atos is a prime contributor to the Digital economy.

The core themes underpinning social innovation remain unchanged in areas which are intimate to its core competencies:

- access/equality to education – IT literacy: IT science, IT enabling computer/assisted instruction (CAI);
- women empowerment & inclusion: promotion of women in science, higher education of women, women at work;
- youth employability & empowerment in IT & computer economy;
- social cohesion/Giving back to the community: Community outreach & Program determined by geographic proximity, business activity-oriented, or employee-led;
- micro-business development (mobile banking & insurance, micro-finance);
- welfare/wellbeing improvement in deprived areas (including Educational activities);
- digital knowledge: for a rural, remote and developing areas (digital public libraries);
- social networking/collaboration among NGOs, NPO's & associations, communities, between corporate & non-profit worlds to share best practices, ideas, and to reach out constituents and donors.

During 2013, Access/Equality to Education and community outreach initiatives have been important areas of focus. In particular in OECD countries where early school drop-out leading, often to social exclusion, is a growing issue that needs to be tackled by the various societal stakeholders that are public education authorities, civic organizations, corporate organization such as Atos who makes available highly motivated skilled staff, competences and ICT solutions to prevent and to fight school drop-out phenomena.

In 2013, 4,048 employees took part in several programs worldwide. The initiatives ranged from social engagement through free IT teaching, volunteering in schools in deprived

areas, delivering ICT projects, to sporting activities that help raise funds for charities.

In total, Atos has spent more than € 819,407 on funding for social communities in 2013. This amount includes the donations to charity and social communities plus the commercial initiatives as defined in the London Benchmark Group (a reference model used for by Atos to report on the Social Contribution) [EC1]. Atos' Community Investment in 2013 amounts to more than € 179,797 [EC8].

A total amount of € 30,989,229 was received in financial assistance from governments in 2013 [EC4].

### D.3.5.2 The IT Challenge - 2013 Edition

The IT Challenge is an annual event driven by:

- an international and wide outreach: universities of 12 countries are partnering (in Europe, South & North America, India and Asia);
- a challenging contest based on Open Innovation mindset. Challenge not only students' innovation qualities but also development and business at large, thus a unique learning experience to all;
- a supportive proximity involving Atos teams/Partner & students: Mentoring from the Atos Scientific Community Members and partner specialists to help the students in developing their ideas.

The IT Challenge represents a high profile and rewarding opportunity for students and partners to work in a highly professional manner and closely with the best experts from Atos & Partners:

- mentoring of a dedicated Atos Scientific Community member for each team;
- weekly reviews and follow-up;
- contest aiming to make highly innovative ideas a tangible reality;
- compete to find & develop ideas;
- improve it and prepare the Go to Market;
- first business network (Atos, Partners and Experts).

The IT Challenge represents an opportunity for the universities to extend their partnership programs with the corporate sector:

- an opportunity to start/develop/extend a partnership with the European IT Champion;

- option to make IT Challenge part of curriculum;
- motivated students by exposing them to a learning experience that completes academic approach.

Selection criteria are tangible and include coherence with defined themes, benefits for the end users, society, citizens, technical feasibility and adoption by the beneficiaries at large.

The IT Challenge 2013 Edition contest was to create an App providing "Well-being on the move" by enhancing the whole driving experience through an innovative app which offers drivers and passengers a host of new features, think of it as a on the move continuum both in and out of the car. More than 20 universities participated to the IT Challenge 2013, submitting 55 highly innovative ideas.

The winner of the 2013 edition of the IT Challenge is the team Evergreen from Hagenberg University in Austria which was able to develop and build a service in real-life (mobile applications, servers and applications). Evergreen reduces a cars gas emission and the time the driver has to wait in front of red traffic lights, by suggesting the best speed for phased traffic lights, based on the current navigation route. The reduced emissions allow cooperation with city and state governments. Gathered data helps governments to improve road planning and reduce road-building costs.

This year's competition was led in partnership with car manufacturer Renault. The winning team will be given the unique chance to see its project embedded into Renault R-Link development process, and has been invited for three days to the 2014 Sochi Olympic Games.

The theme for the Atos 2014 IT Challenge is creating an application for an Enhanced Games Experience for Athletes, Volunteers, Spectators and/or Visitors to the Host City of Rio de Janeiro.



## D.3.6 Stakeholders' KPI overview

GRI code	KPIName	2013	2012	2011	2013 perimeter		2012 perimeter	
		Group	Group	Group	Per employee	Per revenue	Per employee	Per revenue
EC1	<b>Funding for social communities</b>							
	<b>Funding for social communities: Donations + Commercial initiatives (€)</b>	819,407	619,736	540,427	-	84.54%	-	82.90%
	<b>Funding for social communities: Donations + Commercial initiatives (People involved)</b>	3,480	1,537	3,923	80.84%	-	81.92%	-
	Donations to Charity and Social Communities (€)	623,716	410,766	253,522	-	84.54%	-	82.90%
	Donations to Charity and Social Communities (People involved)	3,446	858	Not disclosed	80.84%	-	81.92%	-
	Commercial initiatives (€)	195,691	208,970	286,905	-	84.54%	-	82.90%
	Commercial initiatives (People involved)	34	679	Not disclosed	80.84%	-	81.92%	-
	Management Cost of Funding for social communities (€)	43,356	21,126	Not disclosed	-	84.54%	-	82.90%
EC4	<b>Financial assistance from governments</b>							
	Financial assistance from governments (€)	30,989,229	4,268,743	8,298,617		100.00%	-	53.53%
EC8	<b>Community investments</b>							
	<b>Community investments: Universities + Responsible IT Project (€)</b>	179,797	477,442	2,764,841	-	92.09%	-	82.90%
	<b>Community investments: Universities + Responsible IT Project (People involved)</b>	568	1,130	435	72.93%	-	81.92%	-
	Investments in Universities and similars (€)	119,176	413,368	179,207	-	92.09%	-	82.90%
	Investments in Universities and similars (People involved)	457	1,092	Not disclosed	72.93%	-	81.92%	-
	Investments in Responsible IT Project (€)	60,621	64,073	2,585,634	-	92.09%	-	82.90%
	Investments in Responsible IT Project (People involved)	111	38	Not disclosed	72.93%	-	81.92%	-
	Management Cost of Community investments (€)	14,287	91,026	Not disclosed	-	92.09%	-	82.90%
	Total number of employees involved in social responsibility initiatives	4,048	Not disclosed	Not disclosed	72.93%	-	-	-
PR5	<b>Customer satisfaction survey</b>							
	Overall Customer Satisfaction from Tactical surveys (score from 0 to 9)	7,60	Not disclosed	Not disclosed	-	100.00%	-	45.66%
	Overall Customer Satisfaction from Strategic surveys (score from 0 to 9)	7,07	7,0	Not disclosed	-	100.00%	-	-
AO10	<b>Initiatives regarding innovative services/product developments</b>							
	Customer innovation workshops delivered in GBUs	114	11	Not disclosed	-	100.00%	-	100.00%
HR2	<b>Supplier Screening</b>							
	Number of strategic suppliers assessed by Ecovadis	111	Not disclosed	Not disclosed	-	100.00%	-	100.00%
	Percentage of total expenses assessed	45%	Not disclosed	Not disclosed	-	100.00%	-	100.00%
EC6	<b>Percentage of local suppliers</b>							
	Percentage of local suppliers	92%	92%	67%	-	99.00%	-	100.00%
AO2	<b>Employee Satisfaction</b>							
	Number of people participating in satisfaction surveys (Employees answering GPTW surveys)	45,352	41,081	17,156	100.00%	-	100.00%	-
	% of responses to GPTW survey (Average of response rate)	69%	70%	58%	100.00%	-	100.00%	-
	% of positive responses to "Taking everything into account, I would say this is a great place to work"	54%	47%	45%	100.00%	-	100.00%	-



GRI code	KPIName	2013	2012	2011	2013 perimeter		2012 perimeter	
		Group	Group	Group	Per employee	Per revenue	Per employee	Per revenue
A012	<b>Top management commitment with employees</b>							
	Total number of employees participating in breakfast with CEO/local management	5,542	4,187	1,754	97.44%	-	90.00%	-
A013	<b>Atos culture and values awareness</b>							
	New joiners participating in welcome days	5,542	6,039	1,884	97.16%	-	63.68%	-
	New joiners that receive the Welcome Book link	6,052	Not disclosed	Not disclosed	97.16%	-	-	-

EC1 includes Worldline (Worldline Belgium, Worldline Germany), United-Kingdom, USA, Qatar, United Arab Emirates, Egypt, Kingdom of Saudi Arabia, Spain, Germany, France, Slovakia, Russia, Romania, Poland, Croatia, Czech Republic, Austria, Switzerland, Italy, Netherlands, Taiwan, Thailand, Japan and China.

EC8 includes Worldline (Worldline Belgium, Worldline Germany, Worldline France), United-Kingdom, USA, Qatar, Morocco, India, United Arab Emirates, Egypt, Kingdom of Saudi Arabia, Spain, Germany, France, Slovakia, Serbia, Poland, Croatia, Czech Republic, Austria, Italy, Netherlands, Luxembourg, Belgium, Taiwan, Thailand, Japan, Hong Kong and China.

A012 and A013 exclude MEV, Corp, Atos Worldline.

EC6 excludes Chile, Egypt and South Africa.

## D.4 Being a Responsible employer

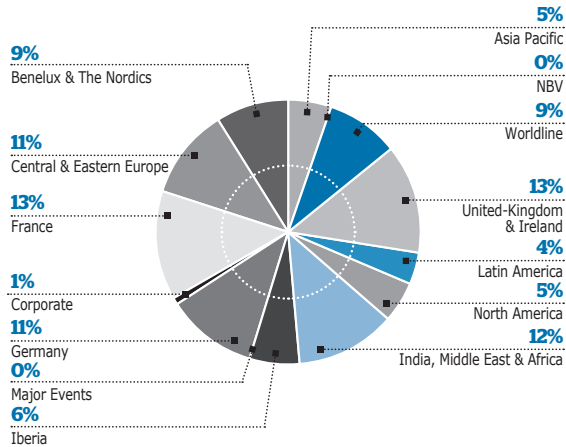
### D.4.1 Human Resources Fundamentals

- One Human Resources: The Atos Human Resources team needed to position itself as One Human Resources, in order to prepare the future and to be able to globally and efficiently serve Atos’ customers while developing the Group’s people and ensure that the Group can take up the challenge of the new three-year ambition program.
- One Spirit: To achieve the ultimate goal which is ensuring that Atos’ employees are working in the best ever possible place, all the Human Resources experts operating for Talent, Recruitment, Learning & Development, Workforce Management, and Compensation & Benefit have been working hand in hand to deliver the best for Atos people. This is illustrated by many new development programs such as GOLD for technical experts, increase of internal promotions, free access to more than ten thousands eLearning courses for everyone and an exhaustive compensation benchmark throughout the world... As for the Olympics, the Group has to prepare its people not only to remain in the competition but also to win it with passion.
- One Human Resources tool box: More than ever, it becomes necessary for everyone to move in the same direction. In order to do so the Human Resources team has been reworking its processes, reshaping its organization and developing new devices to allow more harmonization thus more effectiveness and efficiency for the benefit of Atos’ staff. For 2014, it is planned to continuously improve the tools and the services that the Group will deliver to its people. This is key for the success of Atos.

The main purpose of a People value chain is to ensure that the right people with the right skills are in the right place at the right time. At Atos, this is achieved through a well-coordinated and optimized use of recruitment, performance management, learning & development, mobility and succession, orchestrated by workforce planning.

## D.4.2 People, Atos main asset

Atos total workforce is composed by 76,320 employees [LA1] with this repartition per Business Unit [AO6]:



Atos has continued to deliver its key strategic objectives for 2013, ensuring that recruitment is seen as a valued partner to the business and to deliver innovation to support the attraction of the best talent in the market. Some of projects that have evolved in 2013 have included the Tier 1 University project, where Atos has commenced an international internship program to offer a wider selection of opportunities to students looking to develop their skills within the Group and the expansion of the global job board framework to incorporate all regions, increasing attraction channels and reducing costs.

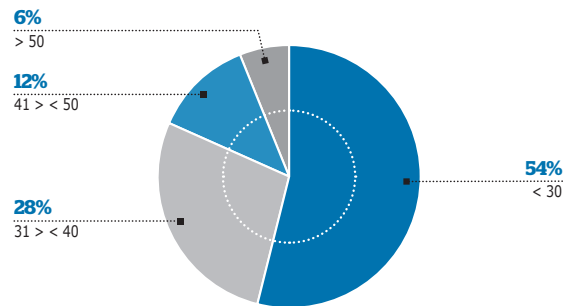
From a recruitment delivery perspective, Atos has had a very positive 12 months, having a total number of 11,138 people, of which 28% were females, entered the Company worldwide in 2013 [EC7], which, working with a new internal talent recruitment process, is something that Atos aims to continue for 2014.

### D.4.2.1 Attract and Develop Talents

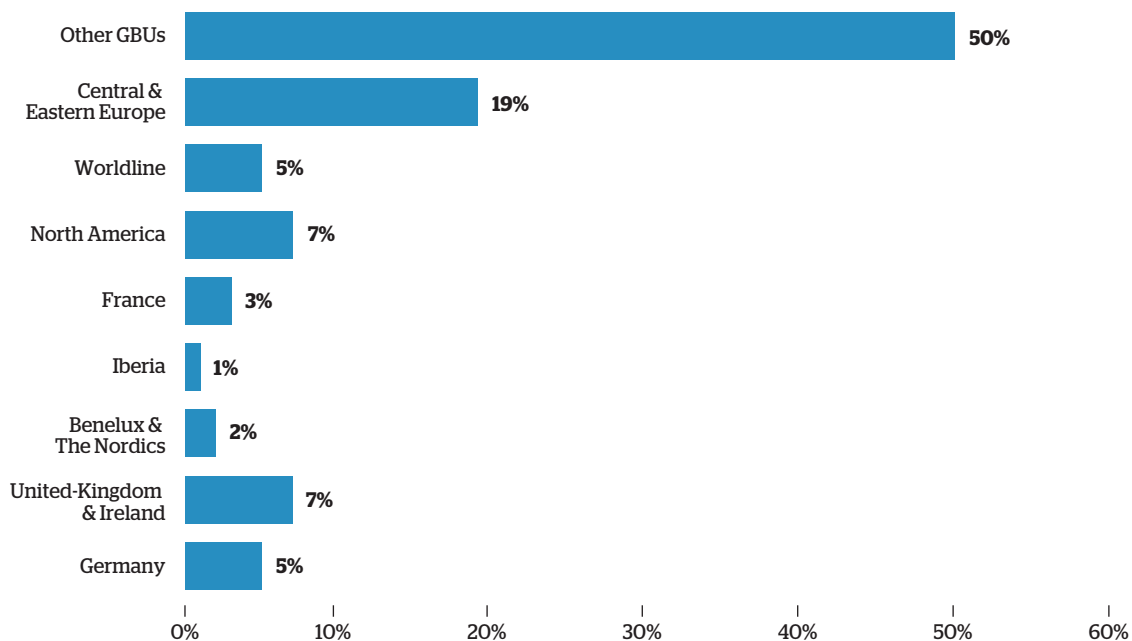
#### Talent Recruitment

Where 2012 was very much focused on bringing Atos' regional recruitment teams working closer together, 2013 has seen a more global approach in how the Group has identified opportunities to benefit multiple regions, and leveraging these solutions to offer development and efficiencies for the teams – from regional training on tools and processes to reshaping recruitment structures to adapt to the demand with the business.

EMPLOYEES ENTERING THE COMPANY BY AGE [LA2]

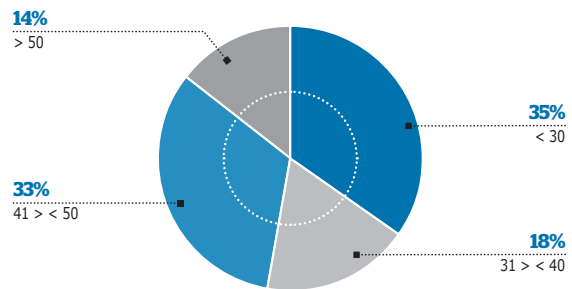


PERCENTAGE PEOPLE ENTERING IN THE COMPANY PER GBUS [EC7]

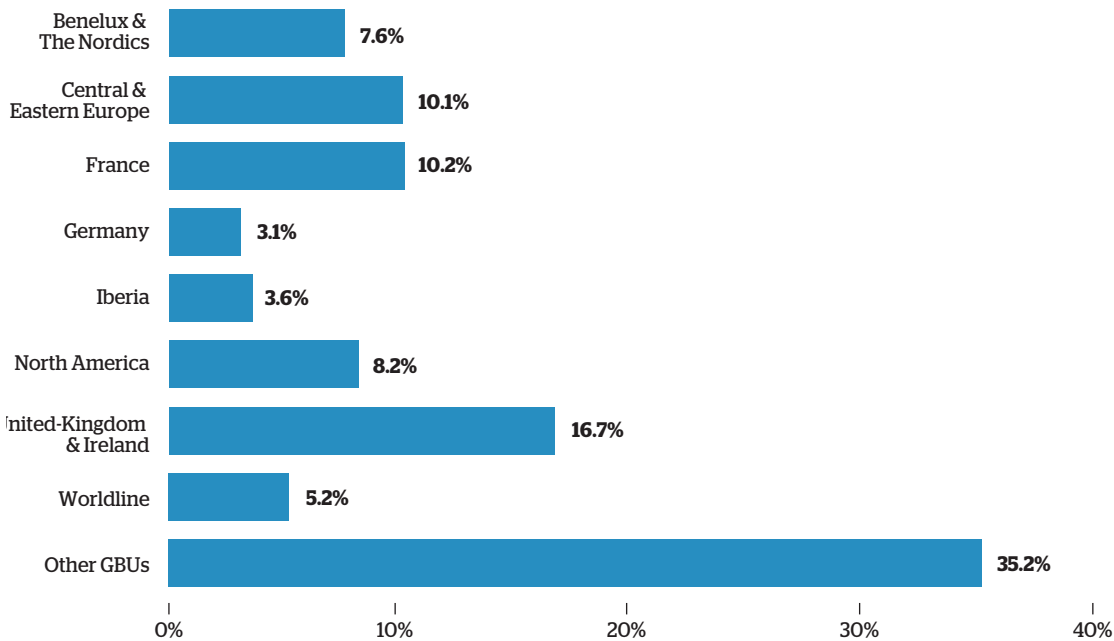


During the same period, employees left the Company, of which 27% were females [LA2] (more details on headcount evolution are provided in section *E.1.7 Human Resources*). The workforce turnover in 2012 was 14.31% [LA2].

**EMPLOYEES LEAVING THE COMPANY BY AGE [LA2]**



**PERCENTAGE OF EMPLOYEES LEAVING THE COMPANY BY REGION [LA2]**



As well as the core projects being delivered, 2013 has also been a year of strategic design, with a key focus on positioning how recruitment will work in partnership with the other Human Resources functions, to make a truly integrated staffing function in 2014. Other projects currently in preparation for 2014 include the selection of a new global recruitment tool to improve Atos' market attraction capability as well as an on-boarding portal to improve new joiners' experience.

**Talent Development**

In order to reinforce and renew its Talent base and business performance, Atos is rolling out a Talent review every year throughout all the organizations of the Group. The goals are to identify Talents – top performers with high potential for growth or with business critical expertise – to include them in key positions succession plans but also to build and follow up on individual development plans. Each Executive Committee member is presenting the Talent review for the organization she/he is in charge of, to the Talents & Communication and Human Resources top management.

Atos has also built at Group level dedicated Talents development programs to help them become best in class in their actions and grow career fast. Each of these programs is directly sponsored by an Executive Committee member to ensure a strong link between Talent development and business strategies.

These programs include:

**The Juniors Group**

Part of Atos Talent management, the Juniors Group is a self-organized, international, cross-functional circle. Juniors Group mission is to develop the best individual potential of its 40 members thanks to a combination of personal development sessions, networking opportunities with top management and international colleagues, as well as real work on innovative projects, that contribute to Atos global business performance.

A dedicated curriculum has been designed especially for this group which includes eLearning, eBooks, and courses provided by external experts during meetings to boost learning experience. Once someone pass the assessment, she/he becomes a member of the Juniors Group for 18 months and afterwards becomes

part of an alumni network to keep sharing information and knowledge with previous Juniors Group members. The Juniors Group is sponsored at Executive Committee level.

**Gold for Managers**

Nominated by the Atos Executive Committee every year, 80 members of the Group Talents are invited to take part in the prestigious gold for Managers Program. In cooperation with HEC Paris, Europe’s leading business school, the gold for Managers Program aims to develop the future leaders of the Company and create ambassadors for the Company’s values.

Throughout the Program, participants explore Atos’ business strategy, work on a project proposed at the beginning of the program, and focus on solutions to the challenges of global profitable growth that Atos faces. It is a major opportunity to network with Talents from different Atos organizations, disciplines and experiment cross cultural experiences.

The two gold Intakes have been sponsored in 2013 at Executive Committee level. Gold for Managers Program has been awarded by the European Foundation for Management Development (EFMD) in the Talent Development category in 2013.

**Gold for Experts**

Gold for Experts Program has been launched in 2013 in cooperation with the Institute for Manufacturing Education and Consultancy Services (IfM ECS) of Cambridge University and the department for Computer Science of Paderborn University. The goal is to equip Atos’ Talents with expert profiles, with best in class capability to define and implement innovative end-to-end solutions for customers, helping them gain competitive advantage.

The Gold for Experts Program comprises three week-long modules in Cambridge and Paderborn, combining technological knowledge, business strategies and human insight. Thirty participants for Intake One have been nominated by the Executive Committee and first module took place in October. The Gold for Expert Intake One is sponsored at Executive Committee level.

**On-the-job experience**

Talents at Atos get the opportunity to participate to Group strategic transformation programs such as eXpand or Wellbeing@work, contributing to make Atos a strong performer in the market place and a best place to work. Talents can also join one of Atos’ networks of expertise such as the Scientific Community. Furthermore, Atos considers that on the job learning is one of the most effective ways to develop and this is why significant opportunities for internal mobility are provided to Talents.

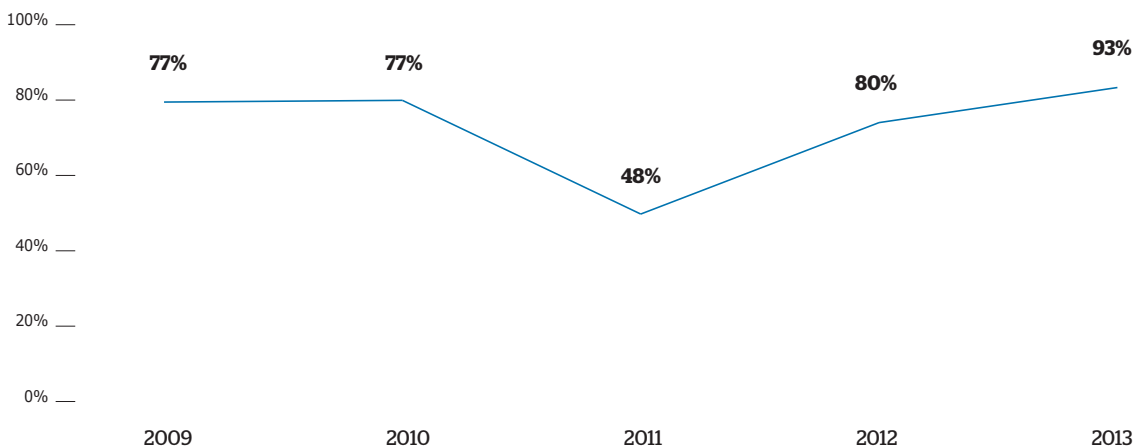
**D.4.2.2 Right People with the right skills**

Performance management is today fundamental to Atos, not only to secure the alignment of people objectives across the organization, but also to increase clarity and transparency in workforce capabilities, and identify potential gaps. Atos has deployed a global standard in terms of policy, process and tool for performance management, and reinforces systematic and consistent yearly and mid-yearly objectives setting and

appraisal reviews. But moreover, Atos intends to create a culture of feedback and coaching. One of the concrete actions undertaken to achieve this is to equip managers with career coaching and mentoring skills.

93% of employees received regular performance and career development reviews in 2013, representing an increase of 12.41% compared to 2012 [LA12].

**EVOLUTION OF PERFORMANCE APPRAISAL [LA12]**





The low percentage of employees who received regular performance and career development reviews in 2011 is related to the integration of Siemens IT Solutions Services (SIS) staff in July 2011 and who did not benefit of the Atos policy during the first semester of 2011.

In Atos' business, learning & development remains one of the main pillars for constantly adapting and building new skills, and give Atos' workforce a sustainable future. Atos' global Learning & Development practice and the Atos University have created a vast catalogue with more than **6,000 online courses available in free access for all Atos' employees**. As a result, the share of e-learning increased up to 217,106.43 hours in 2013, out of 1,454,779.38 hours in total [LA10].

In addition, all Atos' corporate learning programs are blended by design, so as to provide Atos' businesses with effective and cost efficient learning programs, by associating the most suitable training delivery formats, depending on the audiences and their specific needs. As people are key for Atos, HR ensures that the employability of the people is carefully monitored. At the end of 2013, Atos had an average of 16 different skills identified per employee [LA11].

### Foundation knowledge

With the Company getting bigger, it became important that Atos devises clear corporate policies for a number of transversal topics, and ensures compliancy with those policies across all Atos businesses. Therefore, Atos has started to train all employees in 2013, on the main Atos' corporate policies, such as **Security & Safety, Code of Ethics, Data Protection or Customer Satisfaction**.

### Training and certification of Sales staff

Atos' growth ambitions are supported by a portfolio of strategic offerings for which Atos has created strong go-to-market plans, including enablement of the Group Sales staff to promote and sell these offerings. This is being done via a large multi-level training and certification program. **3,157 Sales people already passed their certification**, which had an immediate positive impact on the customer visits and business opportunities generated around the strategic offerings.

## D.4.2.3 Compensation and benefit policy

Being a responsible employer, for Atos, means to offer to each employee all over the world a global remuneration which ensures a coverage, in terms of base salary and benefits, above the minimum local legal requirements.

### Minimum wage comparison

In all the countries where the Group operates, Atos entry level wage (lowest wage in Atos paid to a permanent and full time employee) is above the local minimum wage when considering

### Leadership in the Zéro email Company™

With the Zéro email™ ambition becoming real in 2013, especially through the deployment of the Atos blueKiwi Enterprise Social Network platform, all Atos' staff need to become even more effective in the new collaborative environment. Atos has identified managers as the most critical population to be trained for two specific reasons: (i) most managers are legitimately and naturally the community leaders of the social organization, (ii) managers are strongly influencing the way people communicate and collaborate, and thereof the best change agents Atos could think of in this transformation. Social Media is indeed driving a new leadership style – which Atos calls Collaborative Leadership – requiring new skills. Atos has designed and deployed a fully custom **training program** attended by **3,000 managers during 2013**.

### International mobility

Atos continues to consider international mobility as key to the deployment of its business strategy. To anticipate this development requirement, Atos ensures its employees' exposure and readiness through a wide range of mobility opportunities. This may involve frequent business trips, international projects, offshoring, talent development or long term posting. Atos' Policies and processes are designed to support these strategies as Atos strives to attain a level of flexibility to better serve its business and clients.

2013 has seen partial centralization of Atos' mobility service delivery model in order to provide a more efficient and effective delivery of the mobility program and Atos anticipates that this centralization will continue through 2014 in order to better anticipate future needs. The Group also anticipates adaptation of its Policy landscape to ensure alignment with business needs and Group strategy.

Throughout 2014 Atos feels that the economic climate should continue to place productivity and return on investment high on the agenda, and this accentuates the need to develop employees and ensure a smooth and fruitful expat experience for the benefit of customers and employees.

in local policies. In 53% of the countries where a minimum wage is set up by law, Atos is paying 50% or more than this level of wage [EC5].

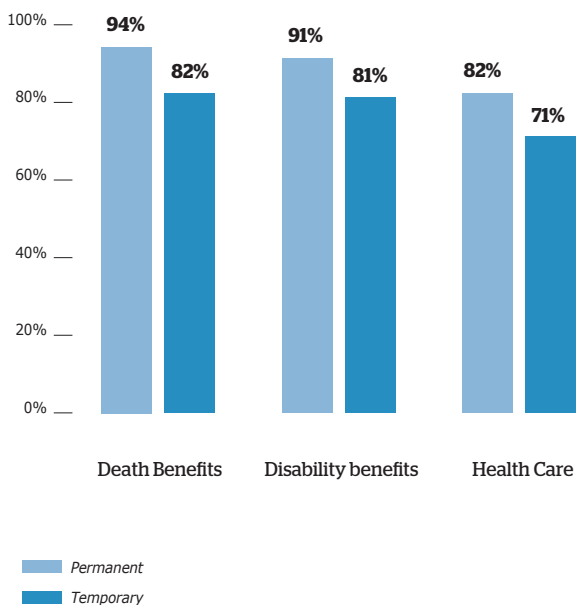
### Health care coverage, death and disability benefits

Health care is offered to 82% of permanent employees and disability benefits are offered to 91% of permanent employees [LA3]. Nevertheless, additional occupational medical/health benefits are rare in Germany, Austria, Switzerland and Sweden.

Indeed, the compulsory health insurance is fairly comprehensive in these countries, so supplementary medical benefits are generally not necessary.

Death Benefits are offered to 94% of the employees [LA3]. In Austria, Germany and Switzerland, death benefits are included in the pension plans and provided in the form of pension for spouse and children. In other countries, death benefits are mainly provided in the form of lump sum payments. The principal lump sum amount is sometimes increased according to the family status (France, Morocco, Denmark) and doubled for a death as a result of an accident (China, Japan, Thailand, Poland, Spain, Brazil, Chile, Mexico, and UAE).

#### EMPLOYEES PARTICIPATING IN RISK BENEFIT ARRANGEMENT PER CONTRACT TYPE [LA3]



#### Atos Global Compensation principles

Atos' compensation policy is designed to support the Group's strategic ambition to remain IT Services European leader as well as to become a reference Wellbeing@work Company.

The Compensation policy is based on Atos' Human Resources Values and aims:

- to attract and retain talents;
- to reward performance and innovation collectively and individually;
- in a fair (equitable) and competitive way.

To reach those objectives, which will be implemented in the countries where Atos operates according to local specificities and regulations, the Group conducts an annual benchmarking

exercise with Atos' competitors in the ICT (Information and Communication Technology) market to ensure the Group's competitiveness, both in level and structure, and ensure compensation packages are in line with market practices in every location.

The Atos approach to reward is based on a total package that includes a fixed salary, a variable bonus for eligible employees and benefits aligned with market practice. Key individuals may also receive Long Term incentives such as stock-options and performance shares.

#### Atos Variable remuneration

For several years, Atos implemented a semester, and not annual, bonus policy, based on the Bonus Score Card principles. This approach fosters ambitious objectives setting, and contributes to the alignment of business and strategic goals with missions assigned to employees.

Targets are split in three major categories:

- Financial Objectives, cascading Group targets at employee's scope (mainly External Revenue, Order Entry, Free Cash Flow and Operating Margin);
- Efficiency Objectives, such as TOP<sup>2</sup> and eXpand initiatives deployment;
- People Objectives, including Wellbeing@work initiatives roll-out.

Each semester, the Group Executive Committee reviews the global Bonus policy to make sure that it is aligned with the Group's business strategy and that objectives are SMART (Specific, Measurable, Achievable, Relevant and Time-related). Executive Committee ensures that the Bonus Policy encourages the Group employees to deliver the best performance. In particular, the weight of financial results has a significant impact regarding bonus payouts at all levels and for all functions.

#### Reward and Recognition Programs

Recognition is a key motivating factor. In order to allow every great contributor to be recognized at fair value, the Group rolls-out major programs, as part of the Wellbeing@work initiative, such as:

- **"Accolade"**, which empowers managers to instantaneously reward their teams according to three levels (Bronze, Silver and Gold) for exceptional performances. In 2013, more than 10,000 awards have been distributed over the countries in which Atos operates in the world;
- **"Success Story"**, which rewards the best delivery teams: Employees apply by posting projects on Atos internal social network, among 7 categories (one per global market, including Worldline). Group Executive Committee selects the best project for each category, employees also vote for the best project (People Choice Award).

Extensive communication follows and key players are invited to a dedicated ceremony with the Group Executive Committee. In 2013, the Success Story Award Program has been given the "Compensation & Benefit Trophy for Team Recognition and Innovation", by ORAS – Compensation & Benefits and Human Resources Professionals.

### Employee stock ownership and management: long term incentive plans

#### Employee Stock Ownership Plans

In 2011, Atos has run a large Employee Shareholding plans, covering more than 60,000 employees in 14 countries. This plan, called Sprint 2011, offered to employees the possibility to buy Atos shares according to two kinds of vehicles:

- Sprint Dynamic, which offers a 20% discount on Atos reference Share Price;
- Sprint Secure, which allows employees buying units of a leveraged product benefiting from the share value growth, but also providing a capital guarantee in euro, with a minimum interest rate over the period during which the employees have invested.

This Plan has been renewed in 2012 and extended to 25 countries, covering thus almost 65,000 Atos employees. Overall, the Employee Stock Ownership (mutual funds and corporate savings plans) moved from about 0.5% of the Group's share capital in 2005 to 1.7% as of December 2013, while the number

of Atos shares held by the employees staid stable between December 2012 and December 2013 at 1.7 million shares.

Atos has the ambition to launch a new Sprint Plan in 2014.

#### Management Equity Plans

In order to reward and retain key talents and top managers, Atos regularly implemented stock-option plan and performance share plans which are detailed in the section *G.4 Executive compensation and stock ownership*.

In line with Atos' three years plan (2009-2012), Stock-Option Plans granted between December 2008 and December 2010 have been structured around three tranches, with performance conditions distributed over this period. As Performance Conditions have been achieved and validated by the Board of Directors, the rights of Stock-Option Plans granted between December 2008 and December 2010 have been definitively vested to beneficiaries who were still Atos employees on respective vesting dates.

As part of the Long-Term Incentive program, Atos also introduced performance share plans. More than 700 beneficiaries of those grants were mainly senior managers and executives, and also high-potential selected employees. Current Atos performance share plans are detailed in the section *G.4 Executive compensation and stock ownership*, including performance conditions and more specifically the Corporate Social Responsibility's condition of the performance share plan granted in 2013.

## D.4.3 Improve the Wellbeing@work program

### D.4.3.1 Compliance with the International Labor Standards

#### General statement of respect of international labor right

The protection of labor rights has long been a part of Atos policy. Atos Code of Ethics confirms that Atos will always take decisions based on competences without consideration for nationality, sex, age, handicap or any other distinctive trait. Participating in the UN Global Compact since 2010 is another way of showing how Atos is willing to ensure such protection. As active participant, Atos ensure the respect of the following principles:

- supporting and respecting the protection of internationally proclaimed human rights;
- making sure that Atos is not complicit in human rights abuses;
- upholding the freedom of association and the effective recognition of the right to collective bargaining;
- elimination of all forms of forced and compulsory labor;
- effective abolition of child labor.

In addition, in order to apply to public tenders Atos has to follow the requisites of the local labor law: this has always been done and managed properly.

#### Collective bargaining agreements

Atos thinks that job security contributes to the psychological health of its workforce. Therefore, Atos follows local and international regulations concerning minimum notice period(s) regarding significant operational changes. Also, 66% of employees are covered by collective bargaining agreements [LA4].

Collective bargaining agreements are agreements regarding working conditions and terms of employment concluded between an employer, a group of employers, or one or more employers' organizations.

Atos collective agreements cover for example health and safety matters, length of maternity/paternity leave, working time, wages, notice periods, vacation time (usual and exceptional such as wedding, birth, house moving...) and training [LA5].



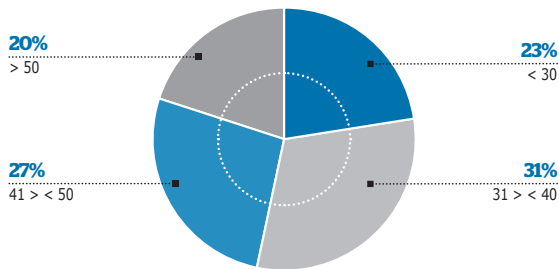
### D.4.3.2 Promote Diversity and Equality

Atos is committed to ensuring that its workforce represents Society in each country where it operates.

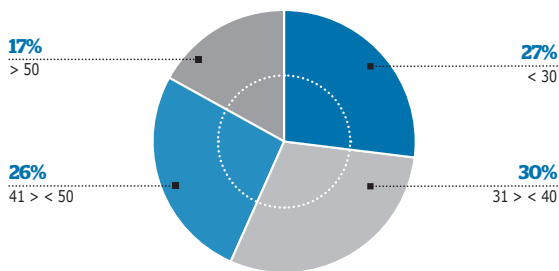
At Group level, Atos wants to ensure all kinds of diversity: age, gender, cultural diversity... To make this real, Atos organized in 2013 dedicated workshops on this topic including participants at executive level. Set of actions have been planned for the future. Those being for example:

- have women in top management succession planning;
- encouragement for senior executives to mentor junior women;
- GBU central, Gender Equal Committee for yearly nominations;
- educating and engaging leaders on diversity training.

**MALE STAFF BREAKDOWN PER AGE [AO6]**



**FEMALE STAFF BREAKDOWN PER AGE [AO6]**



Although Atos has a major part of its staff in Europe, Atos employs people from 141 different nationalities and has operations within 52 geographical countries [AO6]. In addition, Atos supports the local hiring [EC7]: 10,398 national employees were recruited in 2013.

In addition, Atos is against any form of discrimination, and daily works to ensure that any decision is taken without discriminating criteria. A reporting to Global Litigation department from the GBU exists for the labor cases, especially discrimination ones, when the action, suit or proceedings related to a case over € 190,000. For 2013, there is no incident of discrimination registered during the reporting period [HR4].

#### Promoting gender equality [LA13]

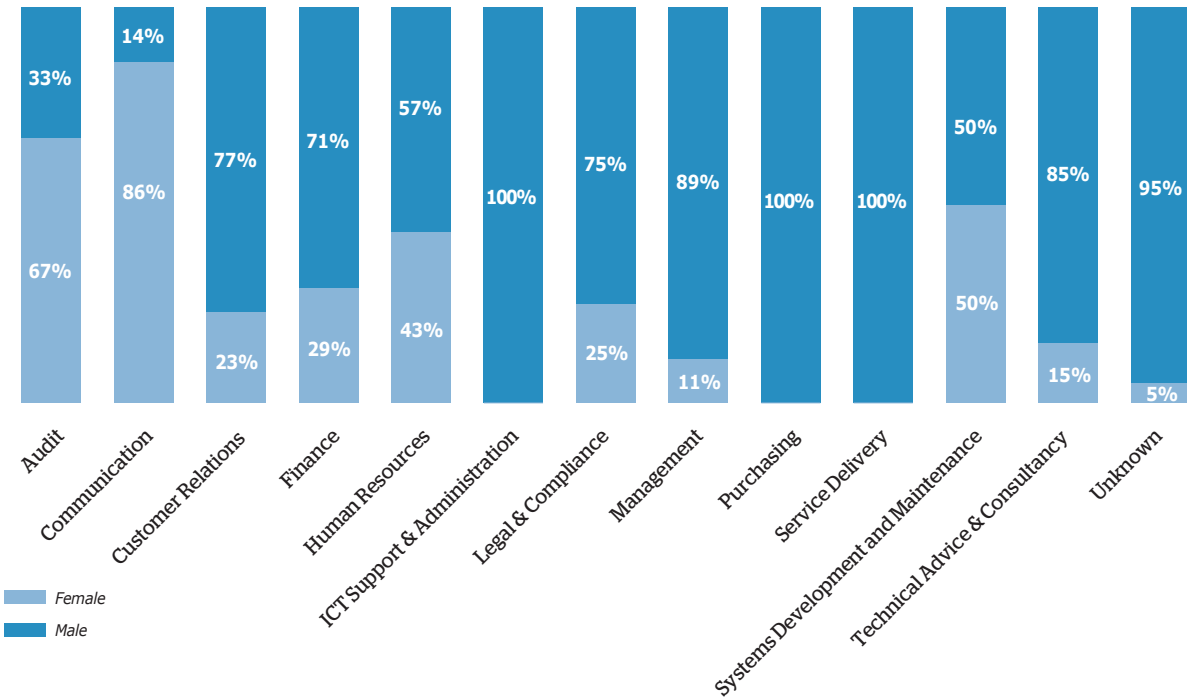
Gender diversity has been pointed as a first priority within the Group. Despite the fact that engineering and IT education are mainly followed by males, Atos employs 27% of females globally and try to continuously increase this ratio. In the Top management team the female ratio is at 14%.

In addition, as at December 31<sup>st</sup>, the Board of Directors was composed of 31% of women, compared to 23% in 2012, due to the appointment of a new administrator during the Annual General Shareholders Meeting in May 2013. The Company is fully complying with the 20% rate of Women Directors set forth by the French law n° 2011-103 dated January 27<sup>th</sup>, 2011.

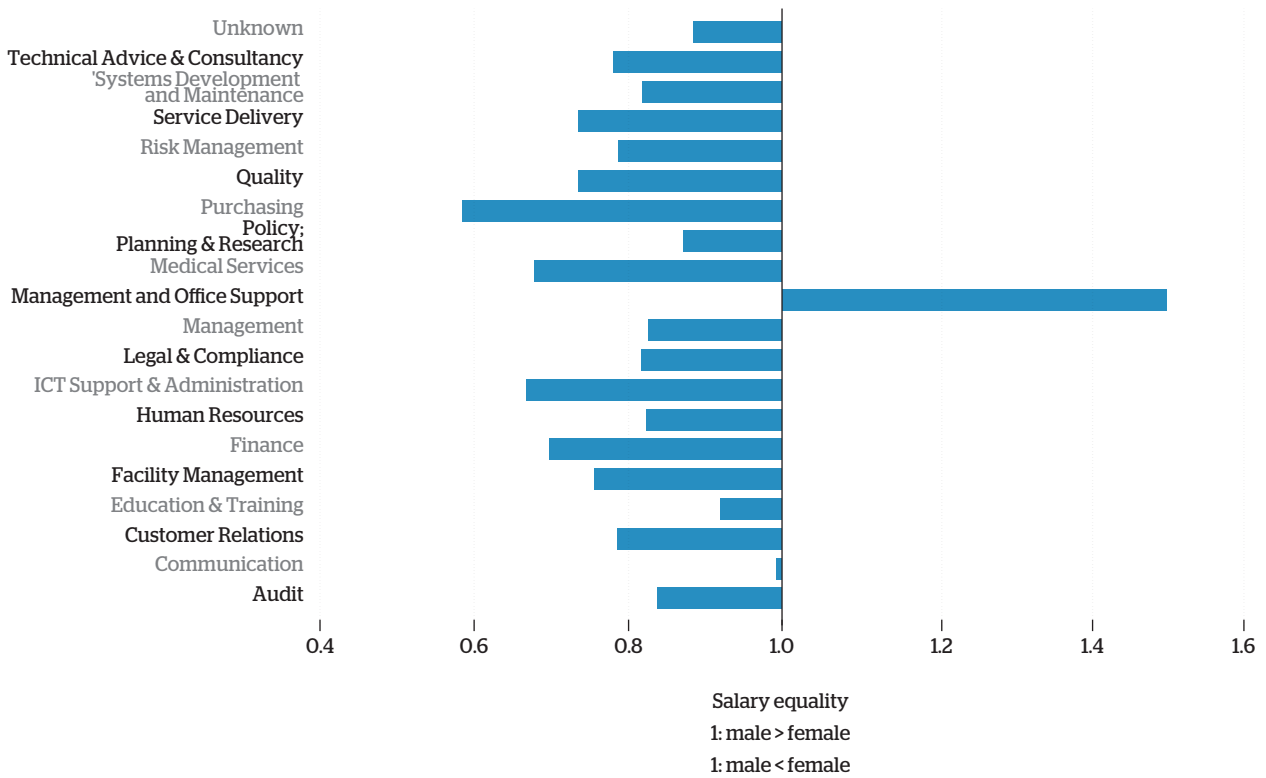
Atos aims in the coming 5 years not only to reach, but also to exceed the level of 30% of females employed and to increase as well the share of female in the Top Management.

Many countries have introduced legislation to enforce the principle of equal pay for work of equal value. This issue is supported by ILO Convention 100 on "Equal Remuneration for Men and Women Workers for Work of Equal Value".

**MALES/FEMALES SPLIT PER JOB FAMILY IN THE TOP 750 [LA13]**



**RATIO OF BASIC SALARY OF MEN TO WOMEN BY JOB FAMILY [LA14]**



The differences of salary between females and males are explained by the job position within each job family: as described in the graphic "Males/Females split per job family in the Top 750" above, males are the most numerous in the senior management.

### Take in account disabled people

Being in charge of the IT support for the Paralympic Games, Atos is always impressed by the fact that Paralympic athletes show outstanding performance in many different disciplines whatever difficulties they have to face. The same applies in the business where disabled employees accomplish also remarkable achievement within Atos teams. Specific programs have been

implemented in different locations, in collaboration with union representatives, to attract and develop handicapped people through providing meaningful employment. Again, the goal of this initiative is both to support this population and also open people's mind.

In May 2013, in France, Atos signed with French trade unions representatives a collective agreement related to the employment and development of disabled people.

### Promotion within Atos

As Atos people are key for Atos, Atos intends to develop them and to ensure their internal promotion. In 2013, more than 22% of staff received a horizontal or vertical promotion.

## D.4.4 Building a Great Place To Work

Atos' global transformation program, Wellbeing@work has been developing initiatives and activities to encourage new ways of working, intensively using new technologies while matching the social expectations of employees.

The Great Place To Work survey helps Atos to put emphasis in some specific areas:

- health;
- smart working conditions;
- collaborative and transparent environment.

### D.4.4.1 Ensure good work life balance

Atos has conducted some initiatives which aim to guarantee a better balance between professional and personal lives of employees.

Since 2011 an initiative to directly assess the good work life balance of employee was launched: a self-help tool was completed over 5,800 times with scores given regarding how to improve work-life balance, self-belief, organizational skills, home-work interface, physical health and assertiveness. It aims to provide practical ways in which personal effectiveness can be managed within the workplace. 13,823 people viewed the website and in 2013 the 21% of employees declare to have a good level of work life balance [LA8].

#### Health

A Health@work blueprint has been drawn up within Atos with the aim of promoting best practices and bringing together existing tools which are designed to support employees with

their health and wellbeing. It also sets out ambitions through 2014 for this subject.

Atos is committed to ensure it complies with legal standards and also strives to meet best practice. For example, in 2013, the UK Royal Society for the Prevention of Accidents (RoSPA) rewarded Atos UK with a Gold Award for Occupational Health and Safety.

One initiative to encourage physical activities has been designed through a website, "atosrevitalized.com": this multi-media and interactive health & wellbeing tool was launched in 2012 and has now over 11,000 users within Atos. An App version was launched in 2013 to make the material even easier to access for employees.

Last one, Atos offers a large variety of e-learning materials which cover health and wellbeing topics.

As a concrete achievement, according to the Great Place To Work (GPTW) survey, employees have been satisfied regarding health program.



	2013	2012	13/12
This is a physically safe place to work	84%	84%	=
This is a psychologically and emotionally healthy place to work	46%	41%	+5%
The Group facilities contributes to a good working environment	56%	48%	+8%
I am able to take time off from work when I think it's necessary	74%	72%	+2%
People are encouraged to balance their work life and their personal life	48%	41%	+7%
Working remotely enables me to be more efficient	69%	65%	+4%

Smart Working Conditions

Atos privileges permanent and full time working relations with its employees: 98% of persons of the total workforce are under a permanent employment contract and 89% of these persons are in full time [LA1]. Nevertheless, Atos accepts part time job when an employee considers that it is better for his work life balance.

Then, Atos operates in collaborative mode, which allows remote working, which offer more flexibility for employees in their

work life balance: 12% of homeworkers have signed a formal contract and about 35% of them work informally like this from a variety of locations [LA1].

The whole set of initiatives to improve a healthy and smart working environment has allowed reducing the absenteeism rate of the Company.

Thus, the absenteeism percentage regarding the direct operational workforce in 2013 was 2.7% [LA7]. In addition, the total work related accidents are 161.

D.4.4.2 Zero email™: embracing a new way of working

Implementing new working organization within the Company creates a more social and innovative working environment. By facilitating the development of virtual communities, providing easier access to collaborative tools and the development of remote working, employees can achieve a better balance between their work and personal life.

Zero email™ focus on Wellbeing@work and business benefits

Zero email™ is a global transformational program to adopt new ways of leading and collaborating into the Company. The objectives are to improve the internal collaboration, making it more efficient and fueling wellbeing at work and new levers of productivity, using on social collaboration.

The program is launched for the 76,320 employees in 52 countries across the world.

At the beginning of this year, the Atos Enterprise Social Network "Zen" on blueKiwi was opened in all the geographies where the Group is present. The prerequisite to on-board was to be part of a community, to ensure the Enterprise Social Network consistent and structured for a professional usage.

Since the start of the program 5,100 communities were created to facilitate organizational collaboration, expertise sharing, initiatives and projects. By end of December 2013, Atos had surpassed 15,000 employees contributing posts or reactions to the Enterprise Social Network on a weekly basis, with 85% of top 700 managers making active use of the platform.

All connected

Using an Enterprise Social Network modifies completely the way people work, it inverts the paradigm: while the employee undergoes processing of emails in a stream of heterogeneous subjects, with an Enterprise Social Network, the employee addresses its priorities, its subjects and determines what will be sequence of treatment, choosing the most important community to be considered first.

In addition to that, Zero email™ aims to redefine the digital working environment, whereby the main applications of the work environment will be connected with other ones:

- Lync allowing people to see the availability of managers or colleagues, and contacting them for a short discussion or to organize a conference call across the globe;
- SharePoint application allows knowledge management on projects, contracts, and about specific expertise. Also, it is the right tool for managing and archiving final documents.

These tools allow every Atos employee to collaborate, without any geographical or time barriers.

Atos has managed to reduce by 60% since 2011, internal email volumes with 240 million emails per year, adapting collaborative habits and implementing email free processes. Both collaboration and documentation are now available in global systems resulting in over 2 million monthly blueKiwi page views and over 5 million monthly Microsoft SharePoint page views.

The Atos social collaboration platform, with self-created and fully tagged employee profiles, combined with instant messaging and presence solution (Microsoft Lync) allows a great alternative

search for help strategy: you can easily find the expert, check availability and contact him/her using audio/video conferencing desktop tooling. The result is faster access to expertise and the ability to help each other. A global expert search often requiring more than 2 days is now achieved in less than 2 hours for some of the most critical skill sets. Atos is now much smaller: true global collaboration at the fingertips of every employee.

### Protecting Atos' information assets

Atos operates in a knowledge economy that is undergoing significant transformation. Everyone can no longer have critical information locked into individual mailboxes, unavailable to employees and customers. Atos' social collaboration, consisting of blueKiwi (collaboration) and Microsoft SharePoint (documents) creates a global structure of so-called communities that encompasses Atos' complete organization, skills, markets

and customers. Atos avoids project or service disruptions, loss of context and background information as the Group structurally stores conversation and documentation on a global platform.

As of December 2013, employees have created almost 300,000 collaborative contributions, many of which are available to employees in open or membership on request communities.

### Management style and employee connectedness

Atos management has been trained to adopt a more collaborative management style, to engage more in the Group important projects to drive improvement at all stages. Atos collaboration platform allows them to be better informed and monitor key projects without the information overload often caused by email systems. Newly created organizational communities make sure all employees are on the same page and can better align their work to team/department/Company goals.

## D.4.5 Social engagement towards Society at large (local best practices)

### Benelux

In respect to pursuing collaboration with NGOs and reach highest impact, the collaboration between Atos and VSO is a best in class illustration of civic and social impact. VSO is the world's leading independent international non-profit organization. It relies on volunteers to fight poverty in remote countries; often through ICT solutions. VSO's high-impact approach involves bringing people together to share skills, build capabilities, promote international understanding and action, and change lives to make the world a better and fairer place for all.

The Atos Foundation and its IT-partner in Bangladesh support the realization of IT-centers in rural areas of Bangladesh. These centers are managed and operated by unemployed and recently graduated youth who are trained by the Atos Foundation. Farmers are empowered to collect agricultural information through an application hosted in these IT-centers.

Conducting these courses is a unique opportunity for Atos employees to work in a foreign country for a sustainable project applying proudly their skills and core competences.

### India

Teach For India (TFI) is an Indian non-profit organization, which is a part of the Teach For All global movement. Through its Fellowship program, TFI recruits qualified Indian college graduates and working professionals from Atos to serve as teachers in low-income schools. Fellows contribute to reduce the educational gaps of students in deprived areas to ultimately empower those students to improve their life path and expectations toward life. TFI is currently in Delhi, Mumbai, Pune, Hyderabad and Chennai, reaching out 23,000 children through 730 Fellows. Atos India has started the partnership with Teach for India (TFI) in 2013 and several Atos staff are volunteering in schools.

### United-Kingdom

Within the Employee Volunteering program with Natural England (non-departmental public body of the United-Kingdom government responsible for protecting England's natural environment).

Atos volunteers to work under the guidance of local Rangers, to carry out conservation work across the English countryside. Atos provides in-kind IT Services since around 2008. In 2013, Atos UK & Ireland B spent hundreds days volunteering for conservation work, which includes a day for each of the Group 2013 graduate intake during their inductions.

### France

Equality of access to education and youth empowerment are particularly important to prevent social exclusion. Since 2011, Atos has developed partnership with a non-profit organization, Energie Jeunes, which primary aim is to fight school drop-out in secondary schools located in deprived areas: persevering studying fighting sense of "failure". Dozens of employees of Atos are volunteering and visit secondary schools. During 2013, a special focus has been made to visit secondary schools located in deprived areas, in particular those surrounding Atos main office in France.

### Brazil

Atos Green Run: 100 employees from Brasilia participated in a running in Londrina for the first time in 2013. The first objective was to federate employees around a sustainable theme and get more visibility of the population of Londrina where Atos is present with a new operation center. Built up in partnership with local agency, Atos has already committed to be part of the second edition in 2014. The objective is to become an annual sporting activity for all Atos employees in Brazil.

## D.4.6 Social KPI overview

GRI code	KPIName	2013	2012	2011	2013perimeter		2012perimeter	
		Group	Group	Group	Per employee	Per revenue	Per employee	Per revenue
LA1	<b>Organizational workforce in headcount</b>							
	Total Employees (Legal staff)	76,320	76,742	72,570	100.00%	-	100.00%	-
	Total Employees (including supervised workers: interims + interns + subcos)	83,121	99,250	82,483	100.00%	-	100.00%	-
	Percentage of employees with a permanent contract	98%	98%	98%	100.00%	-	100.00%	-
	Percentage of employees with a temporary contract	2%	2%	2%	100.00%	-	100.00%	-
	Percentage of permanent employees in Full Time working	89%	92%	80%	100.00%	-	100.00%	-
	Percentage of permanent employees in Part Time working	9.14%	8%	20%	100.00%	-	100.00%	-
LA2	<b>Employee Attrition</b>							
	Percentage of females leaving the Company (rate from total employees leaving)	27%	29%	25%	100.00%	-	100.00%	-
	Percentage of males leaving the Company (rate from total employees leaving)	73%	71%	75%	100.00%	-	100.00%	-
	Rate of females leaving employment	14.39%	16.93%	11.09%	100.00%	-	100.00%	-
	Rate of males leaving employment	14.28%	15.16%	11.97%	100.00%	-	100.00%	-
	Global turnover rate (rate of employees leaving employment)	14.31%	15.63%	11.74%	100.00%	-	100.00%	-
LA3	<b>Benefits to employees</b>							
	Percentage of Permanent employees participating in Death Benefits	94%	95%	97%	100.00%	-	100.00%	-
	Percentage of Temporary employees participating in Death Benefits	82%	78%	87%	100.00%	-	100.00%	-
	Percentage of Permanent employees participating in Disability benefits	91%	93%	94%	100.00%	-	100.00%	-
	Percentage of Temporary employees participating in Disability benefits	81%	67%	85%	100.00%	-	100.00%	-
	Percentage of Permanent employees participating in Health Care	82%	80%	79%	100.00%	-	100.00%	-
	Percentage of Temporary employees participating in Health Care	71%	67%	67%	100.00%	-	100.00%	-
LA4	<b>Collective bargaining coverage</b>							
	Percentage of employees covered by collective bargaining agreements	66%	71%	73%	100.00%	-	92.00%	-
LA7	<b>Lost working days/Absenteeism rate</b>							
	Global absenteeism rate (short term)	Not disclosed	2.09%	3.05%	-	-	81.00%	-
	Global absenteeism rate (short and long term)	2.7%	Not disclosed	Not disclosed	78.40%	-	-	-
	Number of staff seriously injured work related	161	Not disclosed	Not disclosed	44.00%	-	-	-
LA8	<b>Serious diseases assistance programs</b>							
	Number of surveys answering work-life balance questionnaire	454	Not disclosed	Not disclosed	100.00%	-	-	-
	Percentage of surveys with a "good level" on Work Life balance	21%	Not disclosed	Not disclosed	100.00%	-	-	-
	Percentage of surveys where "some improvement needed" on Work Life balance	60%	Not disclosed	Not disclosed	100.00%	-	-	-
	Percentage of survey where a "quick improvement needed" on Work Life balance	19%	Not disclosed	Not disclosed	100.00%	-	-	-

GRI code	KPIName	2013	2012	2011	2013 perimeter		2012 perimeter	
		Group	Group	Group	Per employee	Per revenue	Per employee	Per revenue
LA10	<b>Average training hours per employee</b>							
	Average hours of training per employee	19.08	21.1	29.12	100.00%	-	82.20%	-
	Number of eLearning users	53,863	43,541	14,725	100.00%	-	82.20%	-
	Number of employees attending Sustainability Training	584	Not disclosed	Not disclosed	100.00%	-	82.20%	-
LA11	<b>Employability initiatives</b>							
	Number of certifications owned by at least one employee	2,456	Not disclosed	Not disclosed	100.00%	-	-	-
	Average number of certifications per employee	0.70	Not disclosed	Not disclosed	100.00%	-	-	-
	Average number of skills per employee	16.21	Not disclosed	Not disclosed	100.00%	-	-	-
LA12	<b>Career development monitoring</b>							
	Percentage of employees receiving performance appraisal in the last 12 months	93%	80.59%	48.16%	84.00%	-	69.63%	-
LA13	<b>Management diversity ratios</b>							
	Percentage of females in Atos	27%	26.78%	26.53%	100.00%	-	100.00%	-
	Female ratio within the management team (top 750 in 2012, top 400 in 2010 and 2009)	14%	14.56%	14.61%	100.00%	-	100.00%	-
	Percentage of women that had promotions during the year	18%	Not disclosed	Not disclosed	100.00%	-	-	-
	Percentage of men that had promotions during the year	24%	Not disclosed	Not disclosed	100.00%	-	-	-
LA14	<b>Salary rate between men and women</b>							
	General ratio woman/men within the Atos' job families	78%	78%	78%	100.00%	-	100.00%	-
	Discrepancies in average salary between males and females within the same GCM level	-22%	-22%	-22%	100.00%	-	87.77%	-
HR4	<b>Total number of incidents of discrimination and actions taken</b>							
	Number of claims on discrimination grounds	0	0	0	100.00%	-	78.55%	-
	Total amount effectively paid on grounds of discrimination	0	Not disclosed	Not disclosed	100.00%	-	-	-

GRI code	KPI Name	2013	2012	2011	2013 perimeter		2012 perimeter	
		Group	Group	Group	Per employee	Per revenue	Per employee	Per revenue
EC5	<b>Minimum wage comparison</b>							
	Average number of "Atos countries" where Atos entry wage > minimum national/IT sector wage [> 50%]	30	30	Not disclosed	100.00%	-	98.00%	-
	Average number of "Atos countries" where Atos entry wage > minimum national/IT sector wage [10%-50%]	20	15	Not disclosed	100.00%	-	98.00%	-
	Average number of "Atos countries" where Atos entry wage > minimum national/IT sector wage [0%-10%]	11	6	Not disclosed	100.00%	-	98.00%	-
	Average number of "Atos countries" where Atos entry wage < minimum national/IT sector local wage	0	0	Not disclosed	100.00%	-	98.00%	-
	Number of "Atos countries" with no minimum national wage	13	12	Not disclosed	100.00%	-	98.00%	-
EC7	<b>Local hiring</b>							
	Percentage of local employee	95%	95.02%	94.40%	100.00%	-	100.00%	-
	Percentage of national senior managers	93.08%	94.80%	94.93%	100.00%	-	98.00%	-
	Number of national employee recruited	10,398	11,984	31,050	100.00%	-	100.00%	-
	Percentage of local recruitment (Excluding acquisitions)	93%	93.16%	92.43%	100.00%	-	100.00%	-
	People entering the Company	11,138	12,864	8,891	100.00%	-	100.00%	-
A06	<b>Workforce diversity ratios (Handicap people)</b>							
	Number of nationalities within Atos	141	140	132	100.00%	-	100.00%	-
	Number of disabled people	959	603	891	79.00%	-	55.75%	-
	Diversity Perception (GPTW)							
	People here are treated fairly regardless of their age	60%	65%	67%	57.79%	-	55.00%	-
	People here are treated fairly regardless of their gender	82%	80%	80%	57.79%	-	55.00%	-
	People here are treated fairly regardless of their race or ethnicity	76%	85%	84%	57.79%	-	55.00%	-
	People here are treated fairly regardless of their sexual orientation	80%	84%	84%	57.79%	-	55.00%	-
	People here are treated fairly regardless of disability	76%	81%	77%	57.79%	-	55.00%	-
	Average on Diversity Perception (GPTW survey questions)	75%	79%	78%	57.79%	-	55.00%	-
A09	<b>Smart working conditions</b>							
	<b>Number on employees in offices in accordance with Atos' Campus Concept (accordance higher than 50%)</b>	39,918	24,054	12,315	68.00%	-	43.00%	-
	Number of employees in offices in accordance with Atos' Campus Concept (accordance higher than 75%)	29,124	4,977	4,500	68.00%	-	43.00%	-
	Number of employees in offices in accordance with Atos' Campus Concept (accordance between 50% and 75%)	10,794	19,077	7,815	68.00%	-	43.00%	-
	Number of employees in offices in low accordance with Atos' Campus Concept (lower than 50%)	13,460	8,824	Not disclosed	68.00%	-	43.00%	-
	Number of audited sites	53	77	36	68.00%	-	43.00%	-
A011	<b>Collaborative technologies development (Zero mail)</b>							
	Total spaces in blueKiwi	5,100	938	Not disclosed	89.27%	-	100.00%	-
	Number of engaged BK users	138	Not disclosed	Not disclosed	89.27%	-	-	-
	Number of active BK users	1,028	Not disclosed	Not disclosed	89.27%	-	-	-
	Average number of emails sent externally	459	Not disclosed	Not disclosed	88.11%	-	-	-
	Average number of emails received externally	93	Not disclosed	Not disclosed	88.11%	-	-	-
	Average Number of email sent internally	1,527	Not disclosed	Not disclosed	88.11%	-	-	-
	Average Number of emails received internally	2,013	Not disclosed	Not disclosed	88.11%	-	-	-

A011 excludes MEV, Corporate, AWL, Canopy, blueKiwi and The Nordics.

LA7 (absenteeism rate) excludes India, Arabs Emirates, Corporate Germany, Philippines, blueKiwi and Worldline Taiwan. LA7 (working accidents) includes France, Germany, Spain and The Netherlands.

LA12 excludes Austria, part of France and Germany.



## D.5 To reduce Atos global footprint and establish green policies

### D.5.1 Energy & Carbon Footprint

In 2013, the Earth's atmospheric CO<sub>2</sub> level has peaked at 400 ppm<sup>1</sup> and is still rising. This necessitates a strengthening of companies' commitments, to mobilize decision makers and managers about energy and carbon matters and also to encourage them to consider them as a lever of performance.

Within Atos, these challenges are reviewed by the top management of the Company, monitored through Key Performance Indicators, with a clear determination to reduce them continuously.

#### D.5.1.1 Environmental Emissions Results

Since 2008, when analyst reports focused attention to the impacts of IT on the environment, Atos has strived to reduce its own environmental impact.

At that time, it was reported that the ICT lifecycle was responsible for 2% of global emissions, matching those of the airline industry. Since then, with the proliferation of mobile devices, such as tablets and smart phones and the continuing growth of more traditional server farms, the impacts of ICT have doubled. Within Atos during this same period, emissions have significantly reduced since the 2008 levels as Atos strives to achieve a low carbon operation.

The first global footprint in 2008 became the baseline for future emissions reductions, with targets set for a 50% reduction by 2012. By the end of 2012, Atos exceeded its interim target, achieving a 41% reduction. Therefore, Atos decided to extend to an additional 50% reduction by 2015, using henceforth the 2012 baseline.

These achievements have now formally placed Atos amongst the leading organization, with recognition from the Carbon Disclosure Project (CDP) with entry into the CDLI and CPLI in 2013. With a score of 93 in the Climate Disclosure Leadership Index, Atos was placed in band A in the Climate Performance Leadership Index, which only the top 10% of companies assessed worldwide achieve.

The most significant environmental impact resulting from Atos' business operations arises from the consumption of energy and thereby the direct or indirect emission carbon into the atmosphere. Atos CO<sub>2</sub> emissions are mainly caused indirectly by the operation of data centers and less so from offices and travel activities.

To reduce energy consumption Atos is giving attention to all major emissions sources using a range of levers in the three areas mentioned above.

Emissions Source	Main Activities
<b>Data Centers</b>	<ul style="list-style-type: none"> <li>Consolidation of sites, driving efficiency by increasing equipment utilization levels and therefore reducing the amount of equipment in use</li> <li>Improvement of supporting electrical and cooling infrastructure, using modern more efficient equipment configured to operate optimally</li> <li>Use of smart management tools (DCIM) to constantly monitor and manage energy and how it is consumed</li> <li>Deployment of Cloud and virtualization solutions, again to increase ICT equipment utilization and therefore reduce the total amount in use</li> </ul>
<b>Offices</b>	<ul style="list-style-type: none"> <li>Consolidation of offices and use of the Campus Concept</li> <li>Use of smart management tools to constantly monitor and manage energy and how it is consumed</li> <li>Office assessment program (AVFC), to identify opportunities for efficiency improvements and to inform Atos facilities improvement program</li> </ul>
<b>Travel</b>	<ul style="list-style-type: none"> <li>Travel avoidance with the Group smart toolset</li> <li>Promotion of low carbon transportation and vehicle sharing</li> <li>Electric vehicles</li> </ul>

In 2013, Atos produced 152,434 tons CO<sub>2</sub> for all activities worldwide [EN16].

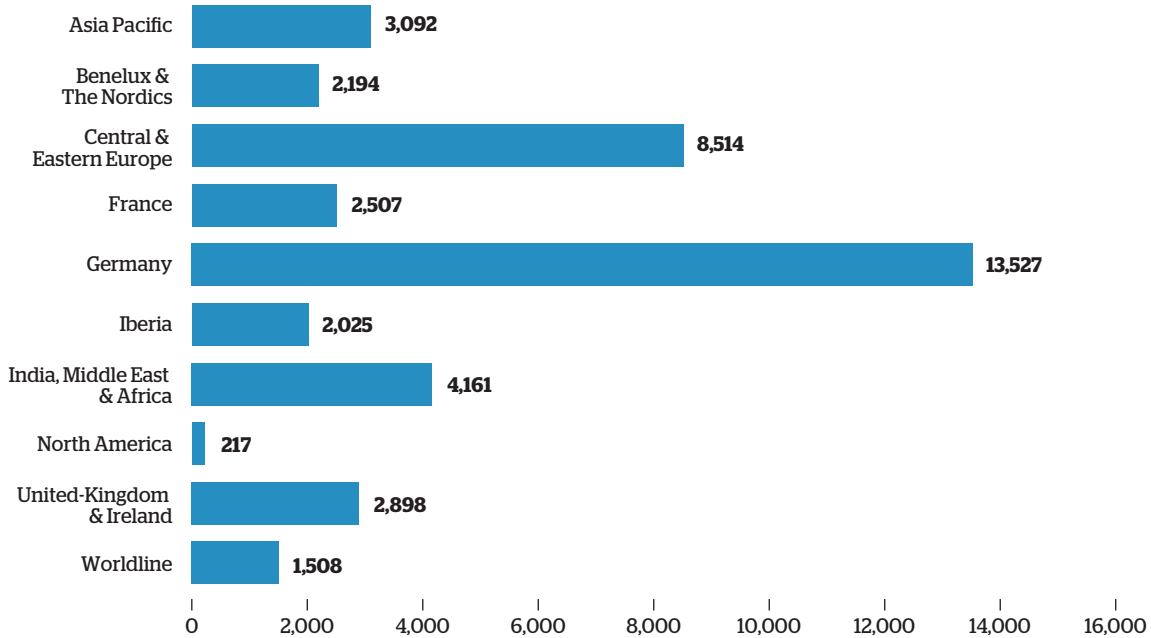
<sup>1</sup> <http://climate.nasa.gov/400ppmquotes/>.



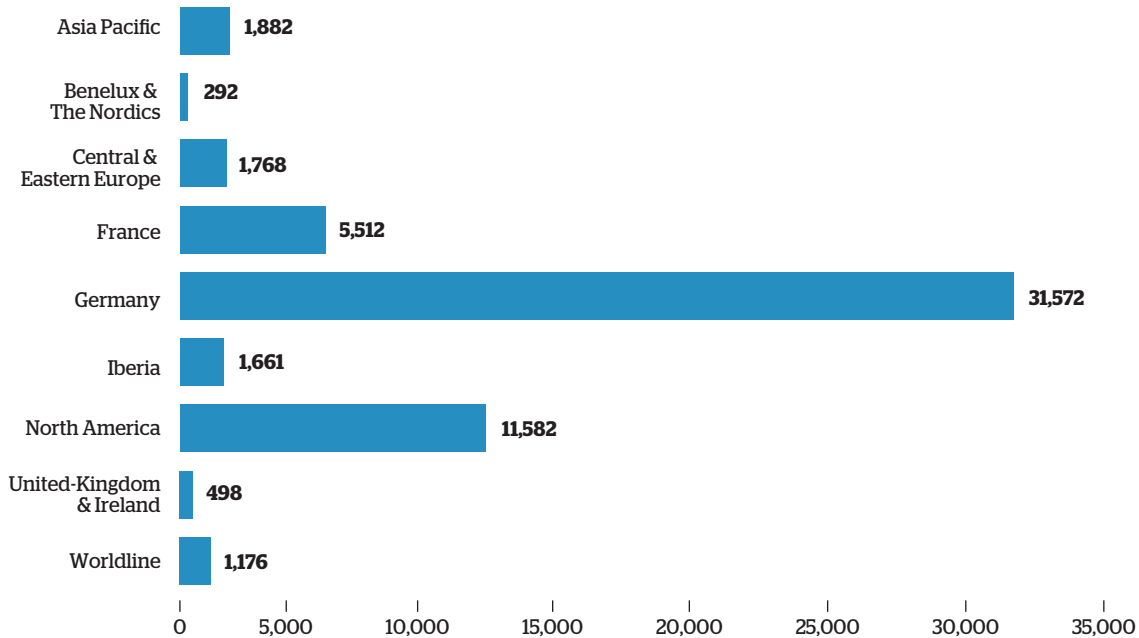
## Corporate Social Responsibility

D.5 To reduce Atos global footprint and establish green policies

**DIRECT/INDIRECT GREENHOUSE GAS EMISSION (OFFICES) PER GBU IN TONS CO<sub>2</sub> [EN16]**



**DIRECT/INDIRECT GREENHOUSE GAS EMISSION (DATA CENTERS) PER GBU IN TONS CO<sub>2</sub> [EN16]**



Atos is also continuously improving the control of refrigerants emission, and in 2013 the amount registered was more than 523kg recharged in the cooling system [EN19]. By implementing several initiatives to reduce greenhouse gas, Atos has achieved a total reduction of 2,954 tons CO<sub>2</sub> [EN18].

The total Direct Energy Consumption in data centers & offices was 150,206 GJ [EN3]. The Indirect energy consumption in data centers & offices was 2,050,402 GJ, with 1,953,946 GJ for Electricity consumption [EN4].

These figures are based upon comparable 2008 baseline.

## D.5.1.2 Environmental Management

The implementation of an Environmental Management System within the Group major sites is a key track of Atos CSR program. This program is driven by the belief that it will benefit both to customers and to the Group organization. This initiative not only contributes to the environmental performance but also improves competitiveness, ensures compliance with national environmental regulations, reduces risks and costs, develops citizenship engagement, and consequently, globally increases the performance of the Company.

Atos has defined on a global scale the target for Environmental Management System implementation and ISO 14001 certification until 2015:

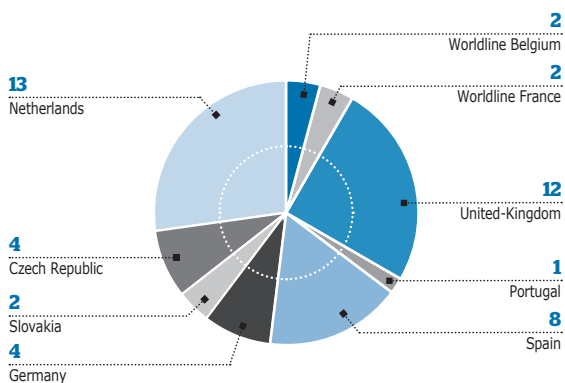
- all strategic Atos' data centers;
- all main office sites with more than 500 employees.

The target has lifted to 102 sites to be certified ISO 14001 by 2015 (31% of datacenters, 69% of offices) [EN28].

By end of 2013, 48 sites were certified [EN28], and 9 were under the process of certification.

34 remaining sites will be certified over the period 2014-2015.

**ISO 14001 CERTIFIED SITES (OFFICES PLUS DATA CENTERS)  
[EN28]**



In addition, Atos has deployed several actions for the employees carried out with regard to environmental protection:

- an e-learning training dedicated to sustainability, available in four languages (English, French, German, and Spanish); the part dedicated to environment should be extended in the next version of the training;
- set up of communities on bluekiwi, dedicated to the sustainability topic. 3 of them are addressing environmental issues (Atos program and achievements, regulatory news, market innovations, best practices...);
- regular communications on Atos' intranet on the various initiatives carried out within the Company.

### Waste Management

Wastes, in particular IT wastes, are one of the major environmental issues produced by the IT sector. In this respect, Atos has developed a few years ago a waste management policy to ensure the traceability of wastes collection (including other type of waste like paper, furniture...) and the removal/recycling of these wastes. In addition, the leasing practice now globally implemented within the Group means that the supplier is responsible of the end of life of the IT equipment. Furthermore, the signature of the Sustainable Supplier Charter attached to the contract requires suppliers to commit to professional treatment products. Finally, Atos is implementing a "Bring Your Own Device" policy, contributing to reduce the number of devices per employee, and IT wastes as a result.



## D.5.2 Smart Workplace contributes to the reduction of environmental impact

The main offices, providing workplaces for more than 500 employees, represent 5% of Atos offices and more than 50% of Atos' employees.

Among the multiple benefits stemming from the concept of Smart Campus, new working conditions and digital workplace bring their positive contributions to the environmental footprint of employees [EN5]. The principles of desk sharing and open spaces have reduced the number of square meters required for the performance of activities and thus, reduce the resources needed for lighting, heating or cooling workspaces.

The Company has also deployed a digital platform meeting the mobility needs of its employees, allowing them to access their work environment at all times from any location, and thereby fostering the development of teleworking. The concept also allowed sharing IT resources and telecom network costs, contributing to cut down IT expenses.

Regarding working habits, the Smart Campus concept is an opportunity to move to the Zero Paper principle. By combining the rationalization of the number of printers (1 for 50 people), removing individual printers, and generalizing the principle of "follow-me printing", paper consumption has significantly decreased of 28.90% [EN1].

Finally, the Smart Campus concept incites to restrict travels to a minimum, while favoring a maximum of remote collaborations through the Zéro email™ program (Enterprise Social Network on blueKiwi, unified communication, video conferencing, Knowledge management space...). By end of 2013, more than 1,251,501 hours of remote connections were measured [EN7]. The new way of working also encourages the use of environmental friendly modes of transport (train, public transport...), while providing to employees new services on premise (e.g. electric fleet car), relayed by a rigorous green travel policy.

Among the new initiatives launched in 2013 showing Atos commitment to address the carbon footprint, the example of My Car is significant, even if the project is still implemented in one site. End of 2012, the fleet of 10 electric vehicles has been freely available to employees working on the Bezons headquarter. 12 months after the launch, there are nearly 400 users, nearly 200,000 km traveled, about 3,400 bookings, and more than 12,000 kg of CO<sub>2</sub> avoided. In 2014, this initiative will be extended to additional locations in France: in data centers located near Paris (to test the My Car as a service vehicle) and in two cities in the south of France, where Bolloré Group is currently implementing its Autolib' infrastructure.

Thus, the Global footprint in Offices has decreased of 32.44% compared to 2012 [EN16].

## D.5.3 Sustainable Datacenters

The strategic data centers are the prime candidates to facilitate an efficient approach towards an improved environmental performance.

In this respect, strategic data centers among the existing or planned installations were identified, which will provide Atos' main computing capacity in the future. Based on a consolidation plan other data centers will be merged into the strategic data centers where possible.

### D.5.3.1 Reduction of the Carbon footprint

Atos managed by end 2012 90 multi-customer datacenter sites in 31 countries. The target was to close 8 sites in 2013. In 22 main datacenters Atos conducted a Power Utilization Effectiveness optimization program. The target for 2013 was to improve from 1.75 down to 1.72.

The datacenter consolidation result achieved was 50% above target: 12 datacenters were closed in 2013. The closing sites were mainly smaller, older or otherwise less energy efficient datacenters. Four new and more efficient datacenters were opened. Among the new datacenters is a second new eco-efficient site in Helsinki, using seawater for cooling and reusing datacenter heat for households warming.

Gartner, in its 2013 Magic Quadrant for outsourcing services, ranked Atos in the Leadership quadrant, one strong rationale being the successful datacenter consolidation program.

The actual reduction of PUE in 2013 in 22 main datacenters was towards 1.70 – which is an improvement of 78% above the target.

Over the next three years between 2014 and 2016 Atos envisages a further consolidation of its datacenters by closing another 23 sites. Through this consolidation a better utilization will be achieved and a further improvement of the average Power Utilization Effectiveness of its datacenter facilities.

A powerful energy saving side effect of the consolidation is that migrations provide an excellent opportunity for renewal of customers' IT landscapes by moving to Cloud solutions, virtualization, using more energy efficient hardware and other optimizations. As a result, the estimated total energy saved in data centers was 13, 693 GJ in 2013 [EN6].

In the United-Kingdom, Atos is constructing a new very green datacenter near Birmingham with a spectacular low PUE of 1.15 achieved by indirect free air cooling, to be in operation early 2015.

Furthermore, the Atos-Siemens alliance invested in a 'Data Center Infrastructure Management' (DCIM) solution for real time monitoring of datacenter energy consumption at a very detailed level – providing strong capabilities for optimization and reduced energy consumption. On top of this, an asset management module was implemented which provides strong analysis and simulation options for improved datacenter floor and rack utilization. After two years of development and testing of DCIM, 2014 will see the first steps of a rollout in European datacenters.

### D.5.3.2 Offsetting remaining produced CO<sub>2</sub>

For the offsetting program, Atos has funded a wind power farm project in India in partnership with Eco Act, an organization dedicated to the fight against climate change, offering a full support to strengthen its carbon management strategy. The project enables Atos to offset all the carbon emissions produced by its datacenters in 2012– evaluated at 81,373 TCO<sub>2</sub>eq – therefore contributing to 90% of the total project in India that saves 90, 000 TCO<sub>2</sub>eq in total. The project activity

is composed of 67 Wind Turbines Generators installed in two Indian states (Karnataka, Gujarat). Energy generated from the project is supplying renewable power to the North-Eastern regional grid and the Southern grid of India. This project allows the electrification of 217,000 households in rural areas, and brings numerous social, economic and environmental significant benefits for local communities.

### D.5.3.3 Developing decarbonized energy sourcing

Atos conducts an annual review of supply contracts due to expire soon, to measure the feasibility of a shift towards low-carbon energy. Several large countries such as France, the United-Kingdom and Germany are now supplied with carbon-free energy. Leading by example, some countries such as the Netherlands use biomass to source all their offices and wind energy for the data centers. These efforts, led by the local procurement teams, reflect both employee's engagements and efforts in their daily work to reduce the Atos' carbon footprint.

Atos has set a target to supply 100% of its main datacenters with carbon-free energy by the end of 2015. By end of 2013, 100% of Atos residual data center emissions are offset, meaning that Atos data center services are carbon neutral. 100% Atos DCs are covered, providing free carbon hosting to clients.

Atos believes these efforts also benefit its clients, who improve their CSR performance while contributing, working with Atos, to limit the impact of respective operations on the environment.



## D.5.4 Environmental KPI overview

GRI code	KPIName	2013	2012	2011	2013 perimeter		2012 perimeter	
		Group	Group	Group	Per employee	Per revenue	Per employee	Per revenue
EN1	<b>Office paper used</b>							
	Office paper used in tons (office furniture)	309	434	364.76	-	68.61%	-	54.64%
	Average paper usage per employee in the reporting year (Kg)	6.99	7.98	6.01	-	68.61%	-	54.64%
EN3	<b>Direct Energy Consumption in DCs &amp; Offices (GJ)</b>							
	Total Direct Energy Consumption in DCs & Offices (GJ)	150,206	145,433	169,211	-	84.29%	-	78.00%
	Direct energy consumption in Offices (GJ)	133,060	133,475	Not disclosed	-	84.29%	-	78.00%
	Direct energy consumption in DCs (GJ)	17,146	11,958	Not disclosed	-	86.80%	-	78.00%
	Diesel and Fuel oil consumed by Atos (GJ)	4,867	5,462	4,350	-	84.29%	-	78.00%
	Gas consumed by Atos (GJ)	145,339	139,971	164,862	-	84.29%	-	78.00%
EN4	<b>Indirect Energy Consumption in DCs &amp; Offices (GJ)</b>							
	Total Indirect Energy Consumption in DCs & Offices (GJ)	2,050,402	2,169,668	2,538,019	-	84.29%	-	78.00%
	Indirect Energy Consumption in Offices (GJ)	654,522	706,685	Not disclosed	-	84.29%	-	78.00%
	Indirect Energy Consumption in DCs (GJ)	1,395,880	1,462,983	Not disclosed	-	86.80%	-	78.00%
	Electricity consumption (GJ)	1,953,946	1,888,103	2,532,476	-	84.29%	-	78.00%
	District Heating consumption (GJ)	96,456	281,565	5,543	-	84.29%	-	78.00%
	Total Energy Consumption: Direct (EN3) and Indirect energy (EN4) (GJ)	2,200,608	2,315,101	2,707,231	-	84.29%	-	78.00%
EN5	<b>Energy Saving Initiatives in Offices</b>							
	Office square meters reduced (m <sup>2</sup> )	77,945	Not disclosed	Not disclosed	100.00%	-	-	-
	Estimated saving in Euros thanks to square meters reduced	20,999,132	Not disclosed	Not disclosed	100.00%	-	-	-
	Estimated Energy Saved due to saving initiatives (GJ)	33,419	14,050	17,871	-	35.10%	-	42.38%
	Estimated Cost savings due to improved energy efficiency in Offices (EUR)	1,652,917	Not disclosed	Not disclosed	-	35.10%	-	-
EN6	<b>Energy Saving Initiatives in Data Centres (GJ)</b>							
	Estimated Total Energy saved in Data Centres (GJ):	13,693	13,154	5,265	-	56.79%	-	58.02%
	Estimated Cost savings due to improved energy efficiency (EUR)	592,178	Not disclosed	Not disclosed	-	61.58%	-	-
EN7	<b>Initiatives to reduce business travel</b>							
	Number of hours of Remote Working tool usage (OCS) in hours	1,251,501	2,948,022	103,891	100.00%	-	-	100.00%
	Total km travelled per employee	3,809	Not disclosed	Not disclosed	94.34%	-	-	-
	Total km travelled per revenue (in Millions of Euros)	32,175	Not disclosed	Not disclosed	-	98.94%	-	-

GRI code	KPIName	2013	2012	2011	2013 perimeter		2012 perimeter	
		Group	Group	Group	Per employee	Per revenue	Per employee	Per revenue
EN16	<b>Direct/Indirect greenhouse gas emission (DCs &amp; Offices)</b>							
	Global Footprint (KgCO <sub>2</sub> e)	152,434,317	217,718,000	Not disclosed	-	84.29%	-	78.00%
	Global Footprint in Data Centres (KgCO <sub>2</sub> e)	55,941,592	81,373,000	Not disclosed	-	86.80%	-	78.00%
	Global Footprint in Offices (KgCO <sub>2</sub> e)	40,643,097	60,160,000	Not disclosed	-	84.29%	-	78.00%
	Global Footprint in Travels (KgCO <sub>2</sub> e)	55,849,629	76,185,000	Not disclosed	-	92.00%	-	78.00%
	Global Footprint by revenue (Kg CO <sub>2</sub> /revenue)	1.9%	3.2%	3.6%	-	-	-	78.00%
	<b>Global Footprint by revenue (Kg CO<sub>2</sub>/M € revenue)</b>	19,309	31,563	36,343	-	-	-	78.00%
	<b>Global Footprint by employee (Kg CO<sub>2</sub>/employee)</b>	2,260	3,707	5,097	-	-	-	78.00%
	% Company cars less than 120g CO <sub>2</sub> /km	75%	49%	Not disclosed	-	88.21%	-	100.00%
	Number of Company cars less than 120g CO <sub>2</sub> /km	5,464	3,940	Not disclosed	-	88.21%	-	100.00%
	Number of Company cars	7,323	7,972	Not disclosed	-	88.21%	-	100.00%
	Average of emissions in Company's fleet cars (gr CO <sub>2</sub> /km)	105.29	123.75	131.6	-	87.97%	-	100.00%
EN18	<b>Greenhouse Gas initiatives and reductions achieved</b>							
	Estimation of ghg reductions achieved due to the energy savings initiatives [reported in EN5, EN6] (Tonnes CO <sub>2</sub> e)	2,954	1,924	4,051	-	68.69%	-	63.94%
EN19	<b>Refrigerants: Cooling fluids (HFC, HCFC) emissions</b>							
	Total Kg of Refrigerant gases recharged in cooling system	523	3,559	Not disclosed	-	51.47%	-	43.52%
	Kg of Refrigerant gases recharged in cooling system (scope 1)	461	3,204	Not disclosed	-	51.47%	-	43.52%
	Kg of Refrigerant gases recharged in cooling system (scope 3)	62	355	Not disclosed	-	51.47%	-	43.52%
EN28	<b>Compliance with environmental laws and regulations (ISO 14001)</b>							
	ISO 14001 certified sites (Offices plus DC)	48	43	25	-	100.00%	-	100.00%

EN1 includes United-Kingdom, Spain, Germany, France, Turkey, Slovakia, Serbia, Romania, Poland, Croatia, Czech Republic, Bulgaria, Netherlands, Belgium, Finland, Denmark, Estonia and Sweden.

EN5 (estimated energy savings) includes Germany, France, Slovakia, Bulgaria and Austria. EN5 (estimated cost savings) includes Germany, France, Slovakia, Bulgaria, Austria and Philippines.

EN6 (estimated energy savings) includes United-Kingdom, Spain, Germany, Turkey, Slovakia, Poland, Austria, Netherlands and China. EN6 (estimated cost savings) includes Worldline France, United-Kingdom, Spain, Germany, Turkey, Slovakia, Austria, Netherlands and China.

EN18 includes United-Kingdom, Spain, Germany, France, Turkey, Slovakia, Poland, Bulgaria, Austria, Netherlands, and China.

EN3, EN4, EN16 for Offices include Worldline (Worldline Belgium, Worldline Germany, Worldline France), United-Kingdom&IR (Ireland, United-Kingdom), North America (Canada), IMEA (Morocco), IBERIA (Portugal, Spain), Germany, France, CEE (Turkey, Slovakia, Russia, Serbia, Romania, Poland, Croatia, Czech Republic, Austria, Italy), BTN (Netherlands, Luxembourg, Belgium), and Asia Pacific (Thailand, Philippines, China).

EN3, EN4, EN16 for Data Centers include Worldline (Worldline Belgium, Worldline France), UK&IR (United-Kingdom), North America (Canada, USA), IMEA (India), IBERIA (Spain), Germany, France, CEE (Turkey, Serbia, Romania, Poland, Croatia, Czech Republic, Austria), BTN (Netherlands, Belgium), and Asia Pacific (China).

## D.6 Sustainable excellence for Clients

Atos believes that sustainability as a policy is best justified by its positive impact on business performance; enabling growth, encouraging innovation, optimizing resources management, reducing costs, managing risks, (including those relating to environment), assuring compliance, enhancing operational efficiency and safeguarding brand reputation. All of these factors help to achieve competitive advantage here and now.

A high level commitment of the Company to embed sustainability into business and functions will deliver measurable benefits in a short timeframe: the sooner each organization begins their journey in a truly integrated and systematic strategy, the more quickly they will unlock measurable business benefits and transfer to a firm of the future.

Information Communication Technologies (ICT) help to meet all these challenges, shared by many of Atos' clients. They are clearly not only a lever to optimize the operational and the financial performance, but also an enabler to transform the business, the processes, the organization and the way of working.

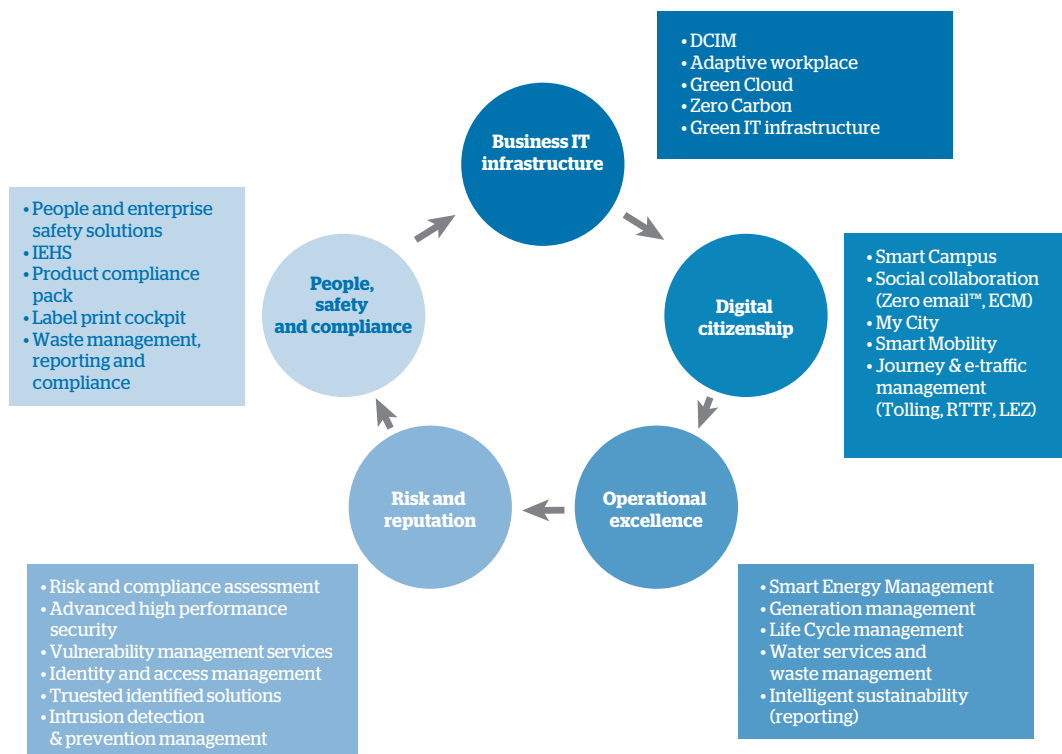
Building a more sustainable world also relies on ICT, a fortiori in a world where digital fits more and more deeply into the practices of business and users. For Atos, it means always innovate and developing the right tools and expertise to meet the client's challenges.

In this respect, Atos has designed a portfolio of solutions to meet both key challenges of companies and society.

### D.6.1 Supporting clients to a sustainable growth model

Enterprise Sustainability focuses on delivering essential business benefits, which include:

- making more efficient use of key resources while also improving margins;
- improving operational effectiveness through greater transparency and access to accurate, integrated performance data in a timely fashion;
- better management of risk in all its forms, leading to improve management of complex value chains and assured compliance in different jurisdictions;
- better safety and security management, reducing the possibility of accidents, ensuring product integrity and safeguarding brand reputation.





Information management is at core of the portfolio, driving all sustainability related solutions.

Atos is an acknowledged leader in all aspects of information management, from Big Data solutions for cities to real-time information flows for integrated manufacturing for instance. Backed by world-class consulting skills and best-in-class IT solutions, this means that information-based solutions are core business for us.

Atos' leadership in handling data enables to collate, integrate and present insights concerning performance against agreed sustainability criteria. This gives stakeholders and decision-makers accurate and timely insights about how key processes and organizations are performing at any given moment, while revealing areas of concern and opportunities for improvement.

A business-focused strategy for sustainability was designed to deliver clear business benefits as well as sustainable excellence.

### D.6.1.1 Operational excellence

The Atos approach is designed to give clients the insights and tools they need both to optimize individual processes and the entire process landscape.

Atos Operational Excellence solutions typically:

- drive performance improvement through accurate and fast reporting tools that monitor performance levels;
- create transparency in sustainability data, enabling action to increase efficiency across the business while reducing costs;

- assess energy and other performance data from manufacturing processes for analysis and performance optimization;
- improve the speed and accuracy of data collecting and processing;
- define and standardizes clear KPI setting versus targets;
- integrates sustainability process data.

### D.6.1.2 People, safety and product compliance

Sustainability policies play a key role in mitigating risk to people, processes, and products, while ensuring compliance with national and international regulations.

For organizations today, compliance is a vitally important topic. Every company needs to prove that it maintains relevant data concerning the handling and movement of substances in order to meet global regulations. For industries that use substances, such as hazardous chemicals, with the potential to cause environmental damage or other health risks, this is a particularly important area. It is equally important to keep the workplace safe, protecting employees, stakeholders and the corporate brand from the negative impact of major accidents, while making sure that hazardous materials are correctly handled across extended value chains. Atos is an established leader in many aspects of Safety, Health and Environment (SHE).

Atos People, Safety and Product Compliance solutions typically:

- improve controls and mitigates key risk factors, leading to improved reputation;
- safeguard handling of hazardous materials across the value chain;
- enable global working by ensuring compliance with international (product) regulations through integrated systems and procedures;
- help to keep the workplace safe, motivating staff and avoiding negative impact on brand.

### D.6.1.3 Risk and reputation

Organizations understand that their businesses are threatened both by external forces (organized criminals, hackers, cyber-threats) and by internal risks. Companies have to deal with these threats in a world where safeguarding intellectual property is essential for long-term success. Proving that you can manage risks is also a fundamental requirement for regulatory compliance.

Corporate policies and compliance requirements should result in a single, integrated set of management tools and measures to mitigate enterprise risk and potential impact on business.

Atos Risk Management Services are highly proactive, designed to identify threats before damage can be caused, keeping the entire environment secure, no matter how fast security threats

may evolve. They all contribute to reduction of threat and increased data integrity.

Atos Risk and Reputation solutions contribute to:

- risk mitigation through integrated, structured set of management tools;
- risk-management via IT assessment;

- safeguarding of intellectual property and reputation by reducing external and internal security (cyber) threats;
- improved information security through effective access controls and security systems;
- improved reporting and documentation to ensure proof of compliance;
- adherence to GRC requirements.

## D.6.1.4 Business IT infrastructure

The purpose of Green IT infrastructure solutions is to provide the best level of service delivery with the lowest impacts on costs and environment.

In the datacenter space, Atos strategic alliance with Siemens helps to design and deliver all-round solutions, covering core IT, and energy and facilities optimization. For example, Atos Data Center Infrastructure Management (DCIM) services connect the various components of the site and allow end to end management of data centers by connecting IT management to energy, cooling and facility management. The solution provides an integrated view of the 'total data center' and all its core systems. It delivers real-time reporting, centralized monitoring, enhanced scenario planning, early intervention and rapid troubleshooting, enhanced asset management and better use of energy.

A lot of the discussion in this area has focused on energy issues, but DCIM provides other metrics beyond the Power Usage Efficiency and gives a more detailed and real-time picture of the data center operations. Server, storage, and staff utilization metrics can also contribute to a more complete view of an enterprise data center.

In addition to DCIM, the partnership between Atos and Siemens in the Building Technologies area applied beyond data centers also provides additional benefits to its clients, as Atos combines the strong product portfolio and technology expertise from Siemens focused on sustainable buildings with the IT Consulting, Integration and Operations capabilities from Atos, allowing the joint technology solutions to deliver their operational benefits.

Carbon management is also a topic that many clients are tackling, both for regulatory and financial reasons. Atos has carried out a carbon audit in its main datacenters to evaluate the potential levers of improvement in energy consumption and carbon production. Based on its return on experience, Atos

has designed a solution, which consists in scanning the entire scope of IT (including datacenters, workstations, service desk, network and telephony, printing, facilities...), then identifying and quantifying main sources of improvement in the carbon and energy management area, and finally establishing the business plan of the corrective action plan.

Through Green IT Analysis, Atos provides ways of using virtualization and other techniques to enhance energy and environmental IT performance. Thus, the customers' CO<sub>2</sub> emissions reduced in 2013 was of 38,739 T.eq.CO<sub>2</sub> [EN26].

In addition, besides offering enterprise sustainability solutions on premise, Atos offers many solutions in a Cloud environment, delivered through Canopy – the Atos Company powered by EMC<sup>2</sup> and VMware technology. Many of Canopy's solutions can be offered in a preconfigured Cloud configuration on a SaaS or PaaS basis. Canopy Cloud solutions enable Atos customers to improve their business performance by realizing faster time to market for products and services. In addition, bearing in mind that all services hosted by Atos datacenters are free of carbon (standard IT infrastructure or Cloud services), using the services of Atos helps the client to lighten its carbon footprint.

Typical benefits of green IT solutions:

- optimization of the IT infrastructure through accurate assessment and fine-tuning;
- optimise energy consumption (KwH);
- improved efficiency through optimal use of hardware (PUE);
- cost and capital expenditures reduction (mutualisation of IT equipment, Cloud services);
- reduction or neutralisation of carbon emission;
- IT wastes reduction.

## D.6.2 Valuable innovative solutions for Society at large

### D.6.2.1 Digital Citizenship

Next to their daily operations in providing efficient, affordable and accessible services, cities and their stakeholders (suppliers, business communities, citizens...) also have an important role to play in achieving a more sustainable and responsible world.

For instance, they have to consider new ways of working to create a new momentum, save money and reduce use of energy and paper ("bring your own device" trend, higher connected mobility and remote collaboration capabilities). And cities have to provide optimal insights for citizens to understand and improve on their energy household in daily routines and on services a city provides to support citizens in saving on energy like subsidies.

Optimizing traffic and transport in a city on its turn brings up the need for the right information at the right time in order

to adapt journey planning and modality choices for residents, commuters and visitors. Predictive solutions like real time traffic forecasting are needed to allow cities to adjust traffic conditions adequately and inform travelers up-front on traffic conditions so they can make right choices.

The solutions in this area focus on improving the living and working environment as efficient as possible taking into account social, individual and environmental aspects.

The major solutions in this area include: Social Collaboration (including Zero email™, Enterprise Content Management), and MyCity solutions including for instance Smart Mobility or E-traffic management (low emission zone solutions, Real Time Traffic Forecast, Universal Tolling System).

### D.6.2.2 Smart Campus

Improved operations will result in delivering additional value by increasing quality of existing services and creating new services to employees. A Smart Campus relies on the concept of Efficient Workplace which combines both digital and physical workplaces, providing an adaptive and attractive working environment. This concept meets the challenges of all sectors: business effectiveness, talent attractiveness, cost rationalization.

Many benefits can be expected from enhancing both the digital and physical Workplace:

- benefits for people: easier set-up of remote working, increase of collaboration and knowledge, enhanced co-creation, and involvement of expertise sought;

- financial benefits: space optimization (potential of 10 to 40% m<sup>2</sup> reduction) while creating more efficient working spaces (more with less), rationalization of IT infrastructure costs, higher flexibility for business growth;

- business benefits: showcase for clients and partners, place for experimentations, and promote a reference model;

- social responsibility: environmental (less travels, less printers...), social (well-being at work, handicap care, remote working-home working...).

The smart campus illustrates the trend toward more digital and collaborative working environments, while enhancing efficiency.

## D.6.3 Full Partners sustainable ecosystem

### Atos & SAP

Atos and SAP have set-up a Global Partnership to help customers achieve their sustainability goals, operational excellence, profitable growth, and business continuity.

SAP & Atos partner together provide customers with state of the art solutions based on cutting-edge expertise in the areas of sustainability and IT, relying on Atos recognized leadership in sustainability and SAP® solutions for sustainability. A large part

of the sustainability portfolio is available on demand as well as on premise.

Atos runs a comprehensive Sustainability portfolio based on SAP software including environment, health, and safety management; risk management and compliance; sustainability reporting; and energy management. Through Canopy – the Atos Cloud Company – Atos offers Enterprise Sustainability from the Cloud, including sustainability reporting.



**Atos & Siemens, an alliance of technology and progress**

Enterprise Sustainability is a key driver of the business performance and the innovation excellence of the Siemens and Atos Global Alliance solutions. Building on their unique business partnership formed to create a new breed of joined up solutions, Atos and Siemens collaboration spans the field where technology and innovation hold the key for the businesses and Public Authorities of the world as they move toward a more sustainable and prosperous future.

Both companies give Atos customers the unrivalled ability to deliver joint end-to-end, real-time solutions that integrate engineering and information technology in the areas such as industry, energy & utilities, healthcare or transport.

Alongside their joint focus on data centers, Atos and Siemens are also working on more widely applicable, cutting edge uses of Cloud and Big Data.

In 2013, Atos and Siemens have jointly finalized the development of a single integrated toll barrier-free information system in the field of environment and mobility transport service. The barrier-free tolling system allows in particular improving the flow of traffic on European roads. "The UTS Solution" (Universal Tolling Solution) offers satellite detection paths through a device installed in the vehicles, called "On Board Unit" which allows instant recording of tolls. This technology combines

geolocalisation and application to vehicles of a tariff repository in real time, eliminating the need for vehicles having to stop. Infringements and anomalies are automatically detected by the comprehensive solution.

Universal Tolling System is an innovative approach that dramatically reduces the implementation time of such a system, operational costs and helps to control the environmental footprint of vehicles.

**Atos and Bolloré**

In 2013, Atos and Bolloré Group have extended their collaboration on the My Car project, the electric connected fleet car of Atos. To meet the business uses a system of provisional booking has been developed in collaboration with Atos, together with a detailed reporting service on the use of the fleet. The development of new services will benefit all businesses customers of Bolloré Group wishing to deploy a fleet like Atos. In addition, Atos has launched a new initiative to test the electrical load devices (wall box) as part of an extension of My Car initiative in its data-centers located near Paris. The objective is both to test this technology and measure the value added of an electric fleet to the needs of managed services activities.

End of 2013, Atos and Bolloré decided to apply the technology of augmented reality to the Blue Car in order to promote both, the Atos and the Bolloré technologies. The result will be visible in 2014.

**D.6.4 Sustainability excellence with clients KPI overview**

GRI code	KPIName	2013	2012	2011	2013 perimeter		2012 perimeter	
		Group	Group	Group	Per employee	Per revenue	Per employee	Per revenue
EN26	<b>Customers' CO<sub>2</sub> emissions savings</b>							
	CO <sub>2</sub> emissions reduced in data centers per year (T.eq.CO <sub>2</sub> )	38,739.9	Not disclosed		-	86.80%	-	-
A07	<b>Sustainable projects with clients</b>							
	TCV solutions Green IT infrastructure	0			-	100.00%	-	-
	TCV solutions digital citizenship	14,514,944			-	100.00%	-	-
	TCV solutions Operational excellence - Energy Management	121,014,774			-	100.00%	-	-
	TCV solutions People, safety and compliance	1,309,000			-	100.00%	-	-
	TCV solutions Risk and reputation (ISRM)	51,650,000			-	100.00%	-	-
	TCV solutions Sustainability offerings	188,488,718			-	100.00%	-	-

## D.7 Information about the report

### D.7.1 Scope of the report

This chapter describes the scope of 2013 Atos' Corporate Responsibility Integrated report and the guidelines on which it is based. It also addresses how Atos reports according to globally-

accepted reporting standards, and the process used to obtain the information presented in this report.

#### D.7.1.1 French legal requirements related to the CSR reporting

Since 2012, French Companies must report a higher number of information related to the Corporate Responsibility.

All information must be reported and any omission must be justified.

With the Materiality methodology, Atos has defined objectively and according to the practices of reporting within IT Companies

Sector the list of information which is "material" and needs to be reported, and the list of information for which a justification of its omission must be provided.

This methodology enables external auditors, who will certify the presence of the information and the sincerity of the justification, to perform their Audit report in accordance with the French law.

#### D.7.1.2 Global Reporting Initiative (GRI) guidelines

The report is set up according to the Global Reporting Initiative (GRI) G3.1 guidelines, a worldwide standard for reporting on corporate responsibility. GRI defines 84 Performance Indicators clustered into 6 categories (economic, environment, labor practices & decent work, human rights, society, product responsibility). This report is prepared in accordance with the reporting criteria and guidelines of the A+ application level of the Global Reporting Initiative (GRI).

Atos has applied the "Guidance on Defining Report Content" following the Principles of Materiality, Stakeholder Inclusiveness, Sustainability Context and Completeness.

Atos is committed to transparent and public reporting on sustainability. This report covers the period from January 1<sup>st</sup>, 2013 to December 31<sup>st</sup>, 2013 in a comparable period (one year) to the previous 2012 report. In term of scope the geographical perimeter has changed compared to 2012. Detailed explanations are provided in next paragraphs.

##### Process for defining report content

The selection of the KPIs is aligned with Atos business strategy and based on a materiality assessment (See in section *D.1.2.2 Materiality Assessment of Atos Corporate Responsibility program*). Corporate Responsibility strategy includes a prioritization of topics which is an essential requirement for performance dashboard and internal project follow up.

The GRI table index can be found in section *D.7.3 GRI Attestation letter* of the report. It states which subjects have been considered applicable and then included in the report, or not applicable with the reasons for their exclusion. The required

profile information and an overview of the management approach for each indicator category is also provided.

##### Reporting scope for the indicators resulting from the materiality study

Atos obtains its Corporate Responsibility (CR) data from internal measurement and from external sources (third parties). Data relating to subcontractors are not reported here, but can be found in the Annual report.

For the year 2013, the Group is organized as follows:

- Asia Pacific (Asia Pacific): Australia, China, Hong Kong, Japan, Malaysia, Philippines, Singapore, Taiwan, Thailand;
- CEE: Austria, Bulgaria, Croatia, Czech Republic, Poland, Romania, Russia, Serbia, Slovakia, Turkey, Hungary, Italy and Switzerland;
- BTN (Benelux and the Nordics): The Netherlands, Belgium, Luxembourg, Denmark, Estonia, Finland and Sweden;
- FRANCE: France;
- GERMANY: Germany;
- IBERIA: Portugal, Spain, Andorra;
- IMEA: India, Morocco, South Africa, Qatar, United Arab Emirates, Egypt and Kingdom of Saudi Arabia;
- LATAM (Latin America): Argentina, Brazil, Colombia, Mexico;
- UK&I: The United-Kingdom and Ireland;
- NAM (North America): Canada, USA;

- **WORLDLINE:** French, German, Belgian, Indian and Luxembourg subsidiaries;
- **CORPORATE:** France, Germany, Netherlands, Switzerland, United-Kingdom;
- **MAJOR EVENTS:** Russia, Spain.

On the basis of this context, the scope of the indicators varies on the 2013 reporting period. The tables on sections D.2.4, D.3.6, D.4.6, D.5.4 and D.6.4 specify the scope associated to each communicated indicator.

### Reporting tool

Atos' Sustainability Office is the contact point for questions regarding the report and includes representatives from each GBU/Service Line and representatives from the global functions. Representatives are responsible for the collecting process and evidence archiving.

In 2011, Atos launched the implementation of SAP Sustainability Performance Management (SuPM) as a new Global Tool to facilitate the gathering of information, global workflows, validations, exploitation and visualization of KPIs results. Atos' challenge has been to report for the full 2013 year within the new tool worldwide.

The most of the indicators are gathered through the sustainability global tool (SuPM) at country level. Most of LA indicators data have been extracted from a Group HR tool (Clarity) and uploaded into SuPM via linking and interfaces. Some other indicators are still not gathered into the sustainability global tool but have been collected at Group level in other tools.

All the procedures, templates and final data are stored on the Atos Intranet (Livelihood Global Tool) with worldwide access.

## D.7.1.3 Application of the AA1000 principles

Atos CR reporting is developed in accordance with the principles of inclusivity, materiality and responsiveness as defined in the AA1000 APS (2008) standard.

This integrated CR report in the Registration Document demonstrates Atos adherence to these principles:

### Inclusivity

Identifying the expectations of Atos stakeholders is a key element in the selection process of Atos most important Corporate Responsibility challenges. A first list of stakeholders was identified by assessing who is impacted significantly by Atos activities and who can have an impact on its business. Atos stakeholders' dialogue mainly focuses on these main partners. The stakeholders' dialogue process and the stakeholders with whom the Group carries on a structured dialogue are detailed on section *D.3 Proactive Dialogue with Atos Stakeholders*.

### Materiality

The sustainability challenges considered to be the most significant for Atos activities were selected. This selection was based on Atos stakeholders' expectations as well as Atos internal prioritization established on objective criteria related to its markets, opportunities and realizations. Atos' materiality assessment process is described in section *D.1.2.2 Materiality Assessment of Atos Corporate Responsibility program*.

### Responsiveness

Atos report is an essential response to stakeholders' expectations. It is published annually. Actions plans have been prepared to manage the sustainability challenges that are significant for Atos activities. These actions plans are reviewed annually as described on section *D.7.1.4 Methodological detailed information* of this report and are summarized on table of the section *D.8 Key Performance Indicators (cross reference table)*.

## D.7.1.4 Methodological detailed information

### Detailed information related to EN3, EN4 and EN16

The data collection related to the KPI EN3, EN4 and EN16 involved all the GBUs. With few exceptions, countries provided the information necessary to get a reliable estimation of the carbon footprint. In order to align the GRI collecting process to the Carbon Disclosure Abatement Project Atos used a methodology of collecting based on the GHG protocol and the GRI guidelines. In this way the two processes can be integrated and the data for both reports can be gathered.

For the CO<sub>2</sub> calculations, country regulations and calculation methods have been applied.

The conversion factors have been adjusted according to the country and the type of energy consumed (fuel oil, diesel, gas, electricity). [3.9.1] [3.9.2]

Conversion factors are based on Defra: Guidelines to Defra/ DECC's Greenhouse Gas Conversion Factors for Company reporting, available at: <http://www.defra.gov.uk/environment/business/reporting/conversion-factors.htm>. For the figures, Atos used Electricity/Heat Conversion Factors from those last updated for 2013.

Atos has included some assumptions and techniques for underlying estimations applied to the compilation of the Indicators and other information in the specific KPIs. For

example, in the KPI AO6 relating Diversity perception, the GBUs reported a percentage of positive responses to each Great Place to Work item which has been converted to a group percentage of Diversity perception by dividing the total positive punctuations between the numbers of respondents. [3.9.3]

### Detailed information related to EN26

The calculation of the "CO<sub>2</sub> emissions reduced per year" include only Data Centers comparison within the same scope of countries than in 2012 and the conversion factors used are based on Defra.

### Detailed information related to LA KPIs

All the Human Resources indicators derived from the HR Information System (LA1, LA2, LA3, LA4, LA7, LA10, LA12, LA13, LA1 and AO6) are based on an extraction made on January 30<sup>th</sup>, 2013. Due to late and retroactive entries on staff movements into the HR Information System, the actual situation as of 31<sup>st</sup> of December is different from the one presented through the HR dedicated indicators. This difference however remains limited: it is for instance about 1% of the total workforce at the end of the period.

### Detailed information related to LA7

- Absenteeism: This year Atos decided to include the long term absenteeism in the calculation of total absenteeism. The communication done the previous years was based only on short term absenteeism only. As a result even if the short term absenteeism is comparable to last year, the figure disclosed is higher.
- Working accident: This year Atos decided to publish data for Iberia, Germany, the Netherlands and France scope. This is a major improvement for reporting as it's the first year this indicator is published.

### Detailed information related to EC5

The KPI EC5 is calculated on the basis of the Atos "Regions" which comprises one or several countries. Atos countries are related to "Atos Legal Staff countries" which are different than national countries as it's the detail of local establishment of Atos GBU/SBU. For example, France is composed of different Atos Countries, with Atos France, Atos Worldline. All the information on the Atos Regions is given in section *I.4 Implantations*.

### Detailed information related to AO11

AO11 figures include former Atos Origin employees and it covers 6 months of the year that have been extrapolated to one year.

### Detailed information related to HR2

All the figures related to HR2 are based on the information facilitated by an external company, Ecovadis.

### Detailed information related to SO8, SO4, and PR8

The reporting of the significant fines for non-compliance, claims with clients or suppliers related to corruption and complaints regarding breaches of customer privacy is linked to a Global procedure called "Litigation Docket", which requires the reporting from the Countries to the Group Litigation department all fines, claims and sanctions higher than € 100,000. The reporting for SO8, SO4 and PR8 follows this procedure and the results of 0 means that Atos has not such fines, claims or complaints higher than € 100,000. Compared to other companies, this threshold is very low, and enables Atos to have a clear and efficient control of the litigation issues within the Group.

### Detailed information related to AO2

This indicator is based on the Great Place to Work survey.

### Detailed information for the no reporting of some Grenelle 2 information

The amount of the provisions and guarantees for environment-related risks provided that this information would not be likely to cause the Company serious damage within the framework of ongoing litigation: it is not reliable compared to the activity sector.

The consideration of adverse noise affects and any other forms of pollution specific to an activity: it has not been identified as essential/priority in Atos' materiality test assessment. Atos' operations do not impact significantly on that.

Water consumption and water procurement on the basis of local constraints: it has not been identified as essential/priority in Atos' materiality test assessment. Atos' operations do not impact significantly on that.

Land use: it has not been identified as essential/priority in Atos materiality test assessment. Atos operations don't impact significantly on Biodiversity as the Group is operating within areas already zoned for economic activities (business/commercial/industry zones).

Adaptation to the consequences of climate change: the consequences have been assessed and the conclusion is that the risk is marginal for Atos.

The measures undertaken to safeguard or develop biodiversity: the measures undertaken to safeguard or develop biodiversity have been identified as not material for Atos.

## D.7.2 Report of one of the statutory auditor, designated as an independent third-party entity, on the review of environmental, social and societal information published in the management report on the year ended December 31<sup>st</sup>, 2013

For the attention of the Shareholders,

In our capacity as Statutory Auditor of Atos SE, and designated as an independent third-party entity, accredited by the French National Accreditation Body (COFRAC) under the number 3-1048, we hereby present you with our report on the social, environmental and societal information presented in the management report prepared for the year ended December 31<sup>st</sup>, 2013 (hereinafter the "CSR Information"), pursuant to article L. 225-102-1 of the French Commercial Code (Code du commerce).

### Responsibility of the Company

The Board of Directors is responsible for preparing a management report including the CSR Information provided by article R. 225-105-1 of the French Commercial Code, prepared in accordance with the reporting guidelines (hereinafter the "Reporting Criteria") used by Atos and available on request from the Company's Corporate Responsibility department and the Human Resources department of the Group.

The Atos Group takes into account the GRI (Global Reporting Initiative) guidelines and the AA1000 APS (2008) standard in order to identify the main issues of corporate responsibility and select the indicators (KPIs "Key Performance Indicators") used to manage these issues and to communicate the performance of the Group externally.

### Independence and quality control

Our independence is defined by regulatory texts, the profession's Code of Ethics as well as by the provisions set forth in article L. 822-11 of the French Commercial Code. Furthermore, we have set up a quality control system that includes the documented policies and procedures designed to ensure compliance with rules of ethics, professional standards and the applicable legal texts and regulations.

### Responsibility of the statutory auditors

Based on our work, our responsibility is:

- to attest that the required CSR Information is presented in the management report or, in the event of omission, is explained pursuant to the third paragraph of article R. 225-105 of the French Commercial Code (Attestation of completeness of the CSR information);
- to express limited assurance on the fact that, taken as a whole, the CSR Information is presented fairly, in all material aspects, in accordance with the adopted Reporting Criteria (Conclusion on the fair presentation of the CSR Information);

- to express limited assurance on the fact that the description made by the Group in chapter "Applying the principles of AA1000" of the management report on the compliance with AA1000 APS (2008) principles of inclusivity, materiality and responsiveness in the process of developing the chapter D "Corporate Social Responsibility" in the management report ("the Report" and the "Principles"), is fair in all material aspects (report of assurance on the process of development of social information, environmental and other sustainable development);

Our work was carried out by a team composed of seven people between December 2013 and March 2014.

We conducted the following procedures in accordance with professional standards applicable in France, the order of May 13<sup>rd</sup>, 2013 determining the methodology according to which the independent third party entity conducts its assignment<sup>1</sup> and, with regard to the fairness opinion, ISAE (International Standard on Assurance Engagements) 3000<sup>2</sup>.

#### 1. Attestation of completeness of the CSR Information

- Based on interviews with management, we familiarized ourselves with the Group's sustainable development strategy, with regard to the social and environmental impacts of the Company's business and its societal commitments and, where appropriate, any resulting actions or programs;
- we have compared the CSR Information presented in the management report with the list set forth in article R. 225-105-1 of the French Commercial Code;
- in the event of omission of certain consolidated information, we have verified that explanations were provided in accordance with the third paragraph of the article R. 225-105 of the French Commercial Code;
- we have verified that the CSR Information covered the consolidated scope, i.e., the Company and its subsidiaries within the meaning of article L. 233-1 of the French Commercial Code and the companies that it controls within the meaning of article L. 233-3 of the French Commercial Code, subject to the limits set forth in the methodological memo paragraph presented in the management report.

Based on our work and considering the aforementioned limits, we attest to the completeness of the required CSR Information in the management report.

<sup>1</sup> Order of May 13<sup>th</sup>, 2013 determining the methodology according to which the independent third party entity conducts its assignment.

<sup>2</sup> ISAE 3000 – Assurance engagements other than audits or reviews of historical information.



## 2. Conclusion on the fair presentation of the CSR Information

### Nature and scope of procedures

We held interviews with around twenty persons responsible for preparing the CSR Information with the departments in charge of the CSR Information collection process and, when appropriate, those who are responsible for internal control and risk management procedures, in order to:

- assess the appropriateness of the Reporting Criteria with respect to its relevance completeness, reliability, neutrality and clarity, by taking into consideration, when relevant, the sector's best practices;
- verify the set-up of a process to collect, compile, process, and check the CSR Information with regard to its completeness and consistency and familiarize ourselves with the internal control and risk management procedures relating to the compilation of the CSR Information.

We determined the nature and scope of the tests and controls according to the nature and significance of the CSR Information with regard to the Company's characteristics, the social and environmental challenges of its activities, its sustainable development strategies and the sector's best practices.

Concerning the CSR information that we consider to be most significant<sup>1</sup>:

- for the consolidating entity, we consulted the documentary sources and held interviews to corroborate the qualitative information (organization, policies, actions), we implemented analytical procedures on the quantitative information and verified, using sampling techniques, the calculations as well as the data consolidation and we verified their consistency with the other information shown in the management report;
- for a representative sample of entities<sup>2</sup> that we selected according to their activity, their contribution to the consolidated indicators, their location and a risk analysis, we held interviews to verify the correct application of the procedures and implemented substantive tests on a sampling basis, consisting in verifying the calculations performed and reconciling the data with supporting evidence. The selected sample represented on average 43% of the social and societal information and 37% of the environmental information.

Regarding the other consolidated CSR information; we have assessed its consistency in relation to our knowledge of the Group.

Finally, we have assessed the relevance of the explanations relating to, where necessary, the total or partial omission of certain information.

We believe that the sampling methods and sizes of the samples we have used in exercising our professional judgment enable us to express limited assurance; a higher level of assurance would have required more in-depth verifications. Due to the use of sampling techniques and the other limits inherent to the operations of any information and internal control system, the risk that a material anomaly be identified in the CSR Informations cannot be totally eliminated.

### Qualification expressed

The EN7 item "Total km travelled per employee", EN16 item "Global Footprint in Travels (KgCO<sub>2</sub>e)" and EN19 item "Refrigerants: Cooling fluids (HFC, HCFC) emissions" comprise a certain degree of error, that was not possible for us to quantify, due to incorrect application of the definition in certain entities and to an insufficient control device at the collection stage of this information.

### Conclusion

Based on our work and subject to the above-mentioned qualification, we did not identify any material anomaly likely to call into question the fact that the CSR Information has been presented fairly, in all material aspects, in accordance with the Reporting Criteria.

## 3. Limited assurance report on the development process of social, environmental and societal information regarding the AA1000 principles.

### Nature and scope of procedures

We conducted the following procedures, which correspond to the requirements of a Type 2 verification in accordance with the AA1000 AS (2008) standard, that lead to obtain a moderate assurance on the fact that the description of the Principles has no significant anomalies that call into question its fairness, in all material aspects. A higher level of assurance would have required more extensive review.

<sup>1</sup> **LA1** – Organizational workforce in headcount, **LA2** – Employee Attrition, **LA7** – Lost working days/Absenteeism rate, **LA8** – Serious diseases assistance programs, **LA10** – Average training hours per employee, **LA11** Employability initiatives, **LA12** – Career development monitoring, **LA13** – Management diversity ratios, **LA14** – Salary rate between men and women, **HR4** – Total number of incidents of discrimination and actions taken, **AO2** – Employee Satisfaction, **AO6** – Workforce diversity ratios (Handicap people), **EC5** – Minimum wage comparison, **SO3** – % of Code of Ethics trained, **EN3** – Direct Energy Consumption in DCs & Offices (GJ), **EN4** – Indirect Energy Consumption in DCs & Offices (GJ), **EN7** – Initiatives to reduce business travel, **EN16** – Direct/Indirect greenhouse gas emission (DCs & Offices), **EN16** – Travel emissions, **EN19** – Refrigerants: Cooling fluids (HFC, HCFC) emissions, **EN28** – Compliance with environmental laws and regulations (ISO 14001), **HR2** – Supplier screening, **SO4** – Actions taken in response to incidents of corruption, **SO8** – Significant fines for non-compliance, **PR5** – Customer satisfaction survey, **PR8** – Customer complaints, **AO3** – Data Security Incidents, **AO7** – Sustainable projects with clients, **EC7** – Local hiring.

<sup>2</sup> "GBU France", "Netherlands", "USA", "Global Finance", "Global IT", "Global Purchasing".



We met the people contributing to the identification of key issues, facilitation and reporting of Corporate Responsibility (Executive Committee, Head of Corporate Responsibility and Human Resources), in order to assess the implementation of the report's preparation process as defined by the Group.

We interviewed the persons responsible of the "Global Business Unit" representing different geographical areas in order to understand how they deploy the policies defined by the Group's Corporate Responsibility, to assess the consistency of the issues identified by the Group with local CSR issues and identify possible specific local issues existence.

We conducted tests at corporate level on the implementation of the procedure related to:

- identification of stakeholders and their expectations;
- identification of material Corporate Responsibility issues;
- implementation of policies and guidelines of Corporate Responsibility.

**Conclusion**

Based on our work, we did not identify any material anomaly likely to call into question the fact that the description made by the Group in the chapter "Applying the principles of AA1000" on the compliance with principles of inclusivity, materiality and responsiveness as set out in the AA1000 APS (2008) standard in the process of developing the management report has been presented fairly, in all material aspects.

**Observation**

As stated in part "D.1.1.2 Atos vision and strategy – Building a Tier-one Sustainability Leader", the stakeholder dialogue and the materiality analysis are seen as a strategic axis by Atos. Based on our work, we can conclude that the Group CSR aspects identified as the material ones by the people in charge of the Corporate Responsibility Governance are shared with other countries and service lines and are consistent with their own issues. Besides, the push process effectively implemented with countries could be strengthened by a pull approach to take into account country specific aspects.

**Signed in Neuilly-sur-Seine, March 28<sup>th</sup>, 2014  
One of the statutory auditors**

Deloitte & Associés

Christophe Patrier

Florence Didier-Noaro  
Partner  
Sustainability Services

## D.7.3 GRI Attestation letter



## Statement GRI Application Level Check

GRI hereby states that ATOS has presented its report “Corporate Responsibility Integrated Report” (2014) to GRI’s Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see [www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf](http://www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf)

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 26 March 2014



Ásthildur Hjaltadóttir  
Director Services  
Global Reporting Initiative



The “+” has been added to this Application Level because ATOS has submitted (part of) this report for external assurance. GRI accepts the reporter’s own criteria for choosing the relevant assurance provider.

*The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world’s most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. [www.globalreporting.org](http://www.globalreporting.org)*

**Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 13 March 2014. GRI explicitly excludes the statement being applied to any later changes to such material.



## D.8 Key Performance Indicators (cross reference table)

Profile Disclosure	Description	Degree of reporting (we do report*** / we partially report**/we do not report*)	Where to find info/remarks	Grenelle 2	UNG Principles
<b>STANDARD DISCLOSURES PART I: PROFILE DISCLOSURES</b>					
<b>1. Strategy and Analysis</b>					
1.1	Statement from the most senior decision-maker of the organization.	***	CR report: Interview with Thierry Breton + Reg Doc: D.1.1 Leadership position in Corporate Responsibility		
1.2	Description of key impacts, risks, and opportunities.	***	Reg Doc: F Risk analysis		
<b>2. Organizational Profile</b>					
2.1	Name of the organization.	***	CR report: Profile + Reg Doc: A.1 Business Profile		
2.2	Primary brands, products, and/or services.	***	Reg Doc: A.1 Business Profile		
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	***	Reg Doc: A.1 Business Profile		
2.4	Location of organization's headquarters.	***	Reg Doc: I.4 Locations and contacts + CR report: Countries and main locations		
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	***	Reg Doc: A.1 Business Profile, D.7.1 Scope of the report		
2.6	Nature of ownership and legal form.	***	Reg Doc: G.2 Legal information		
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	***	Reg Doc: C. Sales and Delivery		
2.8	Scale of the reporting organization.	***	Reg Doc: A.1 Business Profile		
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	***	Reg Doc: B.2 Market sizing and competitive landscape		
2.10	Awards received in the reporting period.	***	CR report + Reg Doc: D.1.3.2 Key Achievements		
<b>3. Report Parameters</b>					
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	***	DA = Fiscal year		
3.2	Date of most recent previous report (if any).	***	DA = 2013 CR report + 2013 AR		
3.3	Reporting cycle (annual, biennial, etc.)	***	DA = Annual		
3.4	Contact point for questions regarding the report or its contents.	***	Reg Doc: G.7.6 Contacts		
3.5	Process for defining report content.	***	Reg Doc: D.1.1 Leadership position in Corporate Responsibility; D.7.1 Scope of the report		
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	***	Reg Doc: D.7.1 Scope of the report		
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	***	Reg Doc: D.7.1 Scope of the report		
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	***	Reg Doc: D.7.1 Scope of the report		
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	***	Reg Doc: D.7.1 Scope of the report, section D.7.3 (Methodological detailed information)		

Profile Disclosure	Description	Degree of reporting (we do report***/ we partially report**/we do not report*)	Where to find info/remarks	Grenelle 2	UNG Principles
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	***	Reg Doc: D.7.1 Scope of the report		
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	***	Reg Doc: D.7.1 Scope of the report		
3.12	Table identifying the location of the Standard Disclosures in the report.	***	Reg Doc: D.8 Key Performance Indicators		
3.13	Policy and current practice with regard to seeking external assurance for the report.	***	Reg Doc: E.4 Consolidated financial statements		
<b>4. Governance, Commitments, and Engagement</b>					
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	***	Reg Doc: G. Governance and common stock		
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	***	Reg Doc: G. Governance and common stock		
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	***	Reg Doc: G. Governance and common stock		
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	***	Reg Doc: G. Governance and common stock	Organization of social dialogue including information procedures, consultation and negotiation with the employees	
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	***	Reg Doc: G. Governance and common stock	Remunerations and their evolution	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	***	Reg Doc: G. Governance and common stock		
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	***	Reg Doc: G. Governance and common stock	The organization of the Company to integrate environmental issues and, if appropriate, the assessments and certification process regarding environmental issues	
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	***	Reg Doc: D.2. Being an Ethical and Fair actor in Business; G.6 Codes and charts	The organization of the Company to integrate environmental issues and, if appropriate, the assessments and certification process regarding environmental issues	
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	***	CR report: Leadership position in Corporate Responsibility + Reg Doc: D.1.1.3 Corporate Responsibility Governance		
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	***	Reg Doc: G.4 Executive compensation and stock ownership + DA = Since 2012, TOP management had specific social targets in BSC		
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	***	Reg Doc: F. Risk analysis		





## Corporate Social Responsibility

D.8 Key Performance Indicators (cross reference table)

Profile Disclosure	Description	Degree of reporting (we do report <sup>***</sup> / we partially report <sup>**</sup> /we do not report <sup>*</sup> )	Where to find info/remarks	Grenelle 2	UNG Principles
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	***	CR report: + Reg Doc: D.3.5 Collaborate with Communities		
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	***	CR report: + Reg Doc: D.3.5 Collaborate with Communities		
4.14	List of stakeholder groups engaged by the organization.	***	CR report: + Reg Doc: D.3.1.2 Identification of the level of engagement of Atos Stakeholders	Conditions of the dialogue with stakeholders	
4.15	Basis for identification and selection of stakeholders with whom to engage.	**	Reg Doc: D.3.1 Strengthening stakeholders' dialogue	Conditions of the dialogue with stakeholders	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	***	Reg Doc: D.3.1 Strengthening stakeholders' dialogue	Conditions of the dialogue with stakeholders; Actions of partnership and sponsorship	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	***	Reg Doc: D.3 Proactive Dialogue with Atos Stakeholders	Conditions of the dialogue with stakeholders; Actions of partnership and sponsorship	
<b>Standard disclosures part II: Disclosures on Management Approach (DMAs)</b>					
<b>DMA EC</b>	Disclosure on Management Approach EC	**	Ref Doc: A.2 Revenue Profile; E.1 Operational review; D.3.5 Collaborate with Communities; D.7.1 Scope of the report		
<b>DMA EN</b>	Disclosure on Management Approach EN	**	Ref Doc: D.5.1 Energy & Carbon Footprint; D.6.1 Supporting clients to a sustainable growth model; D.7.1 Scope of the report		

Profile Disclosure	Description	Degree of reporting (we do report***/ we partially report**/we do not report*)	Where to find info/remarks	Grenelle 2	UNG Principles
<b>DMA LA</b>	Disclosure on Management Approach LA	**	Ref Doc: D.4.1 HR Fundamentals; D.4.2 People, Atos main asset; D.4.3.1 Compliance with the International Labor Standards; C.7.1 Scope of the report		
<b>DMA HR</b>	Disclosure on Management Approach HR	**	Ref Doc: D.4.3.1 Compliance with the International Labor Standards		
<b>DMA SO</b>	Disclosure on Management Approach SO	**	Ref Doc: D.2 Being an Ethical and Fair actor in Business		
<b>DMA PR</b>	Disclosure on Management Approach PR	**	Ref Doc: D.3 Proactive Dialogue with Atos Stakeholders; D.2.4 Compliance, data protection and security KPI overview		

**Standard disclosures part III: Performance Indicators**

**Economic**

**Economic performance**

<b>EC1</b>	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	***	Reg Doc: A.2 Revenue Profile; E.4.6 Consolidated statement of changes in shareholders' equity; G.7.3 Dividend policy; E.3.2 Cash Flow E.4.8 Notes to the consolidated financial statements, Note 7 Income tax expenses; G.4 Executive compensation and stock ownership; D.3.5.1 Corporate citizenship approach + CR report: Leveraging our skills to benefit local communities		
<b>EC2</b>	Financial implications and other risks and opportunities for the organization's activities due to climate change.	**	Reg Doc: D.2.1 Compliance + DA = Climate change has been identified as an opportunity to increase environmental efficiency in operations (Carbon Footprint Reduction in IT infrastructure) and a lever to enable environmental excellence in clients. In addition, risks and opportunities due to natural disasters are part of the Group risk management process.	The organization of the Company to integrate environmental issues and, if appropriate, the assessments and certification process regarding environmental issues; Amount of the environmental risks provisions and guarantees, unless such information is likely to cause serious prejudice to the Company in an ongoing litigation; Measures of prevention, reduction or repair of discharges into the atmosphere, water and soil, impacting severely the environment; Adaptation to consequences of climate change	
<b>EC3</b>	Coverage of the organization's defined benefit plan obligations.	**	Reg Doc: G.4 Executive compensation and stock ownership		
<b>EC4</b>	Significant financial assistance received from government.	**	Reg Doc: D.3.5.1 Corporate Citizenship Approach + DA = The government is not present in the shareholding structure.		

**Market presence**

<b>EC5</b>	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	***	Reg Doc: D.4.2.3.1 Minimum wage comparison		
<b>EC6</b>	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	***	Reg Doc: D.3.3.1 A permanent dialogue with Atos suppliers	Territorial, economic and social impact of the Company activity regarding regional employment and development	
<b>EC7</b>	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	**	Reg Doc: D.4.3.2 Promote Diversity and Equality + CR report: Our people-centered business	Territorial, economic and social impact of the Company activity regarding regional employment and development	



Profile Disclosure	Description	Degree of reporting (we do report***/ we partially report**/we do not report*)	Where to find info/remarks	Grenelle 2	UNG Principles
<b>Indirect economic impacts</b>					
<b>EC8</b>	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	**	Reg Doc: D.3.5.1 Corporate Citizenship Approach + CR report: Leveraging our skills to benefit local communities		
<b>EC9</b>	Understanding and describing significant indirect economic impacts, including the extent of impacts.	*			
<b>Environmental</b>					
<b>Materials</b>					
<b>EN1</b>	Materials used by weight or volume.	***	Reg Doc: D.5.2 Smart Workplace contributes to the reduction of environmental impact; D.5.4 Environmental KPI overview	Measures regarding waste prevention, recycling and disposal	7
<b>EN2</b>	Percentage of materials used that are recycled input materials.	*		Consumption of raw materials and measures implemented to improve efficiency in their use	
<b>Energy</b>					
<b>EN3</b>	Direct energy consumption by primary energy source.	**	Reg Doc: D.5.1.1 Environmental Emissions Results; D.5.4 Environmental KPI overview	Energy consumption and measures implemented to improve energy efficiency and renewable energy use	7
<b>EN4</b>	Indirect energy consumption by primary source.	**	Reg Doc: D.5.1.1 Environmental Emissions Results; D.5.4 Environmental KPI overview	Energy consumption and measures implemented to improve energy efficiency and renewable energy use	7
<b>EN5</b>	Energy saved due to conservation and efficiency improvements.	**	Reg Doc: D.5.2 Smart Workplace contributes to the reduction of environmental impact; D.5.4 Environmental KPI overview	Energy consumption and measures implemented to improve energy efficiency and renewable energy use	7,8
<b>EN6</b>	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	**	Reg Doc: D.5.3.1 Reduction of the Carbon footprint; D.5.4 Environmental KPI overview	Energy consumption and measures implemented to improve energy efficiency and renewable energy use	7,8
<b>EN7</b>	Initiatives to reduce indirect energy consumption and reductions achieved.	**	Reg Doc: D.5.2 Smart Workplace contributes to the reduction of environmental impact; D.5.4 Environmental KPI overview	Energy consumption and measures implemented to improve energy efficiency and renewable energy use	7,8
<b>Water</b>					
<b>EN8</b>	Total water withdrawal by source.	*		Consumption of raw materials and measures implemented to improve efficiency in their use	
<b>EN9</b>	Water sources significantly affected by withdrawal of water.	*			
<b>EN10</b>	Percentage and total volume of water recycled and reused.	*			
<b>Biodiversity</b>					
<b>EN11</b>	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	*		Land usage; Measures implemented to protect and conserve the biodiversity	
<b>EN12</b>	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	*		Consideration of noise and of any other activity specific pollution; Measures implemented to protect and conserve the biodiversity	
<b>EN13</b>	Habitats protected or restored.	*		Measures implemented to protect and conserve the biodiversity	
<b>EN14</b>	Strategies, current actions, and future plans for managing impacts on biodiversity.	*		Measures implemented to protect and conserve the biodiversity	



Profile Disclosure	Description	Degree of reporting (we do report <sup>***</sup> / we partially report <sup>**</sup> /we do not report <sup>*</sup> )	Where to find info/remarks	Grenelle 2	UNG Principles
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	*		Measures implemented to protect and conserve the biodiversity	
<b>Emissions, effluents and waste</b>					
EN16	Total direct and indirect greenhouse gas emissions by weight.	***	Reg Doc: D.5.2 Smart Workplace contributes to the reduction of environmental impact; D.5.4 Environmental KPI overview; D.7.1 Scope of the report, Detailed information related to EN3, EN4 and EN16 + CR report: Reducing our global footprint	Greenhouse gas emissions	7
EN17	Other relevant indirect greenhouse gas emissions by weight.	***	DA = the total ghg emissions registered in travels are 55,849,629kg CO2e + Reg Doc: D.5.4 Environmental KPI overview + CR report: Reducing our global footprint	Greenhouse gas emissions	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	***	Reg Doc: D.5.1.1 Environmental Emissions Results; D.5.4 Environmental KPI overview	Measures of prevention, reduction or repair of discharges into the atmosphere, water and soil, impacting severely the environment	7,8
EN19	Emissions of ozone-depleting substances by weight.	**	Reg Doc: D.5.1.1 Environmental Emissions Results; D.5.4 Environmental KPI overview		7
EN20	NOx, SOx, and other significant air emissions by type and weight.	*			
EN21	Total water discharge by quality and destination.	*		Water consumption and water supply adapted to the local constraints	
EN22	Total weight of waste by type and disposal method.	*		Measures regarding waste prevention, recycling and disposal	
EN23	Total number and volume of significant spills.	*			
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	*			
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	*			
<b>Products and services</b>					
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	***	Reg Doc: D.1.3.2 Key achievements; D.6.4 Sustainability excellence with clients KPI overview	Resources allocated to prevention of environmental risks and pollution; Measures regarding waste prevention, recycling and disposal	7,8,9
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	*			
<b>Compliance</b>					
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	***	Reg Doc: D.5.1.1 Environmental Emissions Results + DA = There was no significant fines for non-compliance with environmental laws and regulations during the reporting period, nor any non-monetary sanction + CR report: Reducing our global footprint	The organization of the Company to integrate environmental issues and, if appropriate, the assessments and certification process regarding environmental issues and Information and training measures for employees regarding the protection of the environment	





Profile Disclosure	Description	Degree of reporting (we do report ***/ we partially report**/we do not report*)	Where to find info/remarks	Grenelle 2	UNG Principles
<b>Transports</b>					
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	*			
<b>Overall</b>					
EN30	Total environmental protection expenditures and investments by type.	*			
<b>Social: Labor Practices and Decent Work</b>					
<b>Employment</b>					
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	**	Reg Doc: D.4.2 People, Atos main asset; D.4.3.2 Promote Diversity and Equality; D.4.4.1.2 Smart working conditions; D.4.6 Social KPI overview	Total headcount and distribution of employees by gender, age and geographical area; Working time organization	
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	***	Reg Doc: D.4.2.1.1 Talent Recruitment; D.4.6 Social KPI overview; E.1.6.3 Hiring; E.1.6.4 Leaving + CR report: A progressive employer	Recruitments and redundancies	6
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	***	Reg Doc: D.4.2.3.2 Health care coverage, death and disability benefits; D.4.6 Social KPI overview		6
LA15	Return to work and retention rates after parental leave, by gender.	*			
<b>Labor/management relations</b>					
LA4	Percentage of employees covered by collective bargaining agreements.	***	Reg Doc: D.4.3.1.2 Collective bargaining agreements; D.4.6 Social KPI overview	Summary of collective agreements and The freedom of association and recognition of the right to collective bargaining	3
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	**	Reg Doc: D.4.3.1.2 Collective bargaining agreements; D.4.6 Social KPI overview		3
<b>Occupational health and safety</b>					
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	*			
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	**	Reg Doc: D.4.4.1.2 Smart working conditions; D.4.6 Social KPI overview	Absenteeism and Occupational accidents, including accident frequency and severity rates, and occupational diseases	1
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	**	Reg Doc: D.4.4.1 Ensure good work life balance; D.4.6 Social KPI overview	Occupational health and safety conditions	1
LA9	Health and safety topics covered in formal agreements with trade unions.	*		Summary of collective agreements signed with trade unions or the representatives of the Company health and safety committee	
<b>Training and education</b>					
LA10	Average hours of training per year per employee by gender, and by employee category.	**	Reg Doc: D.4.2.2 Right People with the right skills; D.4.6 Social KPI overview	Policies implemented regarding training; Total number of training hours	1
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	***	Reg Doc: D.4.2.2 Right People with the right skills; D.4.6 Social KPI overview		
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	***	Reg Doc: D.4.2.2 Right People with the right skills; D.4.6 Social KPI overview		

Profile Disclosure	Description	Degree of reporting (we do report <sup>***</sup> / we partially report <sup>**</sup> / we do not report <sup>*</sup> )	Where to find info/remarks	Grenelle 2	UNG Principles
<b>Diversity and equal opportunity</b>					
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	***	Reg Doc: D.4.3.2 Promote Diversity and Equality; D.4.6 Social KPI overview	Measures implemented to promote employment and integration of disabled people	1, 6
<b>Equal remuneration for women and men</b>					
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	**	Reg Doc: D.4.3.2 Promote Diversity and Equality; D.4.6 Social KPI overview	Remunerations and their evolution; Measures implemented to promote gender equality	6
<b>Social: Human Rights</b>					
<b>Investment and procurement practices</b>					
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	*			2
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	***	Reg Doc: D.3.3.2 Enhance Sustainable relation; D.3.6 Stakeholders' KPI overview	Integration of social and environmental issues into the Company procurement policy; Importance of subcontracting and consideration, in the relationship with subcontractors and suppliers of their social and environmental responsibility	1-6, 10
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	*		Others actions implemented to promote Human Rights	2
<b>Non-discrimination</b>					
HR4	Total number of incidents of discrimination and actions taken.	***	Reg Doc: D.4.3.2 Promote Diversity and Equality; D.4.6 Social KPI overview	Policy against discrimination and The elimination of discrimination in respect of employment and occupation	6
<b>Freedom of association and collective bargaining</b>					
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	*		The freedom of association and recognition of the right to collective bargaining	3
<b>Child labor</b>					
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	*		The abolition of child labor	5



Profile Disclosure	Description	Degree of reporting (we do report <sup>***</sup> / we partially report <sup>**</sup> /we do not report <sup>*</sup> )	Where to find info/remarks	Grenelle 2	UNG Principles
<b>Prevention of forced and compulsory labor</b>					
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	*		The elimination of all forms of forced labor	4
<b>Security practices</b>					
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	*			
<b>Indigenous rights</b>					
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	*			
<b>Assessment</b>					
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	*			
<b>Remediation</b>					
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	*			
<b>Social: Society</b>					
<b>Local communities</b>					
S01	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	*			
S09	Operations with significant potential or actual negative impacts on local communities.	*		Territorial, economic and social impact of the Company activity regarding regional employment and development	
S010	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	*		Territorial, economic and social impact of the Company activity on the local populations	
<b>Corruption</b>					
S02	Percentage and total number of business units analyzed for risks related to corruption.	*		Action implemented against corruption	10
S03	Percentage of employees trained in organization's anti-corruption policies and procedures.	**	Reg Doc: D.2.1.3 Improvement of the awareness + CR report: Ethics in business	Action implemented against corruption	10
S04	Actions taken in response to incidents of corruption.	***	Reg Doc: D.2.1.2 News Policies to prevent from compliance risks	Action implemented against corruption	
<b>Public policy</b>					
S05	Public policy positions and participation in public policy development and lobbying.	*			
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	*			
<b>Anti-competitive behavior</b>					
S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	*			

Profile Disclosure	Description	Degree of reporting (we do report***/ we partially report**/we do not report*)	Where to find info/remarks	Grenelle 2	UNG Principles
<b>Compliance</b>					
<b>S08</b>	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	**	Reg Doc: D.2.1.2 News Policies to prevent from compliance risks		10
<b>Social: Product Responsibility</b>					
<b>Customer health and safety</b>					
<b>PR1</b>	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	*		Measures implemented to promote consumers health and safety	
<b>PR2</b>	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	*			
<b>Product and service labelling</b>					
<b>PR3</b>	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	*			
<b>PR4</b>	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	*			
<b>PR5</b>	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	***	Reg Doc: D.3.2.1 Meet Clients needs and expectations + CR report: Proactive dialogue with our stakeholders		
<b>Marketing communications</b>					
<b>PR6</b>	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	*			
<b>PR7</b>	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	*			
<b>Customer privacy</b>					
<b>PR8</b>	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	**	Reg Doc: D.2.1 Compliance, data protection and security KPI overview; D.2.2.1 Atos comprehensive data protection approach		10
<b>Compliance</b>					
<b>PR9</b>	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	*			
<b>Atos Specific</b>					
<b>A01</b>	Percentage of people in inter-contracts	*			
<b>A02</b>	Employee Satisfaction	***	Reg Doc: D.3.4.1 Take in Account Employees' expectations; D.3.6 Stakeholders' KPI overview		
<b>A03</b>	Data Security Incidents	***	Reg Doc: D.2.3.3 Security Key Performance Indicators and reporting		
<b>A04</b>	Cloud computing initiatives	***	Reg Doc: B.1.1 Cloud; D.6.1 Supporting clients to a sustainable growth model		
<b>A05</b>	Health, education, energy and transport solutions	***	Reg Doc: D.6.1 Supporting clients to a sustainable growth model; D.6.2 Valuable innovative solutions for Society at large		



## Corporate Social Responsibility

D.8 Key Performance Indicators (cross reference table)

Profile Disclosure	Description	Degree of reporting (we do report***/ we partially report**/ we do not report*)	Where to find info/remarks	Grenelle 2	UNG Principles
<b>A06</b>	Workforce diversity ratios (disabled people)	***	Reg Doc: D.4.6 Social KPI overview		
<b>A07</b>	Sustainable projects with clients	***	Reg Doc: D.6.4 Sustainability excellence with clients KPI overview		
<b>A09</b>	Smart working conditions	***	Reg Doc: D.4.6 Social KPI overview; D.5.2 Smart Workplace contributes to the reduction of environmental impact		
<b>A010</b>	Initiatives regarding innovative services/ product developments	***	Reg Doc: D.3.2.1 Meet Clients needs and expectations		
<b>A011</b>	Collaborative technologies development (Zéro email™)	***	Reg Doc: D.4.4.2 Zéro email™ – embracing a new way of working; D.4.6 Social KPI overview		
<b>A012</b>	Top management commitment with employees	***	Reg Doc: D.3.4.2 Develop awareness and encourage dialogue		
<b>A013</b>	Atos culture and values awareness	***	Reg Doc: D.3.4.2 Develop awareness and encourage dialogue; D.3.6 Stakeholders' KPI overview		



# E

## Financials

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## E.1 Operational review

### E.1.1 Executive Summary

**Revenue** in 2013 stood at **€ 8,615 million, almost stable** with an organic variation of **-0.9%**.

HTTS & Specialized Businesses represented 20% of the Group total revenue and grew by +0.5% (€ +9 million). HTTS business by itself grew by +3.8%. In Specialized Businesses, BPO revenue continued to grow in Financial BPO (+6.9%) thanks to NS&I on-going phase and declined in Medical BPO (-11.2%), as a consequence of difficult operational conditions on DWP Medical Service Agreement (MSA) in the United-Kingdom. Civil & National Security business declined following lower volumes and hardware sales both in Italy and in Switzerland. Revenue was nearly stable in Managed Services (-0.9%) and in Systems Integration by -0.7%. In Managed Services which represented 47% of the Group, growth materialized mainly in North America benefiting from the successful delivery of the McGraw-Hill contract which is in full run mode, in the United-Kingdom thanks to the contribution from new contracts in Energy and in Public Sector, and in Asia Pacific in Financial Services. Managed Services top line contracted in Germany due to a base effect on the Siemens contract and in France. Systems Integration (26% of the total Group revenue) benefited from the significant ramp-up of the NSN application management contract in Germany signed at the end of 2012 and from the Asian Martial Art Games project in Central & Eastern Europe while demand has not yet picked up in Europe. Finally, with an improved situation in the second half of the year, Consulting & Technology Services was impacted by the macro environment and declined by -5.6% (€ -37 million). Consulting grew by +1.1% in 2013 thanks to the United-Kingdom with new contracts in the Public Sector and Technology Services was down by -8.1% with a second half at -6.0%. While price pressure was still existing but to a lesser extent than in 2012, business volumes have not yet picked up in France, in the Netherlands and in Spain.

By Geography, growth materialized in particular in North America (+6.7%) with the contribution of the McGraw-Hill contract which started in H2 2012, in the United-Kingdom (+2.7%) thanks to the contribution of large contracts during the first half of the year while revenue decreased in BPO, with the continued increase of Atos Worldline (+3.2%) and to a slight revenue growth in Central & Eastern Europe (+0.9%) fueled by new projects in the Public Sector and in Financial Services. The € +117 million growth of these four Global Business Units (GBU) partially offset the decrease posted in France, Benelux & The Nordics and Iberia which continued to suffer from a difficult economic situation. Without the 2012 base effect on the Siemens contract, Germany was stable.

In 2013 the Group focused on profitability improvement which materialized mainly in Managed Services (+120 basis points) and in Systems Integration (+180 basis points). Overall, **operating margin** reached **€ 645.2 million** (+13.8% year on year), representing 7.5% of revenue, +100 basis points compared to 6.5% in 2012 with a strong contribution from the cost base reduction of the Group achieved by the TOP programs as well as optimization of net pension costs through agreements reached with pension trustees in the Netherlands and the United-Kingdom.

The improvement mainly came from Benelux & The Nordics thanks to a strong monitoring of both direct and indirect costs and the agreement with the local pension fund converted from a Defined Benefit into a Defined Contribution scheme. In the United-Kingdom, operating margin increased thanks to a higher activity in Consulting and in Managed Services with large customers, and to a reduction of the cost base in Systems Integration. France reached 3.3% operating margin as expected thanks to a strong monitoring of the cost base and the Worldgrid margin recovery. Profitability significantly improved in Asia Pacific and IMEA thanks to new projects in Asia Pacific and an increase of internal demand from the large Global Business Units to the Indian unit. Iberia increased its profitability by 70bp to 3.7% despite revenue decrease, thanks to a tight control of the cost base. Operating margin of Atos Worldline remained above 18%. Profitability declined in Germany, mainly due to the phase-out of the Siemens transition project and to contractual pricing adjustments, and in Central & Eastern Europe, primarily due to the base effect of the AMS Systems Integration contract in Austria, which ended at the end of 2012.

In 2013, the total **order entries** reached **€ 8,790 million**, representing a **book to bill** ratio of **102%**, 105% excluding the Siemens account for which a significant portion of the global IT contract was recorded in the backlog in 2011. Order entry in 2013 included renewal of large contracts such as NS&I in the United-Kingdom, E-Plus, RAG, and a large German Bank in Germany, KPN and Achmea in Benelux, and in France with the SNCF. Atos also extended to 2024 its worldwide partnership with the International Olympic Committee (IOC) and also extended its contract with and a large media company in the United-Kingdom. New contracts were also signed, among others: Veolia and EDF Transport in France, the Federal Employment Agency in Germany, Philips in the Netherlands, ACT and Huntsman in the North America, Givaudan in Central & Eastern Europe, Xerox and the Post Office in the United-Kingdom.



At the end of 2013, the **full backlog** amounted to **€ 15,166 million**, representing 1.8 year of revenue, as it was the case on December 31<sup>st</sup>, 2012. The **full qualified pipeline** totaled **€ 5,275 million** at the end of 2013, stable compared to one year earlier at constant exchange rates. It represented 7.3 months of revenue, well balanced between recurring businesses such as Managed Services and HTTS & SB at 7.2 months of revenue, and cyclical activities such as Systems Integration at 7.6 months.

The Atos Group **total number of employees** was **76,320** at the end of 2013, stable over the year. The number of direct employees at the end of December 2013 was 70,531, up +1% compared to the beginning of the year. Indirect staff was 5,789, down -11% year-on-year, reflecting the restructuring program on indirect staff operated since the acquisition of SIS in July 2011 when the number of indirect staff was 8,552.

In 2013, 10,806 new employees were recruited of which 62% in emerging countries. The Group primarily hired engineers specialized in new areas of the IT services industry such as Cloud computing and Big Data. Recruitments mainly occurred in India, in Central & Eastern Europe (Poland and Romania), and in Latin America, in line with the offshoring strategy of the Group and the ambition to grow in emerging countries. As a result, staff in the emerging countries represented 28% of total staff. The Group offshore capability represented 11,591 people at the end of 2013 compared to 9,158 one year earlier, with a majority located in India.

Attrition declined to 9.5% at Group level and to 17.2% in emerging countries. The Group continued actions to reduce the number of external subcontractors, which were 5,399 at the end of 2013 compared to 7,170 one year before and 8,176 in July 2011. The Group will continue to carefully monitor the level of non-critical subcontractors.

The carve-out process of Atos payments and merchant transactional activities was completed at the end of the first semester and **Worldline** is operational since July 1<sup>st</sup>, 2013, combining in one entity the payments and transaction activities of Atos. In 2013, Worldline revenue reached € 1,115 million, up +4.8% year-on-year and operating margin was € 166.9 million, an improvement by +15bp to 15.0% of revenue. OMDA (Operating Margin before Depreciation and Amortization) reached € 204.8 million, representing 18.4% of revenue, +110 basis points compared to 17.2% in 2012.

In Merchant Services & Terminals, revenue was up +2.1%, primarily driven by the commercial acquiring business in Belgium, by internet payments in France and by the loyalty and fuel cards activity in Iberia and in the United-Kingdom while revenue growth was impacted by lower terminal sales in historical domestic markets. In this Global Business Line, OMDA increased by +60 basis points at 22.6% of revenue. Margin increased in commercial acquiring in Benelux and online services in France and in the United-Kingdom, offsetting the effect of lower revenue in the terminals business.

Mobility & e-Transactional Services revenue grew by +7.4% compared to 2012. Growth mainly came from the United-Kingdom in e-Ticketing, from Latin America in fare collection, and in the connected cars solutions business in France. OMDA represented 13.3% of revenue compared to 15.5% in 2012, a profitability decrease which mainly came from a larger build activity all along the year and a contracted price decrease on the VOSA contract in the United-Kingdom.

In Financial Processing & Software Licensing, revenue grew +4.9% with an accelerated growth in the second half of the year, particularly in the Issuing business in Belgium and to a new contract with a retail bank in Germany. OMDA strongly increase to 23.0% of revenue, deriving from revenue growth, mainly in Belgium and in Germany combined with actions to optimize the cost base.

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

As a result of the decision to carve-out the payments activities, the adaptation of the Atos organization led to the following changes on July 1<sup>st</sup>, 2013:

- the GBU North & South West Europe was split with i) Nordic countries transferred to "Benelux & The Nordics" and ii) Switzerland and Italy joined "Central & Eastern Europe". This decision of reducing the number of GBUs reflected the objective to optimize the operational efficiency and to decrease indirect costs;
- the entity AWFM (Atos Worldline Financial Markets), which was already under the new France management was transferred to the GBU France. This was in line with the carve-out of Atos Payments activities. In terms of Service Line, AWFM is part of Systems Integration;
- the entity Atos Worldgrid is managed and reported as a global business within the Systems Integration Service Line. As such, Atos Worldgrid local entities (France, Italy, Spain, Germany and Asia Pacific) are reported in the corresponding GBUs;
- also in order to increase efficiency, Global Markets E&U (Energy & Utilities) and TMT (Telcos, Media & Technology) were merged within "Telcos, Media & Utilities" (TM&U).

These organizational changes have been reflected into the Business Unit, Service Line, and Global Market reporting of revenue and operating margin in 2012 for comparative purposes and are reflected in the right part of the table below.

### E.1.2.1 Revenue

Revenue in 2013 amounted to € 8,615 million, representing an organic change of -0.9% compared to revenue of € 8,695 million in 2012, including entities which entered or exited the Group scope in 2012.

The following schedule is presenting the impact on 2012 revenue of exchange rates, impact of the acquisitions and internal transfers reflecting the Group's new organization:

(in € million)	Revenue								
	FY 2012 statutory	Internal transfer	Scope effect	Exchange rates effect*	FY 2012 former organization	Atos Worldgrid	Atos Worldline FM	N&SWE	FY 2012 new organization
Managed Services	4,135	-11		-71	4,054				4,054
Systems Integration	2,136	-49	13	-37	2,063	183	47		2,293
HTTS & Specialized Businesses	1,969	7	-8	-40	1,928	-183	-47		1,698
Consulting & Technology Services	604	53	-1	-5	650				650
<b>Total Group</b>	<b>8,844</b>	<b>0</b>	<b>4</b>	<b>-153</b>	<b>8,695</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,695</b>

\* At December 2013 Exchange rates.

(in € million)	Revenue								
	FY 2012 statutory	Internal transfer	Scope effect	Exchange rates effect*	FY 2012 former organization	Atos Worldgrid	Atos Worldline FM	N&SWE	FY 2012 new organization
Germany	1,690			0	1,690	21			1,712
United-Kingdom & Ireland	1,679			-76	1,603				1,603
France	980		-1	0	979	89	47		1,114
Benelux (& The Nordics)	978			0	978			144	1,122
Atos Worldline	927		-8	-3	916		-47		869
Central & Eastern Europe	568			-12	557	51		258	866
North America	588			-19	569				569
North & South West Europe	407		-5	0	402			-402	0
Iberia	317		7	0	324	22			346
Other BU's	709		11	-43	677	-183			494
<b>Total Group</b>	<b>8,844</b>	<b>0</b>	<b>4</b>	<b>-153</b>	<b>8,695</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,695</b>

\* At December 2013 Exchange rates.

Internal transfers occurred in the four Service Lines and were mainly related to the transfer of Systems Integration and Managed Services in France and Benelux to Consulting & Technology Services for € 53 million.

Net scope effect was € 4 million and is related to the acquisition of WindowLogic (Asia Pacific, July 2013), Daesa (Spain, September 2012), MSL (Major Event, May 2012), Quality Equipment (Atos Worldline, June 2012) and the disposal

of SYNSiS (Atos Worldline, June 2012), Hellas (Central & Eastern Europe, December 2012) and Atos formation (France, March 2013).

At Group level, exchange rates effect was € -153 million and resulted from the Euro strengthening versus the British Pound (4.5%), the Argentine Peso (19.0%), the Brazilian Real (12.1%), the US Dollar (3.2%) and US related currencies.

## E.1.2.2 Operating margin

Operating margin in 2013 amounted to € 645.2 million, representing 7.5% of revenue, +100 basis points compared to the operating margin of € 580.0 million in 2012, or 6.5% on a comparable basis. 2013 figures includes negative contribution

from the disposal of Atos Formation and positive contribution from the acquisition of WindowLogic, as well as a negative exchange rate effect of € -153 million.

The following schedule is presenting the impact on 2012 operating margin of exchange rates, impact of the acquisitions and internal transfers reflecting the Group's new organization:

(in € million)	Operating margin										
	FY 2012 statutory	Internal transfer	Scope impact	Exchange rates impact**	FY 2012 former organization		Atos Worldgrid	Atos Worldline FM	N&SWE	FY 2012 new organization	
Managed Services	324.8	-1.9	0.0	-5.2	317.7	7.8%				317.7	7.8%
Systems Integration	104.1	-1.0	-0.1	-4.0	99.0	4.8%	4.5	3.1		106.6	4.6%
HTTS & Specialized Businesses	232.7	0.4	0.0	-3.7	229.4	11.9%	-4.5	-3.1		221.8	13.1%
Consulting & Technology Services	24.0	2.4	-0.1	0.0	26.4	4.1%				26.4	4.1%
Corporate costs*	-105.6				-105.6	-1.2%				-105.6	-1.2%
<b>TOTAL GROUP</b>	<b>580.0</b>	<b>0.0</b>	<b>-0.2</b>	<b>-12.9</b>	<b>566.9</b>	<b>6.5%</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>566.9</b>	<b>6.5%</b>

\* Corporate costs excludes Global delivery Lines costs allocated to the Services Lines.

\*\* At December 2013 Exchange rates.

(in € million)	Operating margin										
	FY 2012 statutory	Internal transfer	Scope impact	Exchange rates impact**	FY 2012 former organization		Atos Worldgrid	Atos Worldline FM	N&SWE	FY 2012 new organization	
Germany	138.7			0.0	138.7	8.2%	5.3			144.0	8.4%
United-Kingdom & Ireland	116.7			-5.3	111.4	7.0%				111.4	7.0%
France	14.8		-0.1	0.0	14.7	1.5%	-4.8	3.1		13.0	1.2%
Benelux (& The Nordics)	78.4			0.0	78.4	8.0%			7.8	86.2	7.7%
Atos Worldline	162.1		-0.6	-0.4	161.1	17.6%		-3.1		158.0	18.2%
Central & Eastern Europe	60.4		-0.1	-1.0	59.3	10.6%	4.5		24.8	88.5	10.2%
North America	47.2			-1.6	45.6	8.0%				45.6	8.0%
North & South West Europe	32.2		0.4	0.0	32.6	8.1%			-32.6	0.0	
Iberia	8.8			0.0	8.8	2.7%	1.6			10.4	3.0%
Other BU's	45.9		-0.4	-4.7	40.8	6.0%	-4.4			36.3	7.3%
Global structures*	-125.0		0.6		-124.4	-1.4%	-2.2			-126.6	-1.5%
<b>TOTAL GROUP</b>	<b>580.0</b>	<b>0.0</b>	<b>-0.2</b>	<b>-12.9</b>	<b>566.9</b>	<b>6.5%</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>566.9</b>	<b>6.5%</b>

\* Global structures includes the Global delivery Lines costs not allocated to the Group Business Unit and the Corporates costs.

\*\* At December 2013 Exchange rates.

## E.1.3 Performance by Service Line

(in € million)	Revenue			Operating Margin		Operating Margin %	
	FY 2013	FY 2012*	% growth	FY 2013	FY 2012*	FY 2013	FY 2012*
Managed Services	4,017	4,054	-0.9%	360.0	317.7	9.0%	7.8%
Systems Integration	2,278	2,293	-0.7%	146.1	106.6	6.4%	4.6%
HTTS & Specialized Businesses	1,706	1,698	+0.5%	221.0	221.8	13.0%	13.1%
of which HTTS	1,194	1,150	+3.8%	193.4	185.7	16.2%	16.2%
Consulting & Technology Services	613	650	-5.6%	34.9	26.4	5.7%	4.1%
Corporate costs**				-116.9	-105.6	-1.4%	-1.2%
<b>TOTAL GROUP</b>	<b>8,615</b>	<b>8,695</b>	<b>-0.9%</b>	<b>645.2</b>	<b>566.9</b>	<b>7.5%</b>	<b>6.5%</b>

\* Constant scope and exchange rates.

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

### E.1.3.1 Managed Services

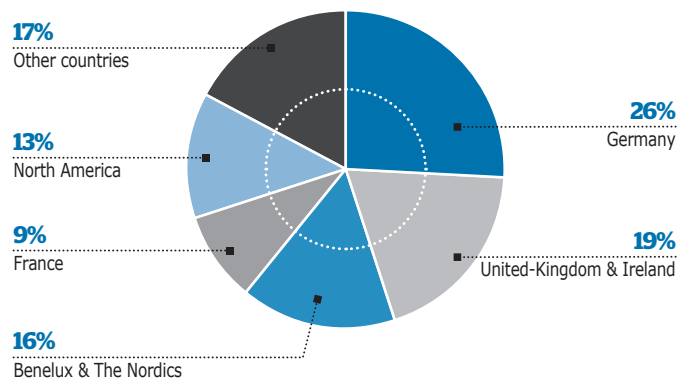
(in € million)	FY 2013	FY 2012*	% growth
Revenue	4,017	4,054	-0.9%
Operating margin	360.0	317.7	
Operating margin rate	9.0%	7.8%	+113bp

\* Constant scope and exchange rates.

Representing 47% of the Group, Managed Services **revenue** was **€ 4,017 million, -0.9%** compared to 2012. Growth materialized in North America (+11.2%) benefiting from the successful ramp-up of the McGraw-Hill contract. The United-Kingdom expanded by +4.4% thanks to the contribution from new contracts such as EDF Energy, Nuclear Decommissioning Agency and Department of Health, and Asia Pacific grew by

+15.8% with additional volumes in Financial Services with SCB and the new customer DahSing Bank. This was counterbalanced by a contracted top line by -6.9% in Germany (excluding Siemens transition and transformation project base effect), mainly due to the Neckermann bankruptcy impact, volume reductions at Karstadt, and the end of the LBB contract, and in France (-8.5%) due to the lack of new business and renewals.

MANAGED SERVICES REVENUE PROFILE BY GEOGRAPHIES



**Operating margin** was **€ 361.0 million, representing 9.0%** of revenue, an increase by +110 basis points compared to 2012. The Service Line carried-out cost savings actions in line with the TOP Tier1 initiatives across all Global Delivery units to further industrialize and crystallize synergies and offshoring. This was partially counterbalanced by the end of the Siemens

transformation project which generated margins in 2012 particularly in Germany, Central & Eastern Europe and North America. Finally, on top of these actions to reduce the cost base, the Netherlands and the United-Kingdom also benefited from the outcome of the pension plan amendments signed in 2013.

### E.1.3.2 Systems Integration

<i>(in € million)</i>	<b>FY 2013</b>	<b>FY 2012*</b>	<b>% growth</b>
Revenue	2,278	2,293	-0.7%
Operating margin	146.1	106.6	
Operating margin rate	6.4%	4.6%	+176bp

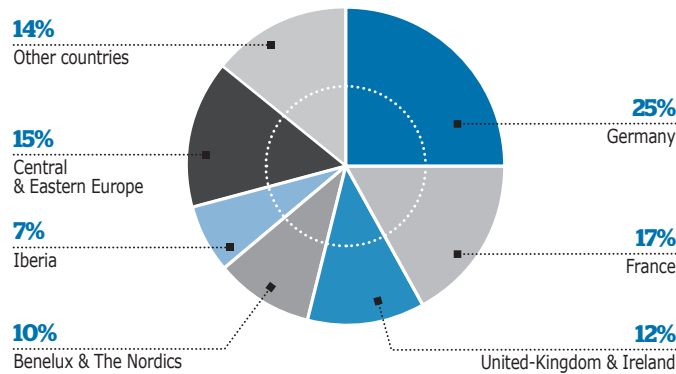
\* Constant scope and exchange rates.

Systems Integration **revenue** reached **€ 2,278 million** end of 2013. The Service Line represented 26% of the total Group revenue and benefited from the significant ramp-up of the NSN application management contract in Germany and from the Asian Martial Art Games project in Central & Eastern Europe. This was negatively offset by a limited demand in Europe in

the Public sector, Financial Services and more particularly in France, Benelux & The Nordics and Iberia which declined in 2013. Also, the non-repeatable revenue recorded last year on the datacenter migration (AIG) in North America.

Utilization rate improved at 80% compared to 78% in 2012.

**SYSTEMS INTEGRATION REVENUE PROFILE BY GEOGRAPHIES**



**Operating margin** was **€ 146.1 million**, representing **6.4%**, a strong increase by +180 basis points compared to 2012. This is due to a large part to the improvement in France at 5.2% of revenue compared to -1.5% in 2012, thanks to strong actions to optimize both direct and G&A costs, combined with the recovery in Atos Worldgrid. United-Kingdom & Ireland contributed to the margin expansion as a consequence of the cost base reduction on flat revenue, partially offsetting lower margin in Austria due to the end of the AMS contract. Thanks to cost monitoring,

margin increased in Benelux & The Nordics and remained stable in Iberia in a context of revenue shortfall. The Service Line benefited from increased volumes in offshore delivery on NSN, McGraw-Hill, and E-Plus new contracts, combined with the weaker Indian Rupee versus the Euro.

In 2013, Systems Integration spent circa € 10 million to launch and reinforce the business of the Cloud & Enterprise Software unit (Canopy, Yunano, blueKiwi).

### E.1.3.3 Hi-Tech Transactional Services (HTTS) & Specialized Businesses

(in € million)	FY 2013	FY 2012*	% growth
Revenue	1,706	1,698	+0.5%
of which HTTS	1,194	1,150	+3.8%
Operating margin	221.0	221.8	
of which HTTS	193.4	185.7	
Operating margin rate	13.0%	13.1%	-11bp
of which HTTS	16.2%	16.2%	+4bp

\* Constant scope and exchange rates.

**Revenue** represented 20% of the Group at **€ 1,706 million**, up **+0.5%** year-on-year.

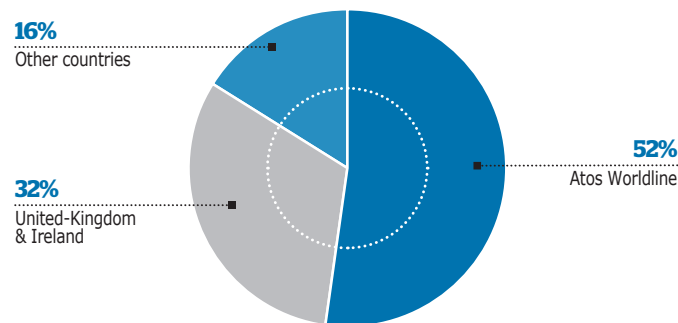
**HTTS** business grew by +3.8% to € 1,194 million. This unit regroups payments and transactional activities of Atos which have been carved-out in July 2013 to create Worldline. 2013 performance of these activities are reported in the "Worldline performance" section herein-below.

**Business Process Outsourcing (BPO)** at € 357 million was down by -3.2%. The business continued to grow in Financial BPO (+6.9%) thanks to NS&I on-going phase. Revenue

declined in Medical BPO (-11.2%) due to the strong increase of the average Medical Standard Time (MST) to perform appraisals on the Working Capabilities Assessments (WCA) contract for DWP, which led to fewer volumes invoiced. Moreover, the new PIP contract that was expected to start with a full effect from July 2013 will actually ramp-up gradually, providing revenue as of 2014.

The **Specialized Business** at € 155 million dropped by -13.4% mainly due to lower volumes and hardware sales in the Civil & National Security business both in Italy and in Turkey.

#### HTTS & SPECIALIZED BUSINESSES REVENUE PROFILE BY GEOGRAPHIES



**Operating margin** reached **€ 221.0 million**, representing **13.0%** almost stable compared to last year. Higher operating margin in HTTS was offset by Medical BPO while Specialized Businesses remained flat.

**HTTS** operating margin reached € 193.4 million at 16.2% of revenue compared to € 185.7 million in 2012. Profitability of the payments and transactional activities of Atos are reported in the "Worldline performance" section herein-below.

In **Specialized Businesses**, the operating margin reached € 24.9 million, representing 16.0% of revenue, flat compared

to 2012. Tight control on projects combined with strong cost saving actions compensated the revenue shortfall effect on margin.

Finally, margin in **BPO** was down by € -8.2 million compared to last year. Operating margin improved in Financial BPO through higher volumes and cost optimization on the NS&I contract. In Medical BPO, operating margin on the Working Capabilities Assessments contract for DWP declined by € -13 million and became negative to -8%. Set-up costs related to the new DWP PIP contract were expensed, particularly in the first semester.

### E.1.3.4 Consulting & Technology Services

<i>(in € million)</i>	FY 2013	FY 2012*	% growth
Revenue	613	650	-5.6%
Operating margin	34.9	26.4	
Operating margin rate	5.7%	4.1%	+163bp

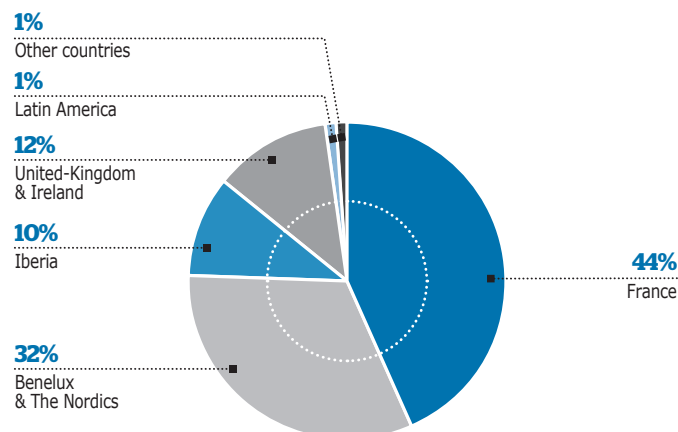
\* Constant scope and exchange rates.

**Consulting & Technology Services** represented 7% of the Group with **revenue at € 613 million**, down **-5.6%** compared to 2012, improved at -2.5% in the second half compared to -8.5% in the first half of the year. Consulting grew by +1.1% in 2013 at € 176 million thanks to the United-Kingdom with new contracts in the Public Sector. The figure can be broken-down between the impact of fewer working days (affecting in particular France and Benelux) and business contraction (-5.0%) across all Markets and more particularly Financial Services and

Telcos, Media & Utilities. Sales increased in the United-Kingdom by +32.1% thanks to the new DCNS contract, additional IFA (Department for International Development) business and in the Health sector. Technology Services was down by -8.1% with a second half at -6.0% while price pressure was still existing but to a lesser extent than in 2012, business volumes have not yet picked up in France, in the Netherlands and in Spain.

In Consulting and Technology Services, utilization rate remained almost stable, respectively at 71% and 82%.

**CONSULTING & TECHNOLOGY SERVICES REVENUE PROFILE BY GEOGRAPHIES**



**Operating margin** strongly improved by +30% at **€ 34.9 million**, representing **5.7%** of revenue, an improvement **+160 basis points** compared to 2012. All the Global Business Units reported positive margin in 2013 led by strong project monitoring and tight workforce management. The Service Line

invested in consulting Cloud-based business and continued to support Managed Services and Systems Integration on pre-sales activities and internal projects. Finally, margin benefited from the Dutch pension plan amendment.

## E.1.4 Performance by Business Units

(in € million)	Revenue			Operating Margin		Operating Margin %	
	FY 2013	FY 2012*	% growth	FY 2013	FY 2012*	FY 2013	FY 2012*
Germany	1,659	1,712	-3.1%	120.0	144.0	7.2%	8.4%
United-Kingdom & Ireland	1,647	1,603	+2.7%	135.2	111.4	8.2%	7.0%
Benelux & The Nordics	1,083	1,122	-3.4%	122.2	86.2	11.3%	7.7%
France	1,020	1,114	-8.5%	33.1	13.0	3.3%	1.2%
Atos Worldline	896	869	+3.2%	162.4	158.0	18.1%	18.2%
Central & Eastern Europe	873	866	+0.9%	64.3	88.5	7.4%	10.2%
North America	607	569	+6.7%	41.4	45.6	6.8%	8.0%
Iberia	325	346	-6.2%	11.9	10.4	3.7%	3.0%
Other BUs	504	494	+1.9%	73.2	36.3	14.5%	7.3%
Global structures**				-118.5	-126.6	-1.4%	-1.5%
<b>TOTAL GROUP</b>	<b>8,615</b>	<b>8,695</b>	<b>-0.9%</b>	<b>645.2</b>	<b>566.9</b>	<b>7.5%</b>	<b>6.5%</b>

\* Constant scope and exchange rates.

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

**Revenue** performance in 2013 was mostly driven by North America (+6.7%) with the contribution of the McGraw-Hill contract which started in Q3 2012 and the continued increase of Atos Worldline (+3.2%). The United-Kingdom was also up by +2.7%, thanks to the contribution of large contracts during the first half of year while revenue decreased in BPO by -3.2% of which -11.2% in Medical BPO.

Slight revenue growth in Central & Eastern Europe (+0.9%) came from the contribution of new projects in the Public Sector in Turkey, in Poland, and in Slovakia. Austria benefited of the ramp-up of a new Managed Services contract in Financial

Services and was impacted by the termination of the AMS contract at the end of 2012. Italy generated lower hardware sales in Civil & National Security Specialized Businesses.

Total **operating margin** significantly improved in 2013, increasing by **+100 basis points** compared to 2012. This performance was mainly driven by management actions on the cost base (including pension agreements) in the United-Kingdom, Benelux & The Nordics, France, and Iberia; and by the effect of increased offshoring volumes and rupee favorable evolution posted in IMEA margin (Other BUs).

### E.1.4.1 Germany

(in € million)	FY 2013	FY 2012*	% growth
Revenue	1,659	1,712	-3.1%
Operating margin	120.0	144.0	
Operating margin rate	7.2%	8.4%	-119bp

\* Constant scope and exchange rates.

**Revenue** landed at **€ 1,659 million** down by **-3.1%** compared to 2012.

Revenue in Managed Services contracted by 7.6% year-on-year without the Siemens base effect due to the end of the transition and transformation program. This decrease was due to the insolvency of Neckermann, scope reduction on Karstadt contract, and the termination of the contract with Landesbank Berlin. This was partly compensated by new business with the largest German bank.

Systems Integration revenue increased by +10.6%, led by the NSN application management contract that started in the first quarter of the year.

**Operating margin** in Germany was **€ 120.0 million**, representing **7.2%** of revenue.

Operating margin rate in Managed Services slightly declined compared to last year, primarily linked to the decrease in volumes with the phase-out of the Siemens transition project. Pricing adjustments effects were partly offset by cost reductions initiatives taken in the delivery centers.

Systems Integration operating margin rate was fueled by the new NSN contract despite a modest project margin due to costs during the transition phase. The productivity measures implemented across the unit offset the price decreases among other major clients.



## E.1.4.2 United-Kingdom & Ireland

(in € million)	FY 2013	FY 2012*	% growth
Revenue	1,647	1,603	+2.7%
Operating margin	135.2	111.4	
Operating margin rate	8.2%	7.0%	+126bp

\* Constant scope and exchange rates.

**Revenue** reached **€ 1,647 million**, € +44 million or **+2.7%** year-on-year.

Revenue in Managed Services improved by +4.4% over prior year. This was mainly due to the ramp-up of a set of new contracts signed in 2012 among them EDF Energy, Department of Health, NDA and Iglo, over compensating the drop-off on some existing Government contracts and fewer revenues with Siemens.

Revenue in Systems Integration was almost stable compared to 2012. Growth with a large media company and within the SAP and application management practices due to new contracts almost offset the decreases in the Public Sector.

HTTS revenue was up +5.1% above 2012 mainly thanks to the new contract with Transport for Greater Manchester.

Consulting revenue strongly grew essentially driven by new contracts with DCNS (Ministry of defense) and the Department for International Development.

BPO was down by -3.2%. The business continued to grow in Financial BPO (+6.9%) thanks to NS&I on-going phase. Revenue declined in Medical BPO (-11.2%) due to the strong increase of the average Medical Standard Time (MST) to perform appraisals on the Working Capabilities Assessments (WCA) contract for DWP, which led to fewer volumes invoiced. Moreover, the new PIP contract that was expected to start with a full effect from July 2013 will actually ramp-up gradually, providing revenue as of 2014.

In the United-Kingdom & Ireland, **operating margin** increased by **€ +23.7 million** at **€ 135.2 million**, representing **8.2%** of revenue.

Operating margin improved in Managed Services mainly due to the benefit of lower SG&A costs and the further revenue over the period delivering an additional margin together with the pension plan amendments for € +11 million. It was partially offset by additional expenses to cater for transition delays.

In Systems Integration, operating margin increased mainly through cost base efficiencies that generated € +6 million, the pension plan curtailment, a higher contract margin and SG&A costs reduction.

Operating margin in HTTS was impacted by price decreases on VOSA MOT contract and lower margins on contracts in the Transport sector were partially offset by margin derived from additional revenue as well as cost optimizations on new gateway contracts and lower R&D spending compared to last year.

Consulting margin strongly improved, mainly thanks to an increased revenue baseline (DCNS and DFID).

Finally, margin in BPO was down by € -8.2 million compared to last year. Operating margin improved in Financial BPO through higher volumes and cost optimization on the NS&I contract. Operating margin on the Working Capabilities Assessments contract for DWP declined by € -13 million and became negative to -8%. Set-up costs related to the new DWP PIP contract were expensed, particularly in the first semester.

## E.1.4.3 Benelux & The Nordics

(in € million)	FY 2013	FY 2012*	% growth
Revenue	1,083	1,122	-3.4%
Operating margin	122.2	86.2	
Operating margin rate	11.3%	7.7%	+360bp

\* Constant scope and exchange rates.

**Revenue** limited its decline at **-3.4%** to **€ 1,083 million**. In 2013, Benelux & The Nordics continued to cope with a contracted demand impacting primarily the cyclical activities and management attention remained focused on profitability improvement.

Managed services was nearly stable (+0.8%), thanks to the PostNord contract in Denmark, Philips and ASR in the Netherlands. These good performances were mitigated by a reduced level of transition revenues with large Dutch customers and volume ramp-downs in some accounts in Telcos and Manufacturing, Retail & Services.

Systems Integration was down -9.7%, primarily affected by lower volumes and contract ramp downs in Finland. Belux had fewer volumes in the Public sector (European institutions), coupled with the ramp down of one contract. Sales edged lower in the Netherlands due to project drop-offs in several sectors and despite the ramp-up of a new contract in the Public sector. Revenue increased in Denmark, fueled by one contract with regional Hospitals.

HTTS continued to grow year-on-year driven by new contracts.

Consulting & Technology Services declined across all markets by -10.5% due to several cost reduction programs from customers



in Financial Services, volume reductions in public spending impacting one major customer, and in the private sector in Manufacturing, Retail & Services and in Telcos Media & Utilities.

**Operating margin** reached **€ 122.2 million**, representing **11.3%** of revenue, an improvement of **+360 basis points** compared to 2012 despite the revenue decline. This was achieved thanks to cost optimization programs (+150bp) in both the direct and SG&A costs and to the outcome of the pension plan amendments (+210bp).

Managed Services operating margin increased as a result of implementing action plans to reduce costs of non-quality and the overall cost base.

Systems Integration was up with higher volume fall-through on KPN combined with cost optimization programs.

HTTS margin improved primarily thanks to the additional revenue.

Consulting & Technology Services advanced with a contrasted evolution. Consulting margin increased thanks to a better utilization rate, and was down in Technology Services due to a lower number of working days in 2013 and tariff pressure even limited compared to last year.

#### E.1.4.4 France

(in € million)	FY 2013	FY 2012*	% growth
Revenue	1,020	1,114	-8.5%
Operating margin	33.1	13.0	
Operating margin rate	3.3%	1.2%	+209bp

\* Constant scope and exchange rates.

**Revenue** in France reached **€ 1,020 million**, representing an organic decrease of **-8.5%** year-on-years with a softened decline throughout the year, from -10.6% in Q1 to -6.8% in Q4.

Managed Services was down by -8.5%. New clients signed (TDF and France Television) and the ramp up phase of other contracts (Gernalto, Veolia, La Poste) partially compensated some contract terminations and other ramp downs.

Systems Integration reported a decrease by -7.4%. Growth in Manufacturing, Retail & Services with ramp ups of new contracts partially offset Financial Services performance and an overall reduction in public spending. Telcos, Media & Utilities achieved to be almost stable, mainly thanks to good performances of the Atos Worldgrid business.

HTTS was down compared to prior year due to the completion in 2012 of the project phase on the Renault Telematics contract. The run phase is now operated by Worldline.

Consulting & Technology Services revenue was affected by a lower level of working days in 2013 compared to 2012 (-2 days). Main declines, impacting all markets, were related to a lack of new business with existing customers. Technology Services

achieved to increase the average daily rate and benefited from ramp ups in the Energy sector with large clients.

As expected and in spite of the shortfall in revenue, France succeeded to improve the **operating margin rate** by **+209 basis points to 3.3%** of revenue thanks to a strong monitoring of the cost base.

Managed Services operating margin was slightly positive and revenue reduction was compensated by adjustment in cost base, mainly on indirect costs.

Systems Integration margin strongly improved, driven by both contracts gross margin recovery (Atos Worldgrid), and indirect costs reductions.

Less margin year-on-year in HTTS was directly linked to completion of the Renault Telematics contract in 2012. The run part of this contract was operated by Worldline in 2013.

Consulting & Technology Services reported contrasted figures with Consulting benefiting from costs optimization with a strong resource management including less subcontractors, while Technology Services partially offset the lack in revenue impacting directly the bottom line.



### E.1.4.5 Atos Worldline

(in € million)	FY 2013	FY 2012*	% growth
Revenue	896	869	+3.2%
Operating margin	162.4	158.0	
Operating margin rate	18.1%	18.2%	-7bp

\* Constant scope and exchange rates.

Atos Worldline reported **revenue of € 896 million**, up by **+3.2%** compared to 2012, through transaction volumes and project revenue. The growth was sustained by 3 main geographies: France, Belgium and also Asia Pacific with the sale of licenses. **Operating margin** in 2013 was **€ 162.4 million** at **18.1%**, up by **€ +4.4 million** compared to last year.

This unit is part of the payments and transactional activities of Atos which have been carved-out in July 2013 to create Worldline. 2013 performance of these activities are reported in the "Worldline performance" section herein-below.

### E.1.4.6 Central & Eastern Europe

(in € million)	FY 2013	FY 2012*	% growth
Revenue	873	866	+0.9%
Operating margin	64.3	88.5	
Operating margin rate	7.4%	10.2%	-286bp

\* Constant scope and exchange rates.

Central & Eastern Europe posted nearly stable **revenue** up **+0.9%**. This was driven by Systems Integration through the new Ashgabat project in Turkey (in preparation for the Asian Martial Arts Games in Ashgabat, Turkmenistan). This project more than offset the termination of the AMS Employment Services in Austria and revenue decrease with Siemens mainly in Austria.

This offset a shortfall coming from the termination of AMS contract in Austria.

Revenue in Specialized Business was impacted by one difficult project in Turkey and lower activity in the Civil & National Security business in Italy.

Managed Services activities were flat year-on-year. Growth in Financial Services and in Public Health & Transports markets compensated the decrease in the Siemens account resulting from the end of the transition project. Financial Services benefited from a new customer in Austria and in Turkey. Growth in Public Sector derived primarily from new contracts in Poland and in Slovakia together with smaller wins across the region.

**Operating margin** was **€ 64.3 million**, representing **7.4%** and decreasing year-on-year. The drop stems from Systems Integration principally in Austria. Margin increased in Turkey thanks to the Asian Martial Arts Games project. Managed Services margin decreased mainly due to a comparative basis that included the AMS contract and the Siemens transition & transformation project. These were partially compensated by cost improvement measures.

### E.1.4.7 North America

(in € million)	FY 2013	FY 2012*	% growth
Revenue	607	569	+6.7%
Operating margin	41.4	45.6	
Operating margin rate	6.8%	8.0%	-120bp

\* Constant scope and exchange rates.

North America revenue was **€ 607 million**, up by **€ +38 million** or **+6.7%** year-on-year.

Siemens was also impacted by the base effect of the transition and transformation program in the US.

Managed Services reached was up +11.2% year-on-year, led by the McGraw-Hill contract and the Public sector with new clients such as ACT and City of Indianapolis. The contracts City of San Diego and New York Blood Center closed-out transition activities and moved into steady state services generating year-on-year growth. EMC<sup>2</sup> and Nike contributed to revenue growth despite the termination of the Metlife contract. Revenue with

In Systems Integration, the unit successfully completed the AIG datacenter migration contract in 2012 which resulted in 2013 in a comparison basis effect of € -18 million. Upselling at Daimler, at McGraw-Hill, and at Deere partially offset revenue decrease.

The **operating margin** decreased by € -4.2 million year-on-year.

### E.1.4.8 Iberia

(in € million)	FY 2013	FY 2012*	% growth
Revenue	325	346	-6.2%
Operating margin	11.9	10.4	
Operating margin rate	3.7%	3.0%	+67bp

\* Constant scope and exchange rates.

**Revenue** in Iberia decreased by **-6.2%** year-on-year. Almost half of this decline came from the headwind in the Public Health and Transport market, whose contraction was felt across cyclical business. Revenue figure was impacted by lower volumes in the Telcos, Media & Utilities market in Systems Integration mainly coming from the NGIN contract, from lower volumes in the Financial Services market in Technology Services and in Consulting.

Despite the drop in revenue, **margin** increased by **€ +1.5 million** compared to last year. All Service Lines benefited from costs savings in the support functions. Consulting & Technology Services reported a slightly positive margin in 2013 well improved year-on-year.

### E.1.4.9 Other Business Units

(in € million)	FY 2013	FY 2012*	% growth
Revenue	504	494	+1.9%
Operating margin	73.2	36.3	
Operating margin rate	14.5%	7.3%	+718bp

\* Constant scope and exchange rates.

#### Major Events

**Revenue** was down year-on-year, due to an unfavorable comparison basis last year with the London 2012 Olympic Games.

**Operating margin** was up by € +1.6 million compared to last year.

#### Asia Pacific

**Revenue** grew by +9.5%. This was driven by Managed Services, in particular in Hong-Kong thanks to increased volumes in Financial Services with Standard Chartered Bank and Dah Sing Bank, and also with Public sector clients. Revenue increased also in China, mostly due to a datacenter build-up project (Fountain data) as well as in Malaysia mainly with Telenor.

**Operating margin** strongly increased compared to last year. This was mostly derived from the incremental margin due to higher revenues in Managed Services in Hong Kong as well as the implementation of cost reduction measures.

#### Latin America

**Revenue** was nearly stable compared with last year -0.5%. A good performance in the Public, Health & Transport market for the HTTS activities offset revenue decrease in Managed Services for the Siemens account and in Consulting & Technology Services due to the phase-out of two projects with Petrobras.

**Margin** was above last year by € +4.1 million with a lower cost base in Systems Integration and Managed Services.

#### India Middle-East & Africa

**Revenue** remained stable. In spite of a one-time purchase for resale (€ 8 million) in the first semester of 2012 in Qatar that was not be repeated in 2013, the Business Unit succeeded to compensate by higher revenue in Systems Integration projects with SCB, and in Middle East and Morocco (Pepsi-Cola, OFC).

**Operating margin** rose mainly from India which benefited, as the prime offshore delivery center, from an increase in the demand from the European GBUs, and from the depreciation of the Indian Rupee in the second semester.

#### Cloud & Enterprise software

The unit is encompassing Canopy, blueKiwi, and Yunano. In 2013, the Group invested mainly in Cloud in order to build this unit which is a leverage for future growth. **Revenue** was up thanks to new customers, particularly in Infrastructure as a Service (IaaS).

**Operating Margin** was negative by **€ -13.8 million**, reflecting the level of investment made to launch and operate this unit. The investment has been fully expensed during the year.

### E.1.4.10 Global structures costs

Global structure costs amounted to € -118.5 million, which represented a positive effect of € +8.2 million over last year, mainly driven by the monitoring of central costs rationalization

and thanks to the centralization of sales organizations that was put in place effectively over the period. Higher share-based compensation costs were therefore compensated.

## E.1.5 Revenue by market

In 2013, organic growth primarily materialized in Telcos, Media & Utilities with € 115 million and in Public sector, Healthcare & Transport with € 17 million.

(in € million)	Revenue		
	FY 2013	FY 2012*	% growth
Manufacturing, Retail & Services	2,702	2,893	-6.6%
Public sector, Healthcare & Transport	2,307	2,289	+0.8%
Telcos, Media & Utilities	1,992	1,877	+6.1%
Financial Services	1,614	1,635	-1.3%
<b>TOTAL GROUP</b>	<b>8,615</b>	<b>8,695</b>	<b>-0.9%</b>

\* Constant scope and exchange rates.

### E.1.5.1 Manufacturing, Retail & Services

Manufacturing, Retail & Services remained the largest Market of the Group in 2013 and represented 31% of the Group total revenue. It decreased by -6.6% over the period to reach € 2,702 million. A large part of the decrease came from Siemens as already mentioned. On top of the Siemens account, Manufacturing, Retail & Services revenue was impacted by the Neckermann bankruptcy and the ramp down phase of Karstadt in Germany. France revenue has been mostly impacted by a

volume drop in the Renault Global Sourcing contract and the Renault Telematics contract completion in 2012, and also by lower business with Auchan.

In this market, the top 10 clients represented 46% of revenue with Siemens, Renault Nissan, EADS, Bayer, Carl Zeiss, Coca Cola, Thyssen Krupp, a German coal mining corporation, Daimler Group, and Philips.

### E.1.5.2 Public sector, Healthcare & Transport

Public sector, Healthcare & Transport was the second market of the Group with 27% of total revenue at € 2,307 million, +0.8% compared to 2012. Growth was primarily driven by the Asian Martial Art Games project in Central & Eastern Europe, the PostNord contract in Benelux & The Nordics and the ramp ups of contracts such as City of San Diego and Henry Ford in the US. This was partially offset by contract end or lower business with French Ministries (Agriculture, Minefi, Ecology & Health) or with the European Union Institution. Public sector, Healthcare &

Transport revenue was also impacted by a based effect of Major Event revenue of the London Olympic Games invoiced in 2012.

32% of the revenue in this market has been realized with the 10 main clients: Department of Work & Pensions and Ministry of Justice in the United-Kingdom, European Union Institutions, the French Ministry of Ecology, the National Police (Switzerland), the UK Border Agency, NHS Scotland, The German Federal Agency for Employment, Vehicle Op Standards Agency (VOSA), Nuclear Decommissioning Agency (NDA).

### E.1.5.3 Telcos, Media & Utilities

Revenue reached € 1,992 million, an increase by +6.1% and represented 23% of the total Group revenue. This performance mainly resulted from the large contracts signed in 2012, namely McGraw-Hill and Nokia Siemens Networks but also due to the ramp up of EDF Energy in United-Kingdom. At the same time, BTN was affected by the ramp-down of Delta and KPN.

The 10 main clients were a large media company in the United-Kingdom, KPN, EDF, Nokia Siemens Networks (NSN), McGraw-Hill, Orange, Telecom Italia, Microsoft, Schlumberger and GDF/Suez. They represented 64% of the total Global Market revenue.

### E.1.5.4 Financial Services

Financial Services was the fourth Market of the Group, representing 19% of the total revenue at € 1,614 million, down by -1.3% compared to 2012. Increased volume with NS&I in United-Kingdom, with SCB in Asia Pacific and with BAWAG in Austria partially compensated lower revenue, in particular in France with SG and with the end of the contract with BNPP. The market was also impacted by the base effect related to the

successful completion in 2012 of the data center migration of AIG in the US.

In this market, 48% of the 2013 revenue was generated with the 10 main clients being: National Savings & Investments (NS&I), the largest German bank, BNP Paribas, ING, Standard Chartered Bank, Achmea, Credit Agricole, La Poste, Société Générale, and Metlife.

## E.1.6 Portfolio

### E.1.6.1 Order entry and book to bill

The **total Group order entries** reached **€ 8,790 million**, representing a **book-to-bill ratio of 102%**.

Excluding the Siemens account, for which a significant portion of the seven year outsourcing and application management contracts was recorded as opening backlog in July 2011, the book-to-bill ratio for the period was 105%.

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

	Order Entry			Book to bill		
	H1	H2	FY 2013	H1	H2	FY 2013
Manufacturing, Retail & Services	1,358	1,421	2,779	100%	105%	103%
Public sector, Healthcare & Transport	965	1,058	2,023	85%	91%	88%
Telcos, Media & Utilities	1,016	841	1,857	102%	85%	93%
Financial Services	1,217	913	2,130	153%	112%	132%
<b>TOTAL GROUP</b>	<b>4,557</b>	<b>4,233</b>	<b>8,790</b>	<b>106%</b>	<b>98%</b>	<b>102%</b>

By market, book to bill reached 132% in Financial Services through signatures with large institutions in Germany and in the Netherlands, during the second half of the year, The renewal of NS&I materialized during the first half. Book-to-bill was 102% in Manufacturing, Retail & Services (118% excluding Siemens) with several Managed Services contracts signed in the Netherlands (Philips and BAM Groep, a major European construction-services), Central & Eastern Europe (Givaudan in Switzerland), and in Germany with the renewal of RAG. Book to

bill was 93% in Telcos, Media & Utilities as the Group secured future revenue with the renewal of E-Plus in Germany and with the extension of a large media company contract in the United-Kingdom. Public sector, Healthcare & Transport reached 88%. In this market the Group reinforced its footprint in Germany with the signature of a large Systems Integration contract with the Federal Employment Agency, and extended its worldwide partnership with the International Olympic Committee.

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

	Order Entry			Book to bill		
	H1	H2	FY 2013	H1	H2	FY 2013
Managed Services	1,691	1,791	3,482	85%	89%	87%
Systems Integration	1,064	1,522	2,586	94%	133%	113%
HTTS & Specialized Businesses	1,446	587	2,033	171%	68%	119%
Consulting & Technology Services	357	333	689	114%	111%	112%
<b>TOTAL GROUP</b>	<b>4,557</b>	<b>4,233</b>	<b>8,790</b>	<b>106%</b>	<b>98%</b>	<b>102%</b>

**Managed Services** book-to-bill ratio of 87% in 2013 compared to 111% achieved in 2012 when the McGraw-Hill large outsourcing contract was won in North America. Contracts signed over the period were, among other, the renewal of E-Plus (TM&U), new project for a large media company (TM&U) in the United-Kingdom and Deutsche Bank (FS) in Germany, and new businesses such as Philips (MRS) in the Netherlands, the Post Office (PHT) in the United-Kingdom, Givaudan (MRS) in Switzerland, Veolia and EDF Transport (TM&U) in France and ACT (PHT) in the US.

**Systems Integration** posted a book-to-bill ratio of 113% while some major contracts have been renewed or won during the period, being primarily with the IOC (PHT, renewal) in Major Events, E-Plus (TM&U, renewal) and the Work Agency (PHT, new) in Germany, KPN (TM&U, renewal) in the Netherlands,

Renault (MRS, renewal), Airbus (MRS, new) and SNCF (PHT, renewal) in France, Xerox (MRS, new) in the United-Kingdom and the preparation of the Asian Martial Arts Games in Ashgabat (PHT, new) from Turkey.

**HTTS & Specialized Businesses** achieved a strong book-to-bill ratio of 119% primarily due to the renewal of the NS&I BPO contract (Financial Services) in the United-Kingdom. Core HTTS ratio stood at 93%, mainly through Atos Worldline. Lastly, Specialized Businesses book-to-bill ratio closed at 78% for the year.

**Consulting & Technology Services** achieved a book-to-bill ratio of 112% during the year mainly thanks to new contract awards in the United-Kingdom Public sector with the MoD and DFID, and Gasunie and GDF Suez (TM&U) in Benelux & The Nordics.

## E.1.6.2 Full backlog

The full backlog at the end of December 2013 amounted to € 15,166 million and represented 1.8 year of revenue, stable compared to last year end at constant scope and exchange rates.

Managed Services decreased by -6.2% as a consequence of a 87% book-to-bill ratio in the period. Systems Integration raised

by +9.2% mostly due to a major renewal signed with the IOC in Q3 (PHT). At the same time the increase in HTTS & SB backlog (+5.1%) came from the renewal of a Financial BPO contract with NS&I (Financial Services). Finally, Consulting & Technology Services backlog grew by 27.6% mainly thanks to new contract awards in the Energy sector in Benelux and with the Ministry of Defense in the United-Kingdom.

## E.1.6.3 Full qualified pipeline

The full qualified pipeline totaled € 5,275 million at the end of 2013, stable compared to one year earlier at constant exchange rates. It represented 7.3 months of revenue, well balanced between recurring businesses such as Managed Services and

HTTS & SB at 7.2 months of revenue, and cyclical activities such as Systems Integration at 7.6 months. The pipeline benefited from a stronger commercial activity in France, in Germany and in the Major Event unit.

## E.1.7 Human Resources

### E.1.7.1 Headcount evolution

The total number of employees was **76,320** at the end of December 2013 compared with **76,417** at the end of December 2012. The overall headcount stability comprised a significant drop of indirect staff, down by -687 or -11% in comparison with last year end, as a consequence of the continuing indirect costs reduction plan operated since the acquisition of SIS in July 2011 when the number of indirect staff was 8,552. The number of direct employees at the end of December 2013 was 70,531, an increase by +590 or +0.8% compared to the beginning of the year.

Re-allocation of Atos Worldgrid headcount from the Business Unit Atos Worldgrid (included in Other BUs) to the corresponding countries of establishment (France, Germany, Spain, China and Italy) as well as the split of the Global Business Unit North & South West Europe into the Global Business Unit Central & Eastern Europe (Italy, Switzerland) and Benelux & The Nordics (Denmark, Finland and Sweden), and also the transfer of Atos Worldline Financial Markets and Diamis to Global Business Unit France following to the Group organization changes announced early July 2013.

Headcount evolution in 2013 by Business Units and Services Line is the following:

	Opening January 2013	Adaptation of organization	Adjusted opening	Scope	Hiring	Leavers	Dismissal, restruct. & other	Closing December 2013
Managed Services	28,611		28,611		5,029	-2,657	-1,241	29,742
Systems Integration	21,941	1,675	23,616	63	3,401	-2,552	-977	23,551
HTTS & SB	12,016	-1,675	10,341		1,375	-854	-455	10,407
Consulting & TS	7,186		7,186	-11	459	-580	-372	6,682
Corporate functions	187		187		18	-25	-31	149
<b>Total Direct</b>	<b>69,941</b>	<b>0</b>	<b>69,941</b>	<b>52</b>	<b>10,282</b>	<b>-6,668</b>	<b>-3,076</b>	<b>70,531</b>
Germany	7,672	127	7,799		499	-208	-207	7,883
United-Kingdom & Ireland	10,153		10,153		1,135	-1,039	-623	9,626
France	9,157	899	10,056	-11	228	-537	-456	9,280
Benelux (& The Nordics)	6,002	766	6,768		232	-463	-306	6,231
Atos Worldline	5,342	-332	5,010		473	-225	-210	5,048
North America	3,864		3,864		701	-417	-427	3,721
Central & Eastern Europe	5,713	1,050	6,763		2,007	-766	-344	7,660
North & South West Europe	1,524	-1,524	0					
Iberia	4,807	313	5,120		174	-189	-219	4,886
Other BUs	15,657	-1,299	14,358	63	4,813	-2,817	-272	16,145
Global Structures	50		50		20	-7	-12	51
<b>Total Direct</b>	<b>69,941</b>	<b>0</b>	<b>69,941</b>	<b>52</b>	<b>10,282</b>	<b>-6,668</b>	<b>-3,076</b>	<b>70,531</b>
<b>Total Indirect</b>	<b>6,476</b>		<b>6,476</b>	<b>4</b>	<b>524</b>	<b>-454</b>	<b>-761</b>	<b>5,789</b>
<b>TOTAL GROUP</b>	<b>76,417</b>	<b>0</b>	<b>76,417</b>	<b>56</b>	<b>10,806</b>	<b>-7,122</b>	<b>-3,837</b>	<b>76,320</b>

**Emerging countries** accounted for 28% of the Group total staff. The Group offshore capability represented 11,591 people at the end of 2013 compared to 9,158 one year earlier, with a majority located in India.

### E.1.7.2 Changes in scope

The change in scope reflects the disposal of Atos Formation in Global Business Unit France in Q1 2013 and the acquisition of Window Logic in Australia in Q3 2013.





### E.1.73 Hiring

The volume of recruitments reached +10,806 in the total workforce, representing 14% of the headcount as of January 1<sup>st</sup>, 2013. Those hiring were primarily made in Managed Services (+5,029; representing 47% of the total direct workforce hiring) and in Systems Integration (+3,401; 33%). The level of hiring has been specifically strong in Central & Eastern Europe (+2,007; 20%) was due to the build-up of the Global Managed Services factories in Poland (+1,178; 11%) and Romania (+263; 2%) while the United-Kingdom and the US hired respectively

+1,135 (11%) and +701 (7%) people in order to cope with the growing activity. Hiring in Germany included staff taken-over from Postbank and NSN (+146 and +90 respectively). In Other BUs (+4,813; 47%), the high level of hiring is mostly explained by the implementation of the strategy to continuously accelerate the development of the offshore locations such as India (+2,599; 24%), and Brazil (+720; 7%) with the ramp-up of the new Londrina delivery center in replacement of Sao Paulo's.

### E.1.74 Leavers

Leavers comprise voluntary permanent staff leavers, as permanent staff who have been dismissed are classified under "dismissed". The total number of leavers in 2013 was -7,122 (of which -6,668 from the direct workforce). Those leavers were primarily in Managed Services (-2,657 people, 40% of the total direct leavers) and Systems Integration (-2,552; 38%).

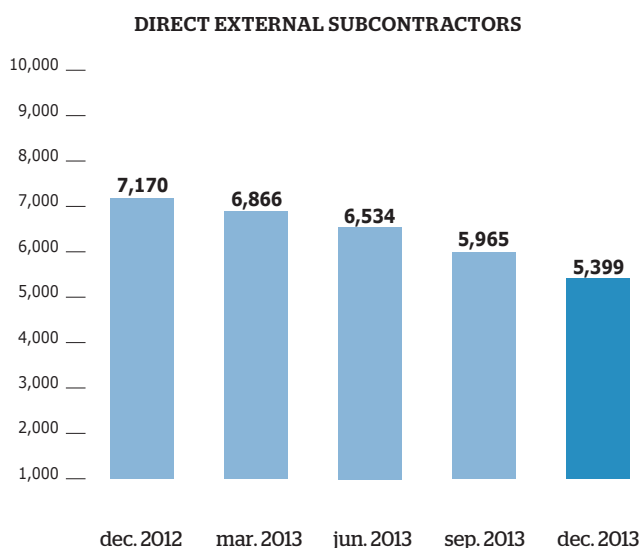
Attrition rate decreased by -130 basis points to reach 9.5% at the end of 2013 compared to 10.8% at the end of December 2012. In emerging countries, attrition strongly decrease to 17.2% compared to 21.3% one year earlier.

### E.1.75 Restructuring, Dismissals and other

In 2013, -3,837 staffs were dismissed or restructured. Streamlining efforts were mainly concentrated in the European countries where the demand did not pick-up in 2013.

### E.1.76 External Subcontractors

The Group continued actions to reduce the number of external subcontractors, which were 5,399 at the end of 2013, -1,771 compared to 7,170 one year before and 8,176 in July 2011 at the time of the SIS acquisition.



This level of subcontractors represented 7% of productive full time equivalent at the end of December 2013, compared to a level of 10% at the end of 2012. The objective remains to carefully monitor the level of non-critical subcontractors.



## E.1.8 Worldline

The carve-out of the Atos merchant and payments activities has been achieved with the set-up of Worldline, effective July 1<sup>st</sup>, 2013. This operation led to transfer internally a number of identified contracts from several IT Services Global Business Units to the new perimeter of Worldline, without any impact at Group level.

To reflect the new operational organization put in place and running at the end of December 2013 within the Worldline business new perimeter, the Group has decided to perform an additional and specific operational review within this new

Worldline scope of business transactions, as if the Worldline carve-out would have taken place since January 1<sup>st</sup>, 2013. The financial transfers between IT Services Global Business Units' and Worldline that impact the 2013 period (both revenue and operating margin) are presented hereafter.

In 2013, Worldline **revenue** reached **€ 1,115 million**, up **+4.8%** year-on-year on a 2012 pro forma basis and operating margin was **€ 166.9 million**, an improvement by **+15bp** to **15.0%** of revenue. **Free cash flow** was **€ 113 million**.

(in € million)	Revenue			OMDA		OMDA %	
	FY 2013	FY 2012*	% growth	FY 2013	FY 2012*	FY 2013	FY 2012*
Merchant Services & Terminals	360	352	+2.1%	81.2	77.4	22.6%	22.0%
Mobility & e-Transactional Services	364	339	+7.4%	48.2	52.3	13.3%	15.5%
Financial Processing & Software Licensing	391	373	+4.9%	90.1	72.3	23.0%	19.4%
Central costs				-14.8	-18.4	-1.3%	-1.7%
<b>Total Worldline</b>	<b>1,115</b>	<b>1,064</b>	<b>+4.8%</b>	<b>204.8</b>	<b>183.5</b>	<b>18.4%</b>	<b>17.2%</b>

\* Unaudited pro forma figures at constant scope and exchange rates, based on best estimates by Business Lines at constant scope and exchange rates.

### Merchant Services & Terminals

**Revenue** was **€ 360 million**, up **+2.1%**. Revenue growth primarily came from the commercial acquiring business in Belgium with transaction volumes increasing together with new projects. Revenue also increased in internet payments in France and for loyalty and fuel cards in Iberia and in the United-Kingdom. Total growth was impacted by lower terminal sales in historical domestic markets. Excluding terminals, the Global Business Line had revenue up +6.5% in 2013.

**OMDA** increased by **+60 basis points** at **22.6%** of revenue, reaching **€ 81.2 million**. Margin increased in commercial acquiring in Benelux and online services in France and in the United-Kingdom, on the back of higher revenue. This offset the effect of lower revenue in the terminals business.

### Mobility & e-Transactional Services

**Revenue** grew by +7.4% compared to 2012 at **€ 364 million**. Growth mainly came from the United-Kingdom in e-Ticketing, from Latin America in fare collection, and in the connected cars solutions business in France. Revenue growth was partially hampered in the fourth quarter due to price reductions in the project with the Vehicle and Operator Services Agency (VOSA) in the United-Kingdom.

**OMDA** reached **€ 48.2 million**, representing **13.3%** of revenue. Profitability decrease mainly came from a higher business mix with larger build activity all along the year. Price decrease on the VOSA contract also impacted the margin.

### Financial Processing & Software Licensing

**Revenue** grew **+4.9%** to **€ 391 million**. Growth accelerated in the second half of the year, particularly in the Issuing business thanks to higher volumes of transactions and increased fraud services in Belgium and to a new contract with a retail bank in Germany. Project revenue was strongly up thanks to new contracts in Belgium, in Germany within SEPA, and in France with innovative solutions (issuing satellites and e-wallet). Growth also accelerated in online banking with new projects in France and volume ramp-up on iDeal acquiring platform in Germany. In Acquiring processing, volume increased in India over compensating cheque activity in France.

**OMDA** reached **€ 90.1 million**, representing **23.0%** of revenue. The strong improvement compared to 2012 (**+370 basis points**) came from revenue growth in Issuing processing and in online banking, combined with actions to optimize the cost base in Belgium and Germany.



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## E.2 2014 Objectives

### Revenue

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

### Operating margin

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

### Free cash flow

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

### 2016 Group ambition

As announced on November 2013 during its Analyst Day, the Group ambitions to deliver:

- organic revenue growth: +2% to +3% CAGR over the 2014-2016 period;
- operating margin improvement between +100bp and +200bp in 2016 compared to 2013;
- free cash flow of € 450 million to € 500 million in 2016.

### 2016 ambition in IT Services

In IT Services (Atos excluding Worldline) and more particularly in Managed Services, Systems Integration and Cloud computing, the ambition of the Group should materialize by:

- circa +5% revenue CAGR over the 2014-2016 period of which more than half stemming from external growth;
- +100bp to +200bp operating margin improvement in 2016 compared to 2013.

### 2016 ambition in Payments

Worldline targets to deliver at the horizon 2016:

- +5% to +7% CAGR growth over the 2014-2016 period;
- above +200bp increase in OMDA compared to 2013.

## E.3 Financial review

### E.3.1 Income statement

The Group reported a net income (attributable to owners of the parent) of € 261.6 million for 2013, which represented 3.0% of Group revenues. The normalized net income before unusual, abnormal and infrequent items (net of tax) for the period was € 415.3 million, representing 4.8% of 2013 Group revenues.

<i>(in € million)</i>	<b>12 months ended 31 December 2013</b>	<b>% Margin</b>	<b>12 months ended 31 December 2012</b>	<b>% Margin</b>
<b>Operating margin</b>	<b>645.2</b>	<b>7.5%</b>	<b>580.0</b>	<b>6.6%</b>
Other operating income/(expenses)	-228.5		-198.6	
<b>Operating income</b>	<b>416.7</b>	<b>4.8%</b>	<b>381.4</b>	<b>4.3%</b>
Net financial income/(expenses)	-62.7		-51.8	
Tax charge	-95.9		-102.9	
Non-controlling interests and associates	3.5		-2.9	
<b>Net income – Attributable to owners of the parent</b>	<b>261.6</b>	<b>3.0%</b>	<b>223.8</b>	<b>2.5%</b>
<b>Normalized net income – Attributable to owners of the parent*</b>	<b>415.3</b>	<b>4.8%</b>	<b>355.2</b>	<b>4.0%</b>

\* Defined hereafter.

#### E.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.

#### E.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 € 228.5 million in 2013. The following table presents this amount by nature:

<i>(in € million)</i>	<b>12 months ended 31 December 2013</b>	<b>12 months ended 31 December 2012</b>
Staff reorganization	-102.2	-62.4
Rationalization and associated costs	-37.3	-28.1
Integration and acquisition costs	-19.9	-53.3
Customer relationships amortization (PPA)*	-44.3	-43.2
Other items	-24.8	-11.6
<b>TOTAL</b>	<b>-228.5</b>	<b>-198.6</b>

\* Purchase Price Allocation.

The € 102.2 million **staff reorganization** expense was the consequence of both the Group workforce adaptation to the effects of the continued economic recession in Europe through collective restructuring plans primarily in the Netherlands for € 17.4 million, in Global Structures for € 15.0 million, in Central & Eastern Europe for € 10.6 million, in the United-Kingdom for € 9.5 million and in Spain for € 7.8 million.

The € 37.3 million **rationalization and associated costs** primarily resulted from the closure of office premises and datacenters consolidation mainly in Latin America for € 11.7 million and in Germany for € 10.5 million further to TOP Tier 1 program, and € 8.0 million in Benelux & The Nordics derived from the restructuring plan.

The **integration and acquisition costs** amounting to € 19.9 million comprised mainly costs of continuing IT infrastructure integration and harmonization of Group transactional systems following the SIS acquisition.

The 2013 **customer relationships amortization** of € 44.3 million was mainly composed of the € 40.6 million SIS customer relationships (PPA) depreciation expense, SIS customer relationships being amortized over 8.75 years starting July 1<sup>st</sup>, 2011.

The **other items** represented an expense of € 24.8 million which mainly included:

- a provision for the DWP-MSA contract loss and potential settlement;
- the Worldline carve-out and associated costs; and
- the gain from the sale of fixed assets for € 18.9 million recorded in H1.

### E.3.13 Net financial expense

Net financial expense amounted to € 62.7 million for the period (compared to € 51.8 million last year) and was composed of a net cost of financial debt for € 30.9 million and non-operational financial costs for € 31.8 million.

Net cost of financial debt was € 30.9 million (compared to € 34.2 million in 2012) and resulted from the following elements:

- the average gross borrowing of € 807.5 million bearing an average expense rate of 4.81% (compared to 4.37% last year), of which:
  - the used portion of the syndicated loan for an average of € 280.0 million bearing an effective interest rate of 4.05%, including commitment fees, and cost of financial instrument,
  - the businesses with effective and cost efficient learning programs, by associating the most suitable training delivery formats, depending on the audiences and their specific needs. As people are key for Atos, HR ensures that the employability bonds issued in October 2009 bearing an effective IFRS interest rate of 6.68% for an outstanding amount of € 233.8 million at the date of their early redemption in October 2013,

- the convertible bonds exclusively subscribed by Siemens at the time of the acquisition of Siemens IT Solutions and Services in July 2011 bearing an effective IFRS interest rate of 4.35% for an outstanding amount of € 234.9 million at the date of their early redemption in December 2013, and
- other sources of financing, including securitization, for an average of € 158.7 million, bearing an effective interest rate of 4.13%;
- and the average gross cash increased from € 928.2 million in 2012 to € 947.3 million in 2013 bearing an average income rate of 0.84% compared to 0.82% in 2012.

The net cost of financial debt was covered 21 times by operating margin, which met the requirement defined by the terms of the Group syndicated loan contract which states that operating margin amount should be higher than 4 times the net cost of financial debt.

Non-operational financial costs amounted to € 31.8 million compared to € 17.6 million in 2012 and were mainly composed of pension financial related costs (€ 15.7 million compared to € 6.6 million expense in 2012 due to higher discount rate) and a net foreign exchange loss (€ 9.4 million versus € 6.2 million loss in 2012).

### E.3.14 Corporate tax

The Group effective tax rate was 27.1% including the French CVAE tax for a gross amount of € 19.7 million. Based on normalized net income, the normalized Group effective tax rate was 29.1%.

Please refer to Note 7 – Income tax for further explanations.

### E.3.15 Non-controlling interests

Non-controlling interests included shareholdings held by joint venture partners and other associates of the Group. They were mostly related to Canopy, the Open Cloud Company.

### E.3.16 Normalized net income

The normalized net income excluding unusual, abnormal and infrequent items (net of tax) was € 415.3 million, increasing by 16.9% in comparison with previous year.

<i>(in € million)</i>	<b>12 months ended 31 December 2013</b>	<b>12 months ended 31 December 2012</b>
<b>Net income – Attributable to owners of the parent</b>	<b>261.6</b>	<b>223.8</b>
Other operating income and expenses	-228.5	-198.6
Tax effect on other operating income and expenses	65.6	59.8
Other unusual items on tax	9.2	7.4
<b>Total unusual items – Net of tax</b>	<b>-153.7</b>	<b>-131.4</b>
<b>Normalized net income – Attributable to owners of the parent</b>	<b>415.3</b>	<b>355.2</b>

### E.3.17 Earnings per share

<i>(in € million)</i>	<b>12 months ended 31 December 2013</b>	<b>% Margin</b>	<b>12 months ended 31 December 2012</b>	<b>% Margin</b>
<b>Net income – Attributable to owners of the parent [a]</b>	<b>261.6</b>	<b>3.0%</b>	<b>223.8</b>	<b>2.5%</b>
Impact of dilutive instruments	13.8		15.7	
<b>Net income restated of dilutive instruments – Attributable to owners of the parent [b]</b>	<b>275.4</b>	<b>3.2%</b>	<b>239.5</b>	<b>2.7%</b>
<b>Normalized net income – Attributable to owners of the parent [c]</b>	<b>415.3</b>	<b>4.8%</b>	<b>355.2</b>	<b>4.0%</b>
Impact of dilutive instruments	13.8		15.7	
<b>Normalized net income restated of dilutive instruments – Attributable to owners of the parent [d]</b>	<b>429.1</b>	<b>5.0%</b>	<b>370.9</b>	<b>4.2%</b>
Average number of shares [e]	87,805,661		84,066,299	
Impact of dilutive instruments	11,530,518		12,629,750	
Diluted average number of shares [f]	99,336,179		96,696,049	
<i>(in €)</i>				
<b>Basic EPS [a]/ [e]</b>	<b>2.98</b>		<b>2.66</b>	
<b>Diluted EPS [b]/ [f]</b>	<b>2.77</b>		<b>2.48</b>	
<b>Normalized basic EPS [c]/ [e]</b>	<b>4.73</b>		<b>4.23</b>	
<b>Normalized diluted EPS [d]/ [f]</b>	<b>4.32</b>		<b>3.84</b>	

Dilutive instruments of 11,530,518 shares comprised stock subscriptions equivalent to 2,085,949 outstanding options and convertible bonds equivalent to 9,444,569 shares calculated prorata temporis from i) 5,414,771 issued in 2009 and early converted on October 15<sup>th</sup>, 2013 and ii) 5,382,131 issued in 2011 and early converted on December 19<sup>th</sup>, 2013. The

convertible bonds are the only instruments that generate a restatement of net income used for the diluted EPS calculation. The restated amount of € 13.8 million represented the interest expense of the liability component net of deferred tax from the corresponding convertible bonds (€ 7.6 million issued in 2009 and € 6.2 million issued in 2011).



**Normalized basic and diluted EPS** reached respectively € 4.73 (€ 4.23 in 2012) and € 4.32 (€ 3.84 in 2012) and grew over the period by respectively +12% and +13%.

The **adjusted non-diluted EPS** presented here below is the indicator used by the Group to measure the EPS increase during the 2011-2013 three year plan period:

<i>(in € million)</i>	<b>12 months ended 31 December 2013</b>	<b>12 months ended 31 December 2012</b>
<b>Net income – Attributable to owners of the parent</b>	<b>261.6</b>	<b>223.8</b>
Staff reorganization	-102.2	-62.4
Rationalization and associated costs	-37.3	-28.1
Customer relationships amortization (PPA)**	-44.3	-43.2
Worldline carve-out and associated costs	-7.6	-
Disposal of subsidiaries	-	-5.9
<b>Subtotal</b>	<b>-191.4</b>	<b>-139.6</b>
Tax effect with Effective Tax Rate	51.9	43.6
<b>Total adjustments – Net of tax</b>	<b>-139.5</b>	<b>-96.0</b>
<b>Adjusted net income – Attributable to owners of the parent</b>	<b>401.1</b>	<b>319.8</b>
Average number of shares*	83,566,768	83,566,768
<b>Adjusted non-diluted EPS</b>	<b>4.80</b>	<b>3.83</b>

\* Number of shares as of December 31<sup>st</sup>, 2011 basis for the calculation of adjusted non-diluted EPS in 2012 and 2013 as presented at the full year 2011 release.

\*\* Purchase Price Allocation.





## E.3.2 Cash Flow

The Group net cash was € 905.4 million at the end of December 2013, thus representing € 673.3 million net cash improvement compared to end of December 2012.

Free cash flow representing the change in net cash or net debt, excluding dividends paid to shareholders, net material acquisitions/disposals and equity changes, reached € 365.1 million versus € 267.2 million achieved in 2012.

<i>(in € million)</i>	<b>12 months ended 31 December 2013</b>	<b>12 months ended 31 December 2012</b>
<b>Operating Margin before Depreciation and Amortization (OMDA)</b>	<b>865.4</b>	<b>793.4</b>
Capital expenditures	-340.0	-325.1
Change in working capital requirement	111.2	82.0
<b>Cash from operation (CFO)</b>	<b>636.6</b>	<b>550.3</b>
Taxes paid	-96.7	-74.2
Net cost of financial debt paid	-30.9	-34.2
Reorganization in other operating income	-114.0	-71.9
Rationalization & associated costs in other operating income	-53.4	-53.6
Integration and acquisition costs	-19.9	-53.3
Net financial investments*	-2.8	-7.7
Profit sharing amounts payable transferred to debt	-3.2	-3.3
Other changes**	49.4	15.1
<b>Free Cash Flow</b>	<b>365.1</b>	<b>267.2</b>
Net material (acquisitions)/disposals	-16.2	96.8
Capital increase/(decrease) & bonds conversion	480.1	33.4
Group share buy-back program	-115.8	-
Dividends paid to owners of the parent	-17.3	-14.9
<b>Change in net cash/(debt)</b>	<b>695.9</b>	<b>382.5</b>
<b>Opening net cash/(debt)</b>	<b>232.1</b>	<b>-141.8</b>
Change in net cash/(debt)	695.9	382.5
Foreign exchange rate fluctuation on net cash/(debt)	-22.6	-8.6
<b>Closing net cash/(debt)</b>	<b>905.4</b>	<b>232.1</b>

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

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



**Cash from operations (CFO)** amounted to € 636.6 million and increased by € 86.3 million compared to prior year. This increase resulted from the evolution of the three following components:

- OMDA (€ +72.0 million) mainly reflecting the increase of operating margin;

- higher capital expenditures (€ -14.9 million);
- positive change in working capital requirement (€ +29.2 million).

**OMDA** of € 865.4 million represented 10.0% of revenue, compared to the 9.0% of revenue last year.

<i>(in € million)</i>	<b>12 months ended 31 December 2013</b>	<b>12 months ended 31 December 2012</b>
<b>Operating margin</b>	<b>645.2</b>	<b>580.0</b>
+ Depreciation of fixed assets	329.1	344.6
+ Net book value of assets sold/written off	19.5	17.8
+ Charge for equity-based compensation	16.7	17.2
+/- Net charge/(release) of pension provisions	-81.5	-40.5
+/- Net charge/(release) of provisions*	-63.6	-125.7
<b>OMDA</b>	<b>865.4</b>	<b>793.4</b>

\* Change in provisions on former SIS loss-making projects and litigation

**Capital expenditures** amounted to € 340.0 million or 3.9% of revenue slightly above the level of 2012 at 3.7%.

The positive **change in working capital** was € 111.2 million (compared to € 82.0 million in 2012). The DSO ratio reached 40 days at the end of December 2013 compared to 44 days in 2012. The improvement came from the implementation of financial arrangements on large customer contracts as part of renewal negotiations encompassing price reduction, scope change or change in payments terms. The DPO ratio of 82 days at end of 2013 compared to 71 days in 2012.

**Tax paid** at € 96.7 million was € 22.5 million higher than last year, mainly due to some large German entities which 2012 taxable profit could not yet be offset in the local fiscal group. Tax paid expressed as a percentage of the profit before tax was 27.3% in 2013 compared to 22.5% in the prior year.

The **cost of net debt** for € 30.9 million decreased by € 3.3 million compared to 2012. This was mainly due to a lower average gross debt which decreased in average by € -150.1 million during the year (€ 807.5 million in 2013 compared to € 957.6 million in 2012). Such decrease came mainly from the early redemption of the 2009 and 2011 convertible bonds in October 2013 and in December 2013 respectively. The average gross cash amounted to € 947.3 million during the year 2013 compared to € 928.2 million in 2012.

**Reorganization, rationalization and associated costs** represented € 167.4 million, in line with the plan of the period.

**Other changes** of € +49.4 million corresponded mainly to:

- other operating expenses being primarily Worldline carve-out and associated costs for € -7.6 million;
- proceeds from the sale of fixed assets in other operating income (€ +20.7 million);

- payments of € -43.1 million to the Dutch Employee Pension Fund as part of € 155.0 million total settlement signed on December 18<sup>th</sup>, 2013, the difference being paid in Atos shares in the course of the first semester of 2014;
- sale of treasury stock and issuance of common stock following employees exercise of stock options for € +98.1 million; this large volume was triggered by the steep increase of the Atos share price in 2013 which brought in the money several old stock options programs (strike price at € 49.75, € 54.14 and € 59.99);
- dividends paid to non-controlling interests for € -6.0 million; and
- other financial expenses for € -12.2 million.

As a result, the **Group free cash flow (FCF)** generated during the year 2013 was € 365.1 million.

The net debt impact resulting from **net acquisitions/disposals** represented € 16.2 million from the acquisition of WindowLogic in Australia (including € +2.0 million of net cash).

The € 480.1 million **capital increase & bonds conversion** mainly resulted from the following transactions:

- € 233.8 million for the early redemption of the 2009 convertible bonds;
- € 234.9 million for the early redemption of the 2011 convertible bonds;
- € 12.5 million subscribed by the Group partners in Canopy, the Open Cloud Company Limited, a subsidiary dedicated to Cloud computing.

The completion of the **Group share buy-back program** launched in October 2013 resulted, for the 1<sup>st</sup> tranche, to a cash outflow of € 115.8 million.

As per the resolution approved by the shareholders during the Annual General Meeting held on May 29<sup>th</sup>, 2013, the Group paid in cash a **dividend** of € 17.3 million to its shareholders.

**Foreign exchange rate fluctuation** which is determined on debt or cash exposure by country represented a decrease in the net cash of € 22.6 million mainly coming from the change of Euro against Asian currencies and Indian Rupee (mainly € 6.5 million on Indian Rupee, € 3.9 million on Singapore Dollar, € 2.8 million on US dollars and € 1.7 million on Malaysian Ringgit).

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As from January 1<sup>st</sup>, 2013, the Group excluded the impact of foreign exchange rate fluctuation from its free cash flow.

The objective of such change was to provide a more adequate assessment of the Group operational performance as well as to align the free cash flow definition on the market position and main IT services competitors. This change would have increased the Group free cash flow reported in 2012 by € 8.6 million.

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### E.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.

#### E.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 October 29<sup>th</sup>, 2009, Atos issued a convertible bond (OCEANE) of € 250.0 million maturing on January 1<sup>st</sup>, 2016. Annual coupon paid to the bond holders is 2.50%. Effective interest rate calculated based on IAS 39 requirements amounted to 6.68%. There is no financial covenant with respect to the convertible bond.

On September 16<sup>th</sup>, 2011, Atos announced its decision to proceed with the early redemption of all the outstanding convertible bonds issued in 2009 and due January 1<sup>st</sup>, 2016. At the same time, the Group disclosed the launch of a share buy-back program of Atos SE shares for € 115.8 million that was completed in December 2013. On October 15<sup>th</sup>, the Group announced the success of the early redemption of the 2009 convertible bonds which resulted in a € 233.8 million increase of its net cash position.

On July 1<sup>st</sup>, 2011, Atos issued a convertible bond (OCEANE) of € 250.0 million reserved for Siemens for the acquisition of Siemens IT Solutions and Services with a maturity on July 1<sup>st</sup>, 2016. The annual coupon paid is 1.50% and the effective interest rate calculated in accordance with IAS 39 is 4.35%. There is no financial covenant with respect to the convertible bond. Siemens sold the convertible bond on March 1<sup>st</sup>, 2013 to other investors.

On November 15<sup>th</sup>, 2011, Atos announced its decision to proceed with the early redemption of all the convertible bonds issued in 2011 and due July 1<sup>st</sup>, 2016. At the same time, the Group announced it would proceed over the year 2014 with an additional share buy-back program including a € 115.0 million tranche representing circa half of net cash increase resulting from the early redemption of the 2011 OCEANE.

On December 19<sup>th</sup>, 2011, the Group announced the success of the early redemption of the 2011 convertible bonds which resulted in a € 234.9 million increase of its net cash position.

On April 11<sup>th</sup>, 2011, Atos signed a new five-year revolving credit facility for an amount of € 1.2 billion with an international syndicate of financial institutions. The maturity of the revolving credit facility is until April 2016. The revolving credit facility includes two financial covenants which under the terms 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 should not be less than 4 times.

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

The new program is structured in 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.

Financial covenants of the Atos securitization program are aligned with the covenants of the € 1.2 billion multi-currency revolving credit facility.

### E.3.3.2 Bank covenants

The Group was well within its borrowing covenants, with a consolidated leverage ratio (net debt divided by OMDA) of -1.05 at the end of December 2013 (the ratio is negative due to the net cash position of the Group at the end of December 2013). The consolidated leverage ratio must not be greater than 2.5 times under the terms of the multi-currency revolving credit facility.

The consolidated interest cover ratio (Operating Margin divided by the net cost of financial debt) was 21 times in 2013. This ratio was significantly higher than the bank covenant which should not be less than 4 times, throughout the term of the multi-currency revolving credit facility.

### E.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.

### E.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.

In November 2011, the Group has hedged the interest rate exposure on the used portion of the credit facility for an amount of € 280.0 million. The instruments used were Swap rates maturing in November 2015.

## E.4 Consolidated financial statements

### E.4.1 Statutory auditors' report on the consolidated financial statements for the year ended December 31<sup>st</sup>, 2013

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

*The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures. This report also includes information relating to the specific verification of information given in the management report and in the document addressed to the shareholders.*

*This report 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 compliance with the assignment entrusted to us by your Annual General Meetings, we hereby report to you, for the year ended December 31<sup>st</sup>, 2013, on:

- the audit of the accompanying consolidated financial statements of Atos SE;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

#### I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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<sup>st</sup>, 2013 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.

#### II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

As specified in the "Accounting estimates and judgments" note in section E.4.7.2 to the consolidated financial statements, the preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses in the financial statements and disclosures of contingent assets and liabilities as of the balance sheet date. This note specifies that the estimates, assumptions and judgments, which may result in a significant adjustment to the carrying amounts of assets and liabilities during the next financial year, mainly relate to:

- goodwill amounting to € 1,915.7 million as of December 31<sup>st</sup>, 2013 was subject to impairment testing by the Company as described in the "Goodwill" note in section E.4.7.2 and in Note 11 to the consolidated financial statements. Based on the information provided to us, our work consisted in assessing the appropriateness of the methodology applied and the data used to determine the values-in-use, especially to review the cash-flow projections for each cash-generating unit ("CGU") and the actual performance against budget, and in verifying the overall consistency of assumptions with forecasts from each CGU's financial business plan approved by management. We have reviewed the calculations made by your company and verified that Note 11 to the consolidated financial statements provides appropriate disclosure;
- the "Revenue recognition" note in section E.4.7.2 to the consolidated financial statements outlines the methods applied with respect to revenue recognition. Based on the information provided to us, our work consisted in assessing the appropriateness of the information provided in the note mentioned above and in ensuring that the accounting methods and principles are correctly applied. In addition, our work consisted in assessing the reasonableness of the accounting estimates used by management;

- as specified in the “Pensions and similar benefits” note in section E.4.7.2 to the consolidated financial statements, the Company uses actuarial methods and actuarial assumptions to evaluate the pension commitments. The value of plan assets is measured on the basis of valuations performed by external actuaries and these assets are subject to additional verifications by management if necessary. Based on the information provided to us, our work consisted on assessing the appropriateness of the methodology applied and the data used to assess the pension obligations and the plan assets valuation, on verifying the consistency of assumptions used, and on verifying that Note 20 to the consolidated financial statements provides appropriate disclosure;
- the Company recognizes deferred tax assets in an amount of € 336.5 million in the consolidated statement of financial position, on the basis of projected taxable profits determined from 3-year business plans as described in section E.4.7.2 to

the consolidated financial statements. Our work consisted in assessing the data and assumptions used by the management of Atos in order to verify the recoverability of deferred tax assets recognized.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

### III. Specific verification

As required by French law, in accordance with professional standards applicable in France, we have also verified the information presented in the Group’s management report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris, April 1<sup>st</sup>, 2014

#### The statutory auditors

Deloitte & Associés

Christophe Patrier

Grant Thornton

*French member of Grant Thornton International*

Victor Amselem

## E.4.2 Consolidated Income Statement

<i>(in € million)</i>		<b>12 months ended 31 December 2013</b>	<b>12 months ended 31 December 2012*</b>
<b>Revenue</b>	<b>Note 2</b>	<b>8,614.6</b>	<b>8,844.3</b>
Personnel expenses	Note 3	-4,445.9	-4,502.2
Operating expenses	Note 4	-3,523.5	-3,762.1
<b>Operating margin</b>		<b>645.2</b>	<b>580.0</b>
<b>% of revenue</b>		<b>7.5%</b>	<b>6.6%</b>
Other operating income and expenses	Note 5	-228.5	-198.6
<b>Operating income</b>		<b>416.7</b>	<b>381.4</b>
<b>% of revenue</b>		<b>4.8%</b>	<b>4.3%</b>
Net cost of financial debt		-30.9	-34.2
Other financial expenses		-68.3	-54.7
Other financial income		36.5	37.1
Net financial income	Note 6	-62.7	-51.8
<b>Net income before tax</b>		<b>354.0</b>	<b>329.6</b>
Tax charge	Notes 7-8	-95.9	-102.9
Share of net profit/(loss) of associates		1.5	1.3
<b>NET INCOME</b>		<b>259.6</b>	<b>228.0</b>
Of which:			
• <b>attributable to owners of the parent</b>		<b>261.6</b>	<b>223.8</b>
• non-controlling interests	Note 9	-2.0	4.2

\* It was decided not to restate the 2012 consolidated financial statements for the impacts of IAS19 revised (IAS19R) as they are not deemed material. The detailed impacts of IAS19R on fiscal year 2012 presented for comparison purposes in the appendix to the consolidated financial statements in Note 20 Pensions.

<i>(in € and number of shares)</i>	<b>Note</b>	<b>12 months ended 31 December 2013</b>	<b>12 months ended 31 December 2012*</b>
Weighted average number of shares		87,805,661	84,066,299
<b>Basic earnings per share</b>	<b>Note 10</b>	<b>2.98</b>	<b>2.66</b>
Diluted weighted average number of shares		99,336,179	96,696,049
<b>Diluted earnings per share</b>	<b>Note 10</b>	<b>2.77</b>	<b>2.48</b>

\* It was decided not to restate the 2012 consolidated financial statements for the impacts of IAS19 revised (IAS19R) as they are not deemed material. The detailed impacts of IAS19R on fiscal year 2012 presented for comparison purposes in the appendix to the consolidated financial statements in Note 20 Pensions.

## E.4.3 Consolidated statement of comprehensive income

<i>(in € million)</i>	<b>12 months ended 31 December 2013</b>	<b>12 months ended 31 December 2012*</b>
<b>Net income</b>	<b>259.6</b>	<b>228.0</b>
<b>Other comprehensive income</b>		
• to be reclassified subsequently to profit or loss (recyclable):		
Cash flow hedging	-68.3	-12.4
Exchange differences on translation of foreign operations	-0.1	-2.5
Deferred tax on items recyclable recognized directly on equity	-69.8	-8.9
Deferred tax on items recyclable recognized directly on equity	1.6	-1.0
• not reclassified to profit or loss (non-recyclable):		
Actuarial gains and losses generated in the period on defined benefit plan	-92.1	-241.6
Deferred tax on items non-recyclable recognized directly on equity	-108.8	-326.6
Deferred tax on items non-recyclable recognized directly on equity	16.7	85.0
<b>Total other comprehensive income</b>	<b>-160.4</b>	<b>-254.0</b>
<b>Total comprehensive income for the period</b>	<b>99.2</b>	<b>-26.0</b>
Of which:		
• attributable to owners of the parent	101.2	-30.2
• non-controlling interests	-2.0	4.2

\* It was decided not to restate the 2012 consolidated financial statements for the impacts of IAS19 revised (IAS19R) as they are not deemed material. The detailed impacts of IAS19R on fiscal year 2012 presented for comparison purposes in the appendix to the consolidated financial statements in Note 20 Pensions.

## E.4.4 Consolidated statement of financial position

(in € million)	Note	12 months ended 31 December 2013	12 months ended 31 December 2012*
<b>ASSETS</b>			
Goodwill	Note 11	1,915.7	1,942.2
Intangible assets	Note 12	445.4	464.0
Tangible assets	Note 13	619.0	667.8
Non-current financial assets	Note 14	376.5	395.2
Non-current financial instruments	Note 23	0.3	0.6
Deferred tax assets	Note 8	336.5	362.5
<b>Total non-current assets</b>		<b>3,693.4</b>	<b>3,832.3</b>
Trade accounts and notes receivables	Note 15	1,722.5	1,960.0
Current taxes		23.7	36.3
Other current assets	Note 16	437.3	455.9
Current financial instruments	Note 23	19.1	3.1
Cash and cash equivalents	Note 18	1,306.2	1,159.7
<b>Total current assets</b>		<b>3,508.8</b>	<b>3,615.0</b>
<b>TOTAL ASSETS</b>		<b>7,202.2</b>	<b>7,447.3</b>

(in € million)	Note	12 months ended 31 December 2013	12 months ended 31 December 2012
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Common stock		98.1	85.7
Additional paid-in capital		2,385.1	1,842.5
Consolidated retained earnings		350.1	312.5
Translation adjustments		(185.7)	(116.0)
Net income attributable to the owners of the parent		261.6	223.8
Equity attributable to the owners of the parent		2,909.2	2,348.5
Non-controlling interests		30.0	30.8
<b>Total shareholders' equity</b>		<b>2,939.2</b>	<b>2,379.3</b>
Provisions for pensions and similar benefits	Note 20	723.1	736.3
Non-current provisions	Note 21	108.9	170.3
Borrowings	Note 22	307.3	758.2
Deferred tax liabilities	Note 8	147.5	192.4
Non-current financial instruments	Note 23	6.8	12.6
Other non-current liabilities		9.5	10.6
<b>Total non-current liabilities</b>		<b>1,303.1</b>	<b>1,880.4</b>
Trade accounts and notes payables	Note 24	1,055.6	1,026.8
Current taxes		80.2	99.5
Current provisions	Note 21	193.5	236.7
Current financial instruments	Note 23	25.9	2.6
Current portion of borrowings	Note 22	93.5	169.5
Other current liabilities	Note 25	1,511.2	1,652.5
<b>Total current liabilities</b>		<b>2,959.9</b>	<b>3,187.6</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>7,202.2</b>	<b>7,447.3</b>

\* It was decided not to restate the 2012 consolidated financial statements for the impacts of IAS19 revised (IAS19R) as they are not deemed material. The detailed impacts of IAS19R on fiscal year 2012 presented for comparison purposes in the appendix to the consolidated financial statements in Note 20 Pensions.



## E.4.5 Consolidated cash flow statement

(in € million)	Note	12 months ended 31 December 2013	12 months ended 31 December 2012*
<b>Profit before tax</b>		<b>354.0</b>	<b>329.6</b>
Depreciation of assets	Note 4	329.1	344.6
Net charge/(release) to operating provisions		-145.1	-166.2
Net charge/(release) to financial provisions		16.9	8.3
Net charge/(release) to other operating provisions		-38.0	-56.3
Customer relationships amortization (PPA)**	Note 4	44.3	43.2
Losses/(gains) on disposals of fixed assets		-12.7	10.9
Net charge for equity-based compensation		16.7	17.2
Losses/(gains) on financial instruments		2.5	-1.9
Net cost of financial debt	Note 6	30.9	34.2
<b>Cash from operating activities before change in working capital requirement, financial interest and taxes</b>		<b>598.6</b>	<b>563.6</b>
Taxes paid		-96.7	-74.2
Change in working capital requirement		111.2	82.0
<b>Net cash from/(used in) operating activities</b>		<b>613.1</b>	<b>571.4</b>
Payment for tangible and intangible assets		-340.0	-325.1
Proceeds from disposals of tangible and intangible assets		34.5	35.6
<b>Net operating investments</b>		<b>-305.5</b>	<b>-289.5</b>
Amounts paid for acquisitions and long-term investments		-28.0	97.4
Cash and cash equivalents of companies purchased during the period		2.5	2.2
Proceeds from disposals of financial investments		7.3	18.8
Cash and cash equivalents of companies sold during the period		-	-0.8
Dividend received from entities consolidated by equity method		2.4	2.7
<b>Net long-term investments</b>		<b>-15.8</b>	<b>120.3</b>
<b>Net cash from/(used in) investing activities</b>		<b>-321.3</b>	<b>-169.2</b>
Capital Increase		-	23.4
Common stock issues on the exercise of equity-based compensation		98.1	27.8
Capital increase subscribed by non-controlling interests		13.0	-
Portion of convertible bonds:		-2.0	-
• in equity		-	-
• in financial liability		-2.0	-
Purchase and sale of treasury stock		-115.8	-
Dividends paid to owners of the parent		-17.3	-14.9
Dividends paid to non-controlling interests		-6.0	-1.4
Payment for acquisition of non controlling interests		-1.6	-0.5
New borrowings	Note 22	8.2	8.9
New finance lease	Note 22	2.2	0.1
Repayment of long and medium-term borrowings	Note 22	-37.8	-43.1
Net cost of financial debt paid		-19.9	-18.7
Other flows related to financing activities		-58.6	8.7
<b>Net cash from/(used in) financing activities</b>		<b>-137.5</b>	<b>-9.7</b>
<b>Increase/(decrease) in net cash and cash equivalents</b>		<b>154.3</b>	<b>392.5</b>
<b>Opening net cash and cash equivalents</b>		<b>1,109.6</b>	<b>722.8</b>
Increase/(decrease) in net cash and cash equivalents	Note 22	154.3	392.5
Impact of exchange rate fluctuations on cash and cash equivalents		-25.6	-5.7
<b>Closing net cash and cash equivalents</b>	<b>Note 23</b>	<b>1,238.3</b>	<b>1,109.6</b>

\* It was decided not to restate the 2012 consolidated financial statements for the impacts of IAS19 revised (IAS19R) as they are not deemed material. The detailed impacts of IAS19R on fiscal year 2012 presented for comparison purposes in the appendix to the consolidated financial statements in Note 20 Pensions.

\*\* Purchase Price Allocation.

## E.4.6 Consolidated statement of changes in shareholders' equity

<i>(in € million)</i>	Number of shares at period-end (thousands)	Common Stock	Additional paid-in capital
<b>At January 1<sup>st</sup>, 2012*</b>	<b>83,567</b>	<b>83.6</b>	<b>1,766.5</b>
Changes in SIS business combination at January 1 <sup>st</sup> , 2012			
<b>At January 1<sup>st</sup>, 2012 restated</b>	<b>83,567</b>	<b>83.6</b>	<b>1,766.5</b>
• Common stock issued	2,136	2.1	76.0
• Appropriation of prior period net income			
• Dividends paid to non-controlling interests			
• Equity-based compensation			
• Other			
Transactions with owners	2,136	2.1	76.0
• Net income			
• Other comprehensive income			
<b>Total comprehensive income for the period</b>			
<b>At December 31<sup>st</sup>, 2012</b>	<b>85,703</b>	<b>85.7</b>	<b>1,842.5</b>
IAS 19 revised impacts at January 1 <sup>st</sup> , 2013			
<b>At January 1<sup>st</sup>, 2013* restated</b>	<b>85,703</b>	<b>85.7</b>	<b>1,842.5</b>
• Common stock issued	12,463	12.4	542.6
• Appropriation of prior period net income			
• Dividends paid to non-controlling interests			
• Equity-based compensation			
• Changes in auto-control shares			
• Equity portion of compound instrument			
• Other			
Transactions with owners	12,463	12.4	542.6
• Net income			
• Other comprehensive income			
Total comprehensive income for the period			
<b>AT DECEMBER 31<sup>st</sup>, 2013</b>	<b>98,166</b>	<b>98.1</b>	<b>2,385.1</b>

\* It was decided not to restate the 2012 consolidated financial statements for the impacts of IAS19 revised (IAS19R) as they are not deemed material. The detailed impacts of IAS19R on fiscal year 2012 presented for comparison purposes in the appendix to the consolidated financial statements in Note 20 Pensions.

Consolidated retained earnings	Translation adjustments	Items recognized directly in equity	Net income	Total	Non controlling interests	Total shareholders' equity
<b>410.5</b>	<b>-112.7</b>	<b>-6.6</b>	<b>181.6</b>	<b>2,322.9</b>	<b>6.0</b>	<b>2,328.9</b>
-6.0	5.6		2.4	2.0	-	2.0
<b>404.5</b>	<b>-107.1</b>	<b>-6.6</b>	<b>184.0</b>	<b>2,324.9</b>	<b>6.0</b>	<b>2,330.9</b>
-26.9				51.2	11.3	62.5
184.0			-184.0	-		-
-14.9				-14.9	-1.4	-16.3
17.2				17.2		17.2
0.3				0.3	10.7	11.0
159.7	-	-	-184.0	53.8	20.6	74.4
			223.8	223.8	4.2	228.0
-241.6	-8.9	-3.5		-254.0		-254.0
<b>-241.6</b>	<b>-8.9</b>	<b>-3.5</b>	<b>223.8</b>	<b>-30.2</b>	<b>4.2</b>	<b>-26.0</b>
<b>322.6</b>	<b>-116.0</b>	<b>-10.1</b>	<b>223.8</b>	<b>2,348.5</b>	<b>30.8</b>	<b>2,379.3</b>
-9.8				-9.8		-9.8
<b>312.8</b>	<b>-116.0</b>	<b>-10.1</b>	<b>223.8</b>	<b>2,338.7</b>	<b>30.8</b>	<b>2,369.5</b>
-34.0				521.0		521.0
223.8			-223.8	-		-
-17.3				-17.3	-6.0	-23.3
16.7				16.7		16.7
-33.9				-33.9		-33.9
-23.8				-23.8		-23.8
6.5				6.5	7.3	13.8
138.0	-	-	-223.8	469.2	1.3	470.5
			261.6	261.6	-2.0	259.6
-92.1	-69.7	1.5		-160.3	-0.1	-160.4
-92.1	-69.7	1.5	261.6	101.3	-2.1	99.2
<b>358.7</b>	<b>-185.7</b>	<b>-8.6</b>	<b>261.6</b>	<b>2,909.2</b>	<b>30.0</b>	<b>2,939.2</b>



## E.4.7 Appendices to the consolidated financial statements

### DETAILED SUMMARY OF NOTES

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### E.4.71 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 323 623 603. Atos SE shares are traded on the NYSE Euronext Paris market under ISIN code FR0000051732. The shares are not listed on any other stock exchange and Atos SE is the only listed company in the Group. The Company is administrated by a Board of Directors.

The consolidated financial statements of the Group for the twelve months ended December 31<sup>st</sup>, 2013 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 18<sup>th</sup>, 2014. These consolidated financial statements will become definitive following their adoption by the Annual General Shareholders' Meeting planned in May 2014.

### E.4.72 Basis of preparation and significant accounting policies

#### Basis of preparation

Pursuant to European Regulation No. 1606/2002 of July 19<sup>th</sup>, 2002, the consolidated financial statements for the twelve months ended December 31<sup>st</sup>, 2013 have been prepared in accordance with the applicable international accounting standards, as endorsed by the European Union as at December 31<sup>st</sup>, 2013. 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: [http://ec.europa.eu/internal\\_market/accounting/ias/index\\_en.htm](http://ec.europa.eu/internal_market/accounting/ias/index_en.htm)

As of December 31<sup>st</sup>, 2013, 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) with the exception of certain of IAS 39's hedge accounting requirements have not been endorsed, which has no effect on the Group consolidated financial statements. Consequently, the Group's consolidated financial statements are prepared in accordance with the IFRS standards and interpretations, as published by the IASB.

The following standards, interpretations and amendments to existing standards that have been published and endorsed by European Union are mandatory for the Group's accounting period beginning on January 1<sup>st</sup>, 2013:

- IFRS 13 – Fair Value Measurement;
- amendments to IAS 1 – Presentation of Items of Other Comprehensive Income;
- amendments to IFRS 1 – Severe Hyperinflation;
- amendments to IFRS 7 – Disclosures – Offsetting Financial Assets and Financial Liabilities;
- annual Improvements to IFRSs 2010–2012 Cycle;
- IFRIC 20 – Stripping costs in the production phase of a surface mine;

- amendments to IFRS 1 – Governments loans.
- amendments to IAS 12 – Deferred Taxes: Recovery of Underlying Assets;
- amendments to IAS 19 – Employee Benefits;

The following standards, interpretations and amendments to existing standards that have been published and endorsed by European Union are not yet mandatory for the Group:

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

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

The consolidated financial statements do not take into account:

- draft standards that are still at the exposure draft stage at the International Accounting Standards Board (IASB);
- new standards, interpretations and amendments to existing standards and interpretations not yet approved by the European Union. This notably concerns:
  - amendments IFRS 10, 12 and IAS 27 – Investment Entities,
  - amendments to IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting;
  - IFRIC 21 – Levies,
  - IFRS 9 – Financial Instruments (replacement of IAS 39).

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

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

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

### 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.

#### 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% 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.

### Joint ventures

The Group's interests in jointly controlled entities are accounted for by proportionate method. Operating and shareholders' agreements are considered when assessing the joint control.

### Associates

Associates are entities over which the Group has significant influence but not control or joint control, generally, but not systematically, accompanying a shareholding of between 20 and 50% of the voting rights. Investments in associates are accounted for by the equity method.

## 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 designed on two axes: Global Business Units and Service Lines (Consulting, Systems Integration, Managed Services, HTTS and Business Process Outsourcing). 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 GBU 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 GBU is managed by dedicated members of the Executive Committee.

The measurement policies that the Group uses for segments 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 GBU where they are physically located even though they are used by several GBUs.

### 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 or 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 GBU, 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 over all published periods.

### 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 rate 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 in 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 through the 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 CGU 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 prorata 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 in relation with 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. Expenditure on research (or on the research phase of an internal project) shall be 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.

The 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 five to seven years for internally developed IT solutions and ten years for customer relationships acquired in a business combination; their related depreciation are 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, the control of the asset usually remains with the customer as he generally retains the property. When the ownership of the computing equipment is transferred to Atos, this transfer is generally paid, 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 closing date. In the absence of an active market for the shares, the 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 impairment in value. The most common financial criteria used to determine fair value are equity and earnings

outlooks. Gains and losses arising from variation 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".

#### 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 payments 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 part that will be settled within 12 months, and "Non-current financial assets" for the part 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". The amounts recorded in net equity are transferred to the income statement simultaneously to the recognition of the hedged items.



### Cash and cash equivalents

Cash and cash equivalent 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.

### 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 accomplished by beneficiaries.

The valuation of Group defined benefit obligation 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 cumulated 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 and asset ceiling effects generated in the period are recognized in "other comprehensive income".

Benefit plans 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;
- 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.

### Convertible bonds OCEANE (bonds convertible into and/or exchangeable for new or existing shares of Atos)

OCEANE are financial instruments defined as compound financial instruments composed of both a liability and an equity component, which have to be valued and recorded separately.

In order to evaluate the split between the liability and an equity component, the carrying amount of the liability component is first determined by measuring the fair value of a similar liability (including any embedded non-equity derivative features) that does not have an associated equity component. The carrying amount of the equity instrument represented by the option to convert the instrument into ordinary shares is then determined by deducting the fair value of the financial liability from the fair value of the compound financial instrument as a whole.

### 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 existing before January 1<sup>st</sup>, 2010, when the cost of the purchase exceeds the amount of non-controlling interests, the Group chooses to recognize the balance as goodwill. Any

further change in the fair value of the non-controlling interests purchase commitment will also be recorded in goodwill.

For puts granted after January 1<sup>st</sup>, 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 accordingly to the following principles:

#### Variable or fixed price contracts considerations

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, while 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 for long-term fixed price is recognized when services are rendered.

If circumstances arise, that change the original estimates of revenues, costs, or extent 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 and agent considerations

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 considerations

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 considerations

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

#### Transition costs

Transitions costs are either expensed as incurred or recognized in revenue on a POC basis over the transition phase. Only in rare instances where the 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" of the consolidated balance sheet and amortization expense is recorded in "Operating expenses" in the consolidated income statement.

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

#### Operating margin

The underlying operating performance on the ongoing business is presented within operating margin, while unusual operating income/expenses are separately itemised and presented below the operating margin, in line with the CNC (Conseil National de la Comptabilité) recommendation n°2009-R-03 (issued on July 2<sup>nd</sup>, 2009) regarding the financial statements presentation.

#### 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 the operating margin.

Classification of charges to (or release from) restructuring and rationalization and associated costs provisions in the income statement depends on the nature of the plan:

- plans directly in relation with operations are classified within the Operating margin;
- plans related to business combinations or qualified as unusual, infrequent and abnormal are classified in the Operating income;

- if a restructuring plan qualifies for Operating income, the related real estate rationalization & associated costs expenses regarding premises and buildings is 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 the Customer Relationships, or any other item that is infrequent, unusual and abnormal.

### Equity-based compensation

Stocks 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 "Personnel expenses" 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's 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% 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: 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 "Personnel expenses" at the end of the subscription period.

The Group has also granted to management and certain employees' free shares plans. The fair value of those plans corresponds to the value of the shares at the grant date and takes into account the 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 a personal expense spread over the rights 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.

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 are 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 are 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 member of the key management personnel of the Group as defined as persons who have the authority and responsibility for planning, directing and controlling the activity 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.

### E.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 Global 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's policy is to cover fully 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 Group Treasury Department.

Maturity analysis of financial liabilities is disclosed in Note 22.

#### Interest rate risk

Interest rate risk arises mainly from 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 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.

## E.4.74 Notes to the consolidated financial statements

### Note 1 Changes in the scope of consolidation

Since January 1<sup>st</sup> 2013, there has been no significant change in the scope of consolidation. Nevertheless, Atos has acquired WindowLogic a major player in Australia for ECM and PLM business solutions to expand its geographical and market presence across Asia Pacific.

### Note 2 Segment information

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

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

- the GBU **North & South West Europe (N&SWE)** was split between i) Nordic countries transferred to the newly called

Benelux & The Nordics GBU (BTN) and ii) Switzerland and Italy transferred to Central & Eastern Europe GBU (CEE);

- the entity Atos Worldline Financial Markets (AWFM) was transferred under the management of the France GBU. In terms of Service Line, AWFM is part of Systems Integration; and
- the Atos Worldgrid entity, formerly part of the segment "Other countries", is now reported in the corresponding GBUs (France, Italy, Spain, Germany and Asia Pacific). In terms of Service Line, Atos Worldgrid is part of Systems Integration.

The changes compared to 2012 segments organization are summarized here below:

Operating segments in 2012	Bridge	Operating segments in 2013
N&SWE	Denmark, Sweden & Finland & the Nordics	BTN
	Italy & Switzerland	CEE
Atos Worldgrid	Atos Worldgrid Germany	Germany
	Atos Worldgrid Spain	Iberia
	Atos Worldgrid Italy	CEE
	Atos Worldgrid China	Other Countries
	Atos Worldgrid France	France

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

As a result of these changes, the Group segment organization in 2013 was the following:

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

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:

<i>(in € million)</i>	Germany	United-Kingdom and Ireland	BTN	France	Atos Worldline
<b>12 months ended 31 December 2013</b>					
<b>External revenue by segment</b>	<b>1,659.4</b>	<b>1,647.0</b>	<b>1,083.5</b>	<b>1,020.0</b>	<b>896.0</b>
% of Group revenue	19.3%	19.1%	12.6%	11.8%	10.4%
Inter-segment revenue	199.0	40.3	110.5	72.7	23.7
Total revenue	1,858.4	1,687.3	1,194.0	1,092.7	919.7
<b>Segment operating margin</b>	<b>120.0</b>	<b>135.3</b>	<b>122.2</b>	<b>33.1</b>	<b>162.4</b>
% of Group margin	7.2%	8.2%	11.3%	3.2%	18.1%
<b>Total segment assets</b>	<b>820.9</b>	<b>1,038.4</b>	<b>816.7</b>	<b>605.9</b>	<b>705.0</b>
<b>Other information on income statement</b>					
Depreciation of assets	-69.6	-56.3	-46.2	-25.6	-32.0
Impairment losses for fixed assets					
<b>Other informations</b>					
Year end headcount	8,729	10,252	6,910	9,886	5,583
Capital expenditure	63.4	59.1	40.6	25.3	56.6
Net cash	442.2	-170.8	15.4	-0.2	-32.2
<b>12 months ended 31 December 2012</b>					
<b>External revenue by segment</b>	<b>1,711.6</b>	<b>1,678.9</b>	<b>1,121.9</b>	<b>1,116.0</b>	<b>879.9</b>
% of Group revenue	19.4%	19.0%	12.7%	12.7%	9.9%
Inter-segment revenue	166.6	33.2	76.9	65.7	27.2
Total revenue	1,878.2	1,712.1	1,198.8	1,181.7	907.1
<b>Segment operating margin</b>	<b>144.0</b>	<b>116.7</b>	<b>86.2</b>	<b>11.1</b>	<b>158.8</b>
% of Group margin	8.4%	7.0%	7.7%	1.0%	18.0%
<b>Total segment assets</b>	<b>981.2</b>	<b>1,044.7</b>	<b>900.9</b>	<b>674.9</b>	<b>695.2</b>
<b>Other information on income statement</b>					
Depreciation of assets	-81.1	-57.2	-48.1	-26.0	-31.7
Impairment losses for fixed assets	-2.4				
<b>Other informations</b>					
Year end headcount	8,777	10,927	7,555	10,767	5,577
Capital expenditure	58.0	41.6	51.5	24.7	42.3
Net cash	494.3	-213.9	-89.1	-1.3	108.0

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

<i>(in € million)</i>	<b>12 months ended 31 December 2013</b>	<b>12 months ended 31 December 2012</b>
<b>Total segment assets</b>	<b>5,535.8</b>	<b>5,888.8</b>
Tax Assets	360.2	398.8
Cash & Cash Equivalents	1,306.2	1,159.7
<b>TOTAL ASSETS</b>	<b>7,202.2</b>	<b>7,447.3</b>



Central and Eastern Europe	North America	Iberia	Other countries	Total Operating segments	Global Delivery Lines	Other Global Structures	Elimination	Total Group
<b>873.4</b>	<b>607.0</b>	<b>324.6</b>	<b>503.7</b>	<b>8,614.6</b>				<b>8,614.6</b>
10.1%	7.0%	3.8%	5.8%	100.0%				100.0%
127.0	73.4	15.4	348.3	1,010.3		101.6	-1,111.9	-
1,000.4	680.4	340.0	852.0	9,624.9	-	101.6	-1,111.9	8,614.6
<b>64.3</b>	<b>41.4</b>	<b>11.9</b>	<b>73.1</b>	<b>763.7</b>		<b>-118.5</b>		<b>645.2</b>
7.4%	6.8%	3.7%	14.5%	8.9%				7.5%
<b>500.9</b>	<b>203.8</b>	<b>189.1</b>	<b>534.4</b>	<b>5,415.1</b>	-	<b>120.7</b>	-	<b>5,535.8</b>
-41.2	-13.0	-3.8	-25.0	-312.7		-16.4		-329.1
				-				-
8,198	3,919	5,205	16,876	75,558		762		76,320
29.5	19.7	4.4	33.4	332.0		8.0		340.0
219.2	92.4	-35.5	174.7	705.2		200.2		905.4
<b>882.8</b>	<b>588.0</b>	<b>338.6</b>	<b>526.6</b>	<b>8,844.3</b>				<b>8,844.3</b>
10.0%	6.6%	3.8%	6.0%	100.0%				100.0%
108.4	38.0	10.6	203.3	729.9		120.6	-850.5	-
991.2	626.0	349.2	729.9	9,574.2	-	120.6	-850.5	8,844.3
<b>89.2</b>	<b>47.2</b>	<b>10.4</b>	<b>41.4</b>	<b>705.0</b>		<b>-125.0</b>		<b>580.0</b>
10.1%	8.0%	3.1%	7.9%	8.0%				6.6%
<b>565.4</b>	<b>207.1</b>	<b>219.6</b>	<b>480.2</b>	<b>5,769.2</b>	-	<b>119.6</b>	-	<b>5,888.8</b>
-41.2	-15.3	-3.4	-24.8	-328.8		-15.8		-344.6
				-2.4				-2.4
7,398	4,106	5,473	15,203	75,783		634		76,417
40.8	16.2	2.9	32.9	310.9		14.2		325.1
121.4	64.0	-61.0	143.1	565.5		-333.4		232.1

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

<i>(in € million)</i>	Consulting & Technology Services	Systems Integration	Managed Services	HTTS* & Specialized Businesses	Total Group
<b>12 MONTHS ENDED 31 DECEMBER 2013</b>					
<b>External revenue by segment</b>	<b>613.2</b>	<b>2,278.4</b>	<b>4,016.8</b>	<b>1,706.2</b>	<b>8,614.6</b>
% of Group revenue	7.1%	26.4%	46.6%	19.8%	100.0%
12 months ended 31 December 2012					
<b>External revenue by segment</b>	<b>656.2</b>	<b>2,500.8</b>	<b>4,124.7</b>	<b>1,562.6</b>	<b>8,844.3</b>
% of Group revenue	7.4%	28.3%	46.6%	17.7%	100.0%

\* *Hi-Tech Transactional Services.*

During the second semester of 2013, the Group has finalized the carve-out of its merchant and payments activities with the set-up of Worldline. This operation led to the consolidation of some Hi-Tech Transactional Services (HTTS) activities from

several GBU's with Atos Worldline to form the new perimeter of Worldline, without any impact at Group consolidated level. This new operational organization will be reflected on the Group segment information from 2014 onwards.

### Note 3 Personnel expenses

<i>(in € million)</i>	12 months ended 31 December 2013	% Revenue	12 months ended 31 December 2012	% Revenue
Wages and salaries	-3,534.0	41.0%	-3,526.1	39.9%
Social security charges	-930.1	10.8%	-939.7	10.6%
Tax, training, profit-sharing	-48.5	0.6%	-60.8	0.7%
Equity-based compensation	-16.7	0.2%	-17.2	0.2%
Net (charge)/release to provisions for staff expenses	1.9	0.0%	1.1	0.0%
Difference between pension contributions and net pension expense*	81.5	-0.9%	40.5	-0.5%
<b>TOTAL</b>	<b>-4,445.9</b>	<b>51.6%</b>	<b>-4,502.2</b>	<b>50.9%</b>

\* *Difference between total cash contributions made to the pensions funds and the net pension expense under IAS 19R.*

#### Equity-based compensation

The € 16.7 million charges recorded within operating margin for equity based compensation (€ 17.2 million in 2012) is made of:

- € 16.6 million related to free share grant plans set-up in 2011, 2012 and 2013;
- € 0.1 million related to the 2010 stock option plan.

Total expense in operating margin related to free share plans during the year was the following:

<i>(in € million)</i>	12 months ended 31 December 2013	12 months ended 31 December 2012
Plan 2013	5.4	-
Plan 2012	0.2	0.2
Plan 2011	11.0	11.1
LTI/MIP set-up in 2007 and 2008	-	0.1
<b>TOTAL</b>	<b>16.6</b>	<b>11.4</b>

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

	12 months ended 31 December 2013		12 months ended 31 December 2012	
	Number of shares	Weighted average strike price (in €)	Number of shares	Weighted average strike price (in €)
<b>Outstanding at the beginning of the year</b>	<b>7,542,180</b>	<b>40.2</b>	<b>8,531,235</b>	<b>39.5</b>
Granted during the year	-	-	-	-
Forfeited during the year	-7,771	43.3	-28,330	41.8
Exercised during the year	-2,509,900	39.1	-860,045	30.8
Expired during the year	-9,456	25.9	-100,680	58.7
<b>Outstanding at the end of the year</b>	<b>5,015,053</b>	<b>39.5</b>	<b>7,542,180</b>	<b>40.2</b>
<b>Exercisable at the end of the year, below year-end stock price*</b>	<b>5,015,053</b>	<b>39.5</b>	<b>4,981,018</b>	<b>31.8</b>

\* Year-end stock price: € 65.79 at December 31<sup>st</sup>, 2013 and € 52.86 at December 31<sup>st</sup>, 2012.

Options outstanding at the end of the year have a weighted average remaining contractual life of 3.6 years (2012: 4.3 years).

#### Note 4 Non personnel operating expenses

(in € million)	12 months ended 31 December 2013	% Revenue	12 months ended 31 December 2012	% Revenue
Subcontracting costs direct	-1,226.9	14.2%	-1,387.0	15.7%
Hardware and software purchase	-503.8	5.8%	-442.8	5.0%
Maintenance costs	-397.6	4.6%	-401.7	4.5%
Rent & Lease expenses	-287.2	3.3%	-301.1	3.4%
Telecom costs	-279.4	3.2%	-299.0	3.4%
Travelling expenses	-168.6	2.0%	-204.9	2.3%
Company cars	-100.1	1.2%	-101.1	1.1%
Professional fees	-155.6	1.8%	-210.6	2.4%
Taxes & Similar expenses	-42.2	0.5%	-40.3	0.5%
Others expenses	-139.5	1.6%	-177.7	2.0%
<b>Subtotal expenses</b>	<b>-3,300.9</b>	<b>38.3%</b>	<b>-3,566.2</b>	<b>40.3%</b>
Depreciation of assets	-329.1	3.8%	-344.6	3.9%
Net (charge)/release to provisions	61.7	-0.7%	124.5	-1.4%
Gains/(Losses) on disposal of assets	-6.0	0.1%	-2.9	0.0%
Trade Receivables write-off	-12.4	0.1%	-15.2	0.2%
Capitalized Production	63.2	-0.7%	42.3	-0.5%
<b>Subtotal other expenses</b>	<b>-222.6</b>	<b>2.6%</b>	<b>-195.9</b>	<b>2.2%</b>
<b>TOTAL</b>	<b>-3,523.5</b>	<b>40.9%</b>	<b>-3,762.1</b>	<b>42.5%</b>

#### 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 € 228.5 million in 2013. The following table presents this amount by nature:

(in € million)	12 months ended 31 December 2013	12 months ended 31 December 2012
Staff reorganization	-102.2	-62.4
Rationalization and associated costs	-37.3	-28.1
Integration and acquisition costs	-19.9	-53.3
Customer relationships amortization (PPA)*	-44.3	-43.2
Other items	-24.8	-11.6
<b>TOTAL</b>	<b>-228.5</b>	<b>-198.6</b>

\* Purchase Price Allocation.

The € 102.2 million **staff reorganization** expense was the consequence of both the Group workforce adaptation to the effects of the continued economic recession in Europe through collective restructuring plans primarily in the Netherlands for € 17.4 million, in Global Structures for € 15.0 million, in Central & Eastern Europe for € 10.6 million, in the United-Kingdom for € 9.5 million and in Spain for € 7.8 million.

The € 37.3 million **rationalization and associated costs** primarily resulted from the closure of office premises and datacenters consolidation mainly in Latin America for € 11.7 million and in Germany for € 10.5 million further to TOP Tier 1 program, and € 8.0 million in Benelux & The Nordics linked to the restructuring plan.

The **integration and acquisition costs** amounting to € 19.9 million comprised mainly costs of continuing IT

infrastructure integration and harmonization of Group transactional systems following the SIS acquisition.

The 2013 **customer relationships amortization** of € 44.3 million was mainly composed of the € 40.6 million SIS customer relationships (PPA) depreciation expense, SIS customer relationships amortized over 8.75 years starting July 1<sup>st</sup>, 2011.

The **other items** represented an expense of € 24.8 million which mainly included:

- a provision for the DWP-MSA contract loss and potential settlement;
- the Worldline carve-out and associated costs; and
- the gain from the sale of fixed asset for € +18.9 million.

## Note 6 Net financial result

Net financial expense amounted to € 62.7 million for the period (compared with € 51.8 million last year) and was composed of a net cost of financial debt of € 30.9 million and non-operational financial costs of € 31.8 million.

### Net cost of financial debt

<i>(in € million)</i>	<b>12 months ended 31 December 2013</b>	<b>12 months ended 31 December 2012</b>
<b>Net interest expenses</b>	<b>-27.0</b>	<b>-30.3</b>
Interest on obligations under finance leases	-0.8	-1.1
Gain/(loss) on disposal of cash equivalents	0.8	0.2
Gain/(loss) on interest rate hedges of financial debt	-3.9	-3.0
<b>NET COST OF FINANCIAL DEBT</b>	<b>-30.9</b>	<b>-34.2</b>

Net cost of financial debt was € 30.9 million (compared to € 34.2 million in 2012) and resulted from the following elements:

- the average gross borrowing of € 807.5 million bearing an average expense rate of 4.81% (compare to 4.37% last year), of which:
  - the used portion of the syndicated loan for an average of € 280.0 million bearing an effective interest rate of 4.05%, including commitment fees, and cost of financial instrument,
  - the convertible bonds issued in October 2009 bearing an effective IFRS interest rate of 6.68% for an outstanding amount of € 233.8 million at the date of their early redemption in October 2013,
  - the convertible bonds exclusively subscribed by Siemens at the time of the acquisition of Siemens IT Solutions and

Services in July 2011 bearing an effective IFRS interest rate of 4.35% for an outstanding amount of € 234.9 million at the date of their early redemption in December 2013, and

- other sources of financing, including securitization, for an average of € 158.7 million, bearing an effective interest rate of 4.13%;
- and the average gross cash increased from € 928.2 million in 2012 to € 947.3 million in 2013 bearing an average income rate of 0.84% compared to 0.82% in 2012.

The net cost of financial debt was covered 21 times by operating margin, which met the requirement defined by the terms of Group syndicated loan contract which states that operating margin amount should be higher than 4 times the net cost of financial debt.

## Other financial income and expenses

<i>(in € million)</i>	<b>12 months ended 31 December 2013</b>	<b>12 months ended 31 December 2012</b>
Foreign exchange income/(expenses)	-9.3	-8.1
Fair value gain/(loss) on forward exchange contracts held for trading	-0.1	1.9
Discounting financial income/(expenses)	-0.6	-0.3
Other income/(expenses)	-21.8	-11.1
<b>OTHER FINANCIAL INCOME AND EXPENSES</b>	<b>-31.8</b>	<b>-17.6</b>
Of which:		
• other financial expenses	-68.3	-54.7
• other financial income	36.5	37.1

Non-operational financial costs amounted to € 31.8 million compared to € 17.6 million in 2012 and mainly composed of pension financial related costs (€ 15.7 million compared to € 6.6 million expense in 2012 due to higher discount rate) and the total net foreign exchange charge (€ 9.4 million versus € 6.2 million).

The pension financial costs represent the difference between the interests cost and the expected return on plan assets. Please refer to Note 20 Pensions for further explanation.

## Note 7 Income tax expenses

### Current and deferred taxes

<i>(in € million)</i>	<b>12 months ended 31 December 2013</b>	<b>12 months ended 31 December 2012</b>
Current taxes	-90.6	-75.3
Deferred taxes	-5.3	-27.6
<b>TOTAL</b>	<b>-95.9</b>	<b>-102.9</b>

### Effective tax rate

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

<i>(in € million)</i>	<b>12 months ended 31 December 2013</b>	<b>12 months ended 31 December 2012</b>
Profit before tax	354.0	329.6
French standard tax rate	38.0%	36.1%
<b>Theoretical tax charge at French standard rate</b>	<b>-134.5</b>	<b>-119.0</b>
Impact of permanent differences	-7.9	-21.2
Differences in foreign tax rates	36.8	27.9
Movement on recognition of deferred tax assets	23.1	33.8
Change in deferred tax rates	-9.0	-6.1
Withholding taxes	-5.3	-6.9
CVAE net of tax	-12.9	-13.2
French Tax credit	6.6	4.2
Other	7.2	-2.4
<b>Group tax expense</b>	<b>-95.9</b>	<b>-102.9</b>
<b>EFFECTIVE TAX RATE</b>	<b>27.1%</b>	<b>31.2%</b>
Effective tax rate excluding CVAE	22.8%	26.9%

The 2013 Group effective tax rate was 27.1%, which included the French CVAE for a gross amount of € 19.7 million or € 12.9 million net of tax.

## Restated effective tax rate

<i>(in € million)</i>	12 months ended 31 December 2013	12 months ended 31 December 2012
<b>Profit before tax</b>	<b>354.0</b>	<b>329.6</b>
Other operating income and expenses	-228.5	-198.6
<b>Profit before tax excluding unusual items</b>	<b>582.5</b>	<b>528.2</b>
Tax effect on other operating income and expenses	65.6	59.8
Other unusual items on tax	9.2	7.4
Group tax expense	-95.9	-102.9
<b>Total of tax excluding unusual items</b>	<b>-170.7</b>	<b>-170.1</b>
<b>Restated effective tax rate</b>	<b>29.3%</b>	<b>32.2%</b>

After restating the unusual items, the restated profit before tax was € 582.5 million, restated tax charge € 170.7 million and the restated effective tax rate was 29.3%.

## Note 8 Deferred taxes

<i>(in € million)</i>	12 months ended 31 December 2013	12 months ended 31 December 2012
Deferred tax assets	336.5	362.5
Deferred tax liabilities	147.5	192.4
<b>NET DEFERRED TAX</b>	<b>189.0</b>	<b>170.1</b>

## Breakdown of deferred tax assets and liabilities by nature

<i>(in € million)</i>	Tax losses carry forward	Customer relationships	Fixed assets	Pensions	Other	Total
<b>At January 1<sup>st</sup>, 2012 published</b>	<b>153.7</b>	<b>-93.1</b>	<b>59.8</b>	<b>25.8</b>	<b>-9.4</b>	<b>136.7</b>
Changes in SIS business combination at January 1 <sup>st</sup> , 2012	-0.1	-	-5.3	-33.2	16.9	-21.7
<b>At January 1<sup>st</sup>, 2012 restated</b>	<b>153.6</b>	<b>-93.1</b>	<b>54.5</b>	<b>-7.4</b>	<b>7.5</b>	<b>115.0</b>
Charge to profit or loss for the year	11.1	12.1	10.9	3.3	-64.8*	-27.4
Charge to goodwill	5.9	-4.9	0.3	2.2	0.3	3.8
Charge to equity	-	-	-	83.2	-1.0	82.2
Reclassification	-7.1	-	2.8	2.7	-4.6	-6.2
Exchange differences	-	0.7	1.5	2.3	-1.8	2.7
<b>At December 31<sup>st</sup>, 2012</b>	<b>163.5</b>	<b>-85.2</b>	<b>70.0</b>	<b>86.3</b>	<b>-64.4</b>	<b>170.1</b>
Charge to profit or loss for the year	-10.1	14.0	3.0	-3.7	-8.4	-5.2
Change of scope	-	-	0.1	-0.1	-	-
Charge to equity	-	-	-	18.7	15.2	33.9
Reclassification	-3.3	-	0.8	-3.7	5.7	-0.5
Exchange differences	-1.9	0.5	-2.3	-1.3	-4.3	-9.3
<b>AT DECEMBER 31<sup>ST</sup>, 2013</b>	<b>148.2</b>	<b>-70.7</b>	<b>71.6</b>	<b>96.2</b>	<b>-56.2</b>	<b>189.0</b>

\* Of which € 27.9 million of timing differences on provisions.

## Tax losses carry forward schedule (basis)

(in € million)	12 months ended 31 December 2013			12 months ended 31 December 2012		
	Recognized	Unrecognized	Total	Recognized	Unrecognized	Total
2013	-	-	-	9.9	1.4	11.3
2014	2.7	-	2.7	39.6	13.0	52.6
2015	1.5	1.0	2.5	1.2	2.2	3.4
2016	1.5	1.0	2.5	6.1	2.0	8.1
2017	2.9	1.7	4.6	-	-	-
Tax losses available for carry forward for 5 years and more	150.2	84.8	235.0	190.3	83.8	274.1
<b>Ordinary tax losses carry forward</b>	<b>158.8</b>	<b>87.5</b>	<b>247.3</b>	<b>247.1</b>	<b>102.4</b>	<b>349.5</b>
<b>Evergreen tax losses carry forward</b>	<b>338.8</b>	<b>407.7</b>	<b>746.5</b>	<b>319.6</b>	<b>497.6</b>	<b>817.2</b>
<b>TOTAL TAX LOSSES CARRY FORWARD</b>	<b>497.6</b>	<b>495.2</b>	<b>992.8</b>	<b>566.7</b>	<b>600.0</b>	<b>1,166.7</b>

The countries with the largest tax losses available for carry forward were France (€ 282.3 million), the United-Kingdom (€ 160.7 million), Germany (€ 92.6 million), Spain (€ 98.8 million), The Netherlands (€ 63.2 million), Italy (€ 59.7 million), Brazil (€ 58.9 million), the United States (€ 55.2 million), Austria (€ 53.4 million) and Hong Kong (€ 13.9 million).

## Deferred tax assets not recognized by the Group

(in € million)	12 months ended 31 December 2013	12 months ended 31 December 2012
Tax losses carry forward	143.2	179.3
Temporary differences	32.8	42.7
<b>TOTAL</b>	<b>176.0</b>	<b>222.0</b>

## Note 9 Non-controlling Interests

(in € million)	31 December 2012	2013 Income	Capital Increase	Dividends	Scope Changes	Other	31 December 2013
Canopy The Open Cloud Company Limited	9.3	-2.2	12.5	-	-5.0	-	14.6
Arbeitsmarketservice BetriebsgmBH & Co KG	7.2	0.5	-	-5.7	-	-	2.0
MSL Technology S.L.	10.0	0.0	-	-	-	-	10.0
Diamis	1.6	0.2	-	-0.1	-	-	1.7
Yunano	0.9	-1.0	-	-	-	-	-0.1
Atos Pty Ltd	0.3	0.3	-	-	-	-0.1	0.5
Other	1.5	0.2	0.5	-0.2	-0.7	-	1.3
<b>TOTAL</b>	<b>30.8</b>	<b>-2.0</b>	<b>13.0</b>	<b>-6.0</b>	<b>-5.7</b>	<b>-0.1</b>	<b>30.0</b>

(in € million)	31 December 2011 Restated	31 December 2011 Published	2012 Income	Dividends	Scope Changes	Other	31 December 2012
Canopy The Open Cloud Company Limited	-	-	-0.7	-	10.0	-	9.3
Arbeitsmarketservice BetriebsgmBH & Co KG	2.2	2.2	6.3	-1.3	-	-	7.2
MSL Technology S.L.	-	-	-1.0	-	11.0	-	10.0
Diamis	1.5	1.5	0.1	-	-	-	1.6
Yunano	-	-	-0.4	-	1.3	-	0.9
Atos Pty Ltd	1.1	1.1	-0.8	-	-	-	0.3
Other	1.2	1.2	0.7	-0.1	-	-0.3	1.5
<b>TOTAL</b>	<b>6.0</b>	<b>6.0</b>	<b>4.2</b>	<b>-1.4</b>	<b>22.3</b>	<b>-0.3</b>	<b>30.8</b>

## Note 10 Earnings per share

Basic and diluted earnings per share are reconciled in the table below.

Potential dilutive instruments comprised stock subscription (equivalent to 2,085,949 options) and convertible bonds (equivalent to 9,444,569 shares calculates prorata temporis of which 5,414,771 issued in 2009 and part of an early redemption

on October 15<sup>th</sup>, 2013 and 5,382,131 issued in 2011 and part of an early redemption on December 19<sup>th</sup>, 2013). The convertible bonds are the only instruments that generate a restatement of net income used for the diluted EPS calculation. The amount restated of € 13.8 million corresponded to the interest expenses relating to the liability component net of deferred tax (€ 7.6 million issued in 2009 and € 6.2 million issued in 2011).

The average number of stock options not exercised in 2013 amounted to 6,970,532 shares.

<i>(in € million and shares)</i>	<b>12 months ended 31 December 2013</b>	<b>12 months ended 31 December 2012</b>
<b>Net income – Attributable to owners of the parent [a]</b>	<b>261.6</b>	<b>223.8</b>
Impact of dilutive instruments	13.8	15.7
<b>Net income restated of dilutive instruments – Attributable to owners of the parent [b]</b>	<b>275.4</b>	<b>239.5</b>
Average number of shares outstanding [c]	87,805,661	84,066,299
Impact of dilutive instruments [d]	11,530,518	12,629,750
Diluted average number of shares [e]=[c]+[d]	99,336,179	96,696,049
<b>Earnings per share in EUR [a]/[c]</b>	<b>2.98</b>	<b>2.66</b>
Diluted earnings per share in EUR [b]/[e]	2.77	2.48

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

## Note 11 Goodwill

<i>(in € million)</i>	<b>31 December 2012</b>	<b>Disposals Depreciations</b>	<b>Impact of business combination</b>	<b>Exchange rate fluctuations</b>	<b>31 December 2013</b>
Gross value	2,521.4	-	-	-34.7	2,486.7
Impairment loss	-579.2	-	-	8.2	-571.0
<b>CARRYING AMOUNT</b>	<b>1,942.2</b>	<b>-</b>	<b>-</b>	<b>-26.5</b>	<b>1,915.7</b>

<i>(in € million)</i>	<b>31 December 2011 Published</b>	<b>31 December 2011 Restated</b>	<b>Disposals Depreciations</b>	<b>Impact of business combination</b>	<b>Exchange rate fluctuations</b>	<b>31 December 2012</b>
Gross value	2,564.4	2,499.8	-15.9	33.1	4.4	2,521.4
Impairment loss	-582.2	-582.2	5.4	-	-2.4	-579.2
<b>CARRYING AMOUNT</b>	<b>1,982.2</b>	<b>1,917.6</b>	<b>-10.5</b>	<b>33.1</b>	<b>2.0</b>	<b>1,942.2</b>

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. The change in internal management reporting is 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 decreased from € 1,942.2 million to € 1,915.7 million primarily due to the Pound Sterling devaluation impact.



<i>(in € million)</i>	<b>31 December 2013</b>	<b>31 December 2012</b>
Germany	215.1	215.1
United-Kingdom/Ireland	443.6	454.2
BTN	316.6	316.6
France	184.3	184.3
AWL	356.6	365.4
CEE	112.1	112.4
North America	32.5	32.5
Iberia	95.4	95.4
Other countries	159.5	166.3
<b>TOTAL</b>	<b>1,915.7</b>	<b>1,942.2</b>

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 2012). Although exceeding the long term average growth rate for the countries in which the Group operates, this rate reflects specific perspectives 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 6.0% (aligned with 2012), in order to reflect the long-term assumptions factored in the impairment tests.

As a result, the discount rates used by CGUs are presented hereafter:

	<b>2013</b> <b>Discount rate</b>	<b>2012</b> <b>Discount rate</b>
Germany	9.8%	9.9%
United-Kingdom/Ireland	9.8%	9.9%
BTN	9.8%	9.9%
France	9.8%	9.8%
AWL	9.8%	9.9%
CEE	9.8%	9.9%
North America	9.8%	9.8%
Iberia	9.8%	9.9%
Other countries	between 9.8% to 11.8%	between 9.9% to 10.7%

Based on the 2013 goodwill impairment test, which was carried out at year-end, no impairment losses were recognized at December 31<sup>st</sup>, 2013.

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 +/- 50bp 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)

	Gross value	Amortization	Net value
<b>At January 1<sup>st</sup>, 2012</b>	<b>816.8</b>	<b>-344.7</b>	<b>472.1</b>
Changes in SIS business combination at January 1 <sup>st</sup> , 2012	-5.4	-	-5.4
<b>At January 1<sup>st</sup>, 2012 restated</b>	<b>811.4</b>	<b>-344.7</b>	<b>466.7</b>
Additions/charges	69.2	-51.6	17.6
Disposals/reversals	-21.7	21.1	-0.6
Impact of business combination	6.5	-	6.5
Customer Relationships (PPA)*	17.2	-43.2	-26.0
Disposal of subsidiaries	-8.7	4.7	-4.0
Exchange differences	0.1	0.2	0.3
Other	18.1	-14.6	3.5
<b>At December 31<sup>st</sup>, 2012</b>	<b>892.1</b>	<b>-428.1</b>	<b>464.0</b>
Additions/charges	81.7	-50.8	30.9
Disposals/reversals	-10.6	9.5	-1.1
Impact of business combination	17.4	-	17.4
Customer Relationships (PPA)*	-	-44.3	-44.3
Exchange differences	-17.7	8.0	-9.7
Other	-9.4	-2.4	-11.8
<b>AT DECEMBER 31<sup>ST</sup>, 2013</b>	<b>953.5</b>	<b>-508.1</b>	<b>445.4</b>

\* Purchase Price Allocation.

An amount of € 333.3 million, composed of € 324.1 million recorded in 2011 and € 9.2 million recorded in 2012, was recognized as Customer Relationships related to the value of the customer relationships and backlog brought by SIS which was part of the purchase price at acquisition date (PPA: Purchase Price Allocation). The Customer Relationships was valued as per the multi-period excess earning method (income approach)

applied to a contracts base representing 80% of the SIS annual turnover and assuming the same average renewal conditions as obtained by Atos Origin in the past for each type of contract. This amount is being amortized on a straight line basis over a period of 8.75 years. The 2013 customer relationships depreciation expense amounts to € 40.6 million and includes € 2.6 million of foreign exchange impact.

**Note 13 Tangible assets**

<i>(in € million)</i>	Land and buildings	IT equipments	Other assets	Total
<b>Gross value</b>				
<b>At January 1<sup>st</sup>, 2013</b>	<b>396.0</b>	<b>1,046.7</b>	<b>199.0</b>	<b>1,641.7</b>
Additions	17.8	160.0	65.9	243.7
Disposals	-11.0	-156.0	-31.0	-198.0
Exchange differences	-4.8	-28.9	-7.9	-41.6
Other	-	20.1	-33.5	-13.4
<b>AT DECEMBER 31<sup>ST</sup>, 2013</b>	<b>398.0</b>	<b>1,041.9</b>	<b>192.5</b>	<b>1,632.4</b>
<b>Accumulated depreciation</b>				
<b>At January 1<sup>st</sup>, 2013</b>	<b>-233.0</b>	<b>-646.1</b>	<b>-94.8</b>	<b>-973.9</b>
Depreciation charge for the year	-34.7	-198.8	-39.9	-273.4
Eliminated on disposal	8.1	142.4	26.6	177.1
Exchange differences	2.9	23.0	4.6	30.5
Other	7.6	9.3	9.4	26.3
<b>AT DECEMBER 31<sup>ST</sup>, 2013</b>	<b>-249.1</b>	<b>-670.2</b>	<b>-94.1</b>	<b>-1,013.4</b>
<b>Net value</b>				
<b>At January 1<sup>st</sup>, 2013</b>	<b>163.0</b>	<b>400.6</b>	<b>104.2</b>	<b>667.8</b>
<b>AT DECEMBER 31<sup>ST</sup>, 2013</b>	<b>148.9</b>	<b>371.7</b>	<b>98.4</b>	<b>619.0</b>

<i>(in € million)</i>	Land and buildings	IT equipments	Other assets	Total
<b>Gross value</b>				
<b>At January 1<sup>st</sup>, 2012 published</b>	<b>365.6</b>	<b>1,064.6</b>	<b>105.9</b>	<b>1,536.1</b>
Changes in SIS business combination at January 1 <sup>st</sup> , 2012	16.7	-	-	16.7
<b>At January 1<sup>st</sup>, 2012 restated</b>	<b>382.3</b>	<b>1,064.6</b>	<b>105.9</b>	<b>1,552.8</b>
Additions	26.3	181.6	71.0	278.9
Impact of business combination	0.4	19.9	0.4	20.7
Disposals	-59.6	-101.9	-26.3	-187.8
Exchange differences	1.5	-3.2	-1.7	-3.4
Other	45.1	-114.3	49.7	-19.5
<b>At December 31<sup>st</sup>, 2012</b>	<b>396.0</b>	<b>1,046.7</b>	<b>199.0</b>	<b>1,641.7</b>
<b>Accumulated depreciation</b>				
<b>At January 1<sup>st</sup>, 2012 published</b>	<b>-191.0</b>	<b>-619.4</b>	<b>-45.5</b>	<b>-855.9</b>
Depreciation charge for the year	-39.3	-214.0	-32.1	-285.4
Eliminated on disposal	35.1	85.3	27.8	148.2
Exchange differences	-0.7	3.1	1.3	3.7
Impairment	-	-2.1	-0.3	-2.4
Other	-37.1	101.0	-46.0	17.9
<b>At December 31<sup>st</sup>, 2012</b>	<b>-233.0</b>	<b>-646.1</b>	<b>-94.8</b>	<b>-973.9</b>
<b>Net value</b>				
<b>At January 1<sup>st</sup>, 2012 published</b>	<b>174.6</b>	<b>445.2</b>	<b>60.4</b>	<b>680.2</b>
<b>At January 1<sup>st</sup>, 2012 restated</b>	<b>191.3</b>	<b>445.2</b>	<b>60.4</b>	<b>696.9</b>
<b>At December 31<sup>st</sup>, 2012</b>	<b>163.0</b>	<b>400.6</b>	<b>104.2</b>	<b>667.8</b>

The tangible assets of the Group include mainly IT equipment used in the production centers, in particular the datacenters and the software factories. Moreover, Atos policy is to rent its

premises. Therefore, the land and building assets include mainly technical infrastructure of the Group datacenters.

## Finance leases

Tangible assets held under finance leases had a net carrying value of € 8.2 million. Future minimum lease payments under non-cancellable leases amounted to € 11.5 million at year-end.

(in € million)	31 December 2013			31 December 2012		
	Minimum lease payments	Interest	Principal	Minimum lease payments	Interest	Principal
Less than one year	6.6	-0.5	6.1	6.9	-0.7	6.2
Between one and five years	4.9	-0.3	4.6	9.3	-0.9	8.4
More than five years	-	-	-	-	-	-
<b>TOTAL</b>	<b>11.5</b>	<b>-0.8</b>	<b>10.7</b>	<b>16.2</b>	<b>-1.6</b>	<b>14.6</b>

## Note 14 Non-current financial assets

(in € million)		31 December 2013	31 December 2012
Pension prepayments	Note 20	325.0	340.8
Other*		51.5	54.4
<b>TOTAL</b>		<b>376.5</b>	<b>395.2</b>

\* "Other" include loans, deposits, guarantees, investments in associates accounted for under the equity method and non consolidated investments.

## Note 15 Trade accounts and notes receivable

(in € million)	31 December 2013	31 December 2012
Gross value	1,820.2	2,051.7
Transition costs	8.4	12.6
Provision for doubtful debt	-106.1	-104.3
<b>Net asset value</b>	<b>1,722.5</b>	<b>1,960.0</b>
Prepayments	-67.3	-69.9
Deferred income and upfront payments received	-368.3	-483.8
<b>Net accounts receivable</b>	<b>1,286.9</b>	<b>1,406.3</b>
<b>Number of days' sales outstanding (DSO)</b>	<b>40</b>	<b>44</b>

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 payments 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<sup>th</sup>, 2013 with a maximum amount of receivables sold of € 500.0 million and a maximum amount of financing of € 200.0 million.

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

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

As of December 31<sup>st</sup>, 2013, the Group has sold:

- in the compartment "ON" € 334.2 million receivables for which € 10.0 million were received in cash. The sale is with recourse, thus re-consolidated in the balance sheet;
- in the compartment "OFF" € 41.8 million receivables which qualify for de-recognition as substantially all risks and rewards associated with the receivables were transferred.

### Ageing of net receivables past due

(in € million)	31 December 2013	31 December 2012
0-30 days overdues	89.4	117.2
30-60 days overdues	25.7	24.1
Beyond 60 days overdues	41.7	39.6
<b>TOTAL</b>	<b>156.8</b>	<b>180.9</b>

### Movement in provisions for doubtful debt

(in € million)	31 December 2013	31 December 2012
<b>Balance at beginning of the year</b>	<b>-104.3</b>	<b>-106.3</b>
Impairment losses recognized	-17.0	-20.5
Amounts written off as uncollectible	12.4	15.2
Impairment losses reversed	14.4	10.9
Impact of business combination	-	-1.8
Other*	-11.6	-1.8
<b>Balance at end of the year</b>	<b>-106.1</b>	<b>-104.3</b>

\* Reclassification and exchange difference.

### Note 16 Other current assets

(in € million)	31 December 2013	31 December 2012
Inventories	17.3	16.6
State - VAT receivables	98.3	77.8
Prepaid expenses	154.8	145.7
Other receivables & current assets	155.6	175.4
Advance payment	11.3	40.4
<b>TOTAL</b>	<b>437.3</b>	<b>455.9</b>

### Note 17 Breakdown of assets and liabilities by financial categories

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

As of December 31<sup>st</sup>, 2013 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)	Derivatives related assets
Non-current financial assets (excluding investments in associates accounted for under the equity method)	-	372.5	-	-
Non-current financial instruments	-	-	-	0.3
Trade accounts and notes receivables	1,722.5	-	-	-
Other current assets	437.3	-	-	-
Current financial instruments	-	-	4.1	15.0
Cash and cash equivalents	553.0	-	753.2	-
<b>TOTAL</b>	<b>2,712.8</b>	<b>372.5</b>	<b>757.3</b>	<b>15.3</b>

As of December 31<sup>st</sup>, 2012, the breakdown of assets was the following:

<i>(in € million)</i>	Loans and receivables	Available-for-sale financial assets	Financial assets held for trading (carried at fair value through profit or loss)	Derivatives related assets
Non-current financial assets (excluding investments in associates accounted for under the equity method)	-	391.9	-	-
Non-current financial instruments	-	-	-	0.6
Trade accounts and notes receivables	1,960.0	-	-	-
Other current assets	455.9	-	-	-
Current financial instruments	-	-	-	3.1
Cash and cash equivalents	493.8	-	665.9	-
<b>TOTAL</b>	<b>2,909.7</b>	<b>391.9</b>	<b>665.9</b>	<b>3.7</b>

As of December 31<sup>st</sup>, 2013, the breakdown of liabilities was the following:

<i>(in € million)</i>	Financial Liabilities designated at fair value through profit or loss	Financial Liabilities - Measurement at amortized cost	Derivatives related liabilities
Borrowings	-	307.3	-
Non-current financial instruments	-	-	6.8
Trade accounts and notes payables	1055.6	-	-
Current portion of borrowings	-	93.5	-
Current financial instruments	6.7	-	19.2
<b>TOTAL</b>	<b>1,062.3</b>	<b>400.8</b>	<b>26.0</b>

As of December 31<sup>st</sup>, 2012, the breakdown of liabilities was the following:

<i>(in € million)</i>	Financial Liabilities designated at fair value through profit or loss	Financial Liabilities - Measurement at amortized cost	Derivatives related liabilities
Borrowings	-	758.2	-
Non-current financial instruments	-	-	12.6
Trade accounts and notes payables	1026.8	-	-
Current portion of borrowings	-	169.5	-
Current financial instruments	0.9	-	1.7
<b>TOTAL</b>	<b>1,027.7</b>	<b>927.7</b>	<b>14.3</b>

## Note 18 Cash and cash equivalents

<i>(in € million)</i>	31 December 2013	31 December 2012
Cash in hand and short-term bank deposit	553.0	493.8
Money market funds	753.2	665.9
<b>TOTAL</b>	<b>1,306.2</b>	<b>1,159.7</b>

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 2013, Atos SE increased its common stock by issuing new shares and incorporating additional paid-in-capital for € 555.1 million, resulting in the creation of 12,462,016 new shares composed of:

- the 702,606 new shares resulting from the payments of the 2012 dividend in shares;
- the early vesting of 1,000 new free shares;

- the early redemption of the 2009 convertible bonds for 5,571,852 new shares;
- the early redemption of the 2011 convertible bonds for 3,676,658 new shares; and
- the exercise during the year 2013 of 2,509,900 share options.

At December 31<sup>st</sup>, 2013, Atos SE common stock consisted of 98,165,446 shares with a nominal value of one euro per share.

## Note 20 Pensions

The total amount recognized in the Group balance sheet in respect of pension plans and associated benefits was € 398.1 million at December 31<sup>st</sup>, 2013. It was € 407.3 million at December 31<sup>st</sup>, 2012.

The Group's obligations are located predominantly in the United-Kingdom (43% of Group total obligations), The Netherlands (33%), Germany (14%), Switzerland (3%) and France (3%).

### 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. Defined benefit arrangements have been maintained only for the purpose of complying with outsourcing requirements in the public sector in which case appropriate financial compensation is sought with customers. The plans are final pay plans and are subject to the United-Kingdom 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 75% fixed income and 25% 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 which are fully collateralized. The fixed income allocation comprises a significant exposure to investment grade credit 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 **The Netherlands**, the hybrid defined contribution/defined benefit pension plan was closed for future accrual per the end of 2013. Starting 2014, pension will be accrued in a defined contribution plan. The closed plan is subject to the Dutch regulatory framework where funding requirements are based on a discount rate curve published by the Dutch Central Bank. The curve is based on swap rates until a maturity of 20 years and based on an ultimate forward rate of 4.2% at maturity 60. Short term solvency requirements include a funding level between 104 and 105% with a recovery period of 3 years. Long term solvency requirements include a funding level based on the fund's risk profile, currently at about 110% with a recovery period of 15 years.

The plan is governed by an independent board of trustees, which consists of 50% employer and 50% employee representatives. The investments are divided over a matching portfolio, consisting of government bonds and (collateralized) interest rate swaps which aim to follow the development of the value of the funding liability and a return portfolio consisting of equity, corporate bonds and other return seeking asset classes. The strategic allocation is 65% matching and 35% return portfolio.

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. They mainly consist of grandfathering benefits related to a harmonization introducing a contribution based pension plan in 2004. The plans are closed for new entrants, but do still accrue benefits for past service up to 2004. 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 which consists of employer representatives. The asset allocation related to the largest German scheme is 70% fixed income, 20% equities and 10% property. The fixed income allocation is predominantly in credit investment grade (c. 70%) and the remaining part in core euro zone government bonds. The return seeking portfolio comprises diversified equity and high yield bonds. 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 credit and to a lesser extent 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.

#### **Adoption of IAS 19 revised (IAS 19R)**

Per January 1<sup>st</sup>, 2013, Group adopted IAS 19 revised (IAS 19R). The main consequences of the revision are that past service costs are now recognized immediately, expected returns on assets are replaced by investment income calculated with a rate that is set equal to the discount rate, mortality assumption will systematically include allowance for future changes in life expectancy and taxes are included in plan liabilities.

As a consequence of adoption of IAS 19R, an amount € 11.8 million has been added to accrued pension liabilities of which € 8.9 million related to unrecognized past service costs.

#### **Events in 2013**

During 2013, the Group introduced a number of measures to mitigate the € 13.0 million increase in service costs due to lower discount rates adopted at the end of 2012.

In the first half of the year, the accrual rate in the pension plan in the Netherlands was reduced in order to stabilise the cash contribution level. This led to a prior service cost credit of € 12.9 million. In the second half of the year agreement was reached with the works council to close the defined benefit scheme for future accrual per January 1<sup>st</sup>, 2014, leading to a curtailment of € 16.8 million. As a result, the Company will not have to record service cost expenses as from 2014 in respect of this pension plan.

In the United-Kingdom employees participating in the BBC plan were offered three alternative plan changes, similar to changes also implemented in the original BBC plan. This led to a prior service cost credit of € 9.7 million.

In the second half of the year, Atos United-Kingdom proposed various options to its previous employees to transfer or convert their accrued benefits. Total impact was past service credit of € 7.2 million.



### Amounts recognized in the financial statements

The amounts recognized in the balance sheet as at December 31<sup>st</sup>, 2013 rely on the following components, determined at each benefit plan's level:

<i>(in € million)</i>	<b>31 December 2013</b>	<b>31 December 2012 Restated IAS 19R*</b>
<b>Amounts recognized in financial statements consist of:</b>		
Prepaid pension asset – post employment plans	325.0	340.8
Accrued liability – post employment plans	-684.7	-693.9
Accrued liability – other long term benefits	-38.4	-54.2
<b>Net amounts recognized – Total</b>	<b>-398.1</b>	<b>-407.3</b>
<b>Components of net periodic cost</b>		
Service cost (net of employees contributions)	81.5	69.0
Prior service cost	-32.0	0.2
Actuarial (gain)/loss in other long term benefits	-1.6	6.5
Curtailment (gain)/loss	-16.4	-3.2
Settlement (gain)/loss	-3.2	-
Administration costs	3.5	5.5
<b>Operating expense</b>	<b>31.8</b>	<b>78.0</b>
Interest cost	166.7	167.6
Interest income	-151.0	-165.6
<b>Financial expense</b>	<b>15.7</b>	<b>2.0</b>
<b>Net periodic pension cost – Total expense/(profit)</b>	<b>47.5</b>	<b>80.0</b>
<i>Of which, net periodic pension cost – post employment plans</i>	<i>40.6</i>	<i>66.4</i>
<i>Of which, net periodic pension cost – other long term benefits</i>	<i>6.9</i>	<i>13.6</i>
<b>Change in defined benefit obligation</b>		
Defined benefit obligation – post employment plans at January 1 <sup>st</sup>	4,250.6	3,503.2
Defined benefit obligation – other long term benefits at January 1 <sup>st</sup>	61.2	54.1
<b>Total Defined Benefit Obligation at January 1<sup>st</sup></b>	<b>4,311.8</b>	<b>3,557.3</b>
Reclassification of other non-current financial liabilities	-	8.7
Exchange rate impact	-46.8	30.1
Service cost (net of employees contributions)	81.5	69.0
Interest cost	166.4	167.6
Employees contributions	24.4	27.9
Plan amendments	-32.0	0.2
Curtailment	-16.4	-3.2
Settlement	-10.5	-
Business combinations/(disposals)	11.0	11.8
Benefits paid	-114.8	-114.0
Actuarial (gain)/loss – change in financial assumptions	-39.2	572.5
Actuarial (gain)/loss – change in demographic assumptions	9.0	-
Actuarial (gain)/loss – experience results	-7.1	-16.1
<b>Defined benefit obligation at December 31<sup>st</sup></b>	<b>4,337.3</b>	<b>4,311.8</b>

\* It was decided not to restate the 2012 consolidated financial statements for the impacts of IAS19 revised (IAS19R) as they are not deemed material. The detailed impacts of IAS19R on fiscal year 2012 presented for comparison purposes in the appendix to the consolidated financial statements in Note 20 Pensions.

The weighted average duration of the liability is 18.4 years.

(in € million)	31 December 2013	31 December 2012 Restated IAS 19R*
<b>Change in plan assets</b>		
<b>Fair value of plan assets at January 1<sup>st</sup></b>	<b>3,908.3</b>	<b>3,451.9</b>
Exchange rate impact	-43.0	25.6
Actual return on plan assets	5.7	384.7
Employer contributions	127.5	101.6
Employees contributions	24.4	27.9
Benefits paid by the fund	-86.6	-83.4
Settlements	-3.8	-
Business combinations/(disposals)	13.1	-
Administration costs	-3.5	-
<b>Fair value of plan assets at December 31<sup>st</sup></b>	<b>3,942.1</b>	<b>3,908.3</b>
<b>Reconciliation of prepaid/(accrued) Benefit cost (all plans)</b>		
Funded status-post employment plans	-356.8	-349.3
Funded status-other long term benefit plans	-38.4	-54.2
Any other amount not recognized (asset ceiling limitation)	-2.9	-3.8
<b>Prepaid/(accrued) pension cost</b>	<b>-398.1</b>	<b>-407.3</b>
<i>Of which provision for pension and similar benefits</i>	-723.1	-748.1
<i>Of which non-current financial assets</i>	325.0	340.8
<b>Reconciliation of net amount recognized (all plans)</b>		
<b>Net amount recognized at beginning of year</b>	<b>-407.3</b>	<b>-110.7</b>
Reclassification other current liabilities	-	-9.0
Net periodic pension cost	-47.5	-80.0
Benefits paid by employer	28.2	30.6
Employer contributions	127.5	101.9
Business combinations/(disposals)	2.1	-11.8
Amounts recognized in Other Comprehensive Income	-108.8	-323.8
Other (exchange rate)	7.7	-4.5
<b>Net amount recognized at end of year</b>	<b>-398.1</b>	<b>-407.3</b>

\* It was decided not to restate the 2012 consolidated financial statements for the impacts of IAS19 revised (IAS19R) as they are not deemed material. The detailed impacts of IAS19R on fiscal year 2012 presented for comparison purposes in the appendix to the consolidated financial statements in Note 20 Pensions.

The development in the main plans in the United-Kingdom, the Netherlands and Germany was as follows:

(in € million)	Dutch pension fund	United-Kingdom pension funds	German main plans
<b>Reconciliation of net amount recognized in main plans</b>			
<b>Net amount recognized at beginning of year</b>	<b>223.2</b>	<b>-150.6</b>	<b>-135.1</b>
Net periodic pension cost	28.9	-11.1	-15.7
Benefits paid by employer & employer contributions	62.7	55.6	2.0
Amounts recognized in Other Comprehensive Income	-104.9	-32.7	4.1
Other (exchange rate)	-	3.6	2.6
<b>Net amount recognized at end of year</b>	<b>209.9</b>	<b>-135.2</b>	<b>-142.1</b>
Defined benefit obligation at December 31 <sup>st</sup>	-1,413.2	-1,846.1	-480.0
Fair value of plan assets at December 31 <sup>st</sup>	1,623.1	1,710.9	337.9
<b>Net amount recognized at end of year</b>	<b>209.9</b>	<b>-135.2</b>	<b>-142.1</b>

The obligations in respect of benefit plans which are partially or totally funded through external funds (pension funds) were € 4,098.8 million at December 31<sup>st</sup>, 2013 and € 4,039.9 million at December 31<sup>st</sup>, 2012, representing more than 94% of Group total 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	
	2013	2012	2013	2012
Discount rate as at December 31 <sup>st</sup>	4.60%	4.50%	3.30% ~ 3.70%	3.00% ~ 3.65%
Inflation assumption as at December 31 <sup>st</sup>	3.20%	2.90%	2.00%	2.00%

The higher discount rate for the Eurozone applies to plans with a duration of more than 15 years, the lower discount rate applies to plans with a shorter duration.

The inflation assumption is used for estimating the impact of indexation of pensions in payments 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
Dutch pension fund	-4,7%	1,0%
United-Kingdom pension funds	-4,4%	4,1%
German main plans	-4,0%	2,2%

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:

	31 December 2013	31 December 2012
Equity	19%	18%
Bonds/Interest Rate Swaps	70%	73%
Real Estate	3%	2%
Cash and Cash equivalent	4%	4%
Other	4%	3%

Of these assets 94% is valued on market value, 2% relates to property, private equity and infrastructure investments where valuations are based on the information provided by the investment managers and 2% relates to interest rate swaps and currency derivatives for which theoretical market values are calculated by the custodian and 2% 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 Dutch pension fund and the Atos United-Kingdom pension plans,

which aim to hedge a significant portion of funding liabilities. None of the plans are hedged for longevity risks.

In this total, Atos securities or assets used by the Group are not material.

## Prepaid pension situations on balance sheet

The net asset of € 209.8 million with respect to the Dutch pension scheme, and the net asset of € 110.0 million with respect to one United-Kingdom scheme, are supported by appropriate refund expectations, as requested by IFRIC 14.

## Summary net impacts on 2013 profit and loss and cash

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

### Profit and loss

(in € million)	31 December 2013			31 December 2012 Restated IAS 19R*		
	Post-employment	Other LT benefit	Total	Post-employment	Other LT benefit	Total
Operating margin	-26.6	-2.9	-29.5	-67.2	-10.8	-78.0
Other operating items	-	-2.3	-2.3	0.8	-0.8	-
Financial result	-14.3	-1.4	-15.7	-	-2.0	-2.0
<b>Total (expense)/profit</b>	<b>-40.9</b>	<b>-6.6</b>	<b>-47.5</b>	<b>-66.4</b>	<b>-13.6</b>	<b>-80.0</b>

\* It was decided not to restate the 2012 consolidated financial statements for the impacts of IAS19 revised (IAS19R) as they are not deemed material. The detailed impacts of IAS19R on fiscal year 2012 presented for comparison purposes in the appendix to the consolidated financial statements in Note 20 Pensions.

### Cash impacts of pensions in 2013

The cash impact of pensions is mainly composed of cash contributions to the pension funds for € 127.5 million, the remaining part being benefit payments directly made by the Group to the beneficiaries. The € 127.5 million includes € 43.1 million affected to 2014 Dutch pension transformation agreements described below.

The cash contributions to the pension funds are made of on-going contributions in respect of services rendered in the year (usually expressed as a percentage of salary), as well as past deficits repayment contributions spread over a 10 to 15 years period as agreed with the respective trustees (fixed yearly amount).

### Situation of the Netherlands and the United-Kingdom pension funds and impact on contributions for 2014

#### Dutch pension fund

Towards the end of 2013, agreement was reached between the Company, the Works Councils and the pension fund on a new

pension system for the Netherlands, taking effect January 1<sup>st</sup>, 2014. As part of the agreement, the Company has committed to pay a final contribution of € 113.2 million to the pension fund in the first half of 2014. This contribution can be made in cash or in Atos shares, based on the mechanism approved by the General Assembly on December 27<sup>th</sup>, 2013. These payments also settle the dispute with the pension fund reported in 2012 for which eventually no arbitrage was concluded.

Starting 2014, new pension accruals will take place in a defined contribution scheme that is executed by a professional third party provider. Per that date the pension fund will be closed for new accruals and will remain as a closed fund. As a consequence no regular contributions will be made to the pension fund in 2014 and thereafter.

#### United-Kingdom pension funds

The Group expects to contribute € 56.3 million to its United-Kingdom schemes next year versus € 53.7 million in 2013.

## Note 21 Provisions

(in € million)	31 December 2012	Charge	Release used	Release unused	Business Combination	Other*	31 December 2013	Current	Non- current
Reorganization	123.6	38.5	-89.0	-10.4	-	-4.7	58.0	53.7	4.3
Rationalization	48.6	9.7	-20.2	-3.7	-	7.9	42.3	17.3	25.0
Project commitments	130.1	68.4	-52.8	-22.9	-	-5.0	117.8	81.9	35.9
Litigations and contingencies	104.7	32.6	-19.4	-31.3	-	-2.3	84.3	40.6	43.7
<b>TOTAL PROVISIONS</b>	<b>407.0</b>	<b>149.2</b>	<b>-181.4</b>	<b>-68.3</b>	<b>-</b>	<b>-4.1</b>	<b>302.4</b>	<b>193.5</b>	<b>108.9</b>

\* Other movements mainly consist of the currency translation adjustments.

(in € million)	31 December 2011 Published	31 December 2011 Restated	Charge	Release used	Release unused	Business Combination	Other*	31 December 2012	Current	Non- current
Reorganization	258.1	258.2	35.7	-124.3	-28.6	-	-17.4	123.6	123.6	-
Rationalization	75.4	70.8	9.7	-28.2	-4.8	-	1.1	48.6	20.7	27.9
Project commitments	232.4	230.1	36.2	-98.1	-35.7	0.9	-3.3	130.1	92.4	37.7
Litigations and contingencies	106.1	131.7	20.8	-23.0	-16.5	1.5	-9.8	104.7	-	104.7
<b>TOTAL PROVISIONS</b>	<b>672.0</b>	<b>690.8</b>	<b>102.4</b>	<b>-273.6</b>	<b>-85.6</b>	<b>2.4</b>	<b>-29.4</b>	<b>407.0</b>	<b>236.7</b>	<b>170.3</b>

\* Other movements mainly consist of the currency translation adjustments.

### Reorganization

New reorganization provisions were posted for € 38.5 million over the year mainly in The Netherlands (€ 12.4 million) and Germany (€ 8.7 million) driven by new plans aimed at improving Group efficiency and productivity.

The € 89.0 million consumptions primarily corresponded to the finalization of the reorganization plans in former SIS entities which were fully provided for as of June 30<sup>th</sup>, 2011 in Germany (€ 62.4 million) combined mainly with workforce optimization in The Netherlands (€ 13.0 million).

### Rationalization

The new provisions of € 9.7 million mainly came from the relocation of the main production center facility in Brazil (€ 4.7 million).

The € 20.2 million rationalization provisions were used against offices onerous leases and dilapidation costs in the United-Kingdom (€ 8.6 million) and in Germany (€ 5.9 million).

### Projects commitments

The € 68.4 million charge was partly related to the DWP-MSA contract loss and potential settlement.

The projects commitments provisions consumed for € 52.8 million were primarily related to former SIS customer contract losses which were recorded in the opening balance sheet on July 1<sup>st</sup>, 2011.

The € 22.9 million project commitments unused provisions reflected the reduction of former SIS contracts losses thanks to proactive project management or early settlements.

### Litigations and contingencies

Contingency provisions of € 84.3 million included 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 closely monitors these situations with a view to minimize the ultimate liability.

**Note 22 Borrowings**

(in € million)	31 December 2013			31 December 2012		
	Current	Non-current	Total	Current	Non-current	Total
Finance leases	6.1	4.6	10.7	6.2	8.4	14.6
Bank loans	0.3	283.7	284.0	1.0	291.0	292.0
Securitization	10.0	-	10.0	70.0	-	70.0
Convertible bonds	-	-	-	10.0	449.7	459.7
Other borrowings	77.1	19.0	96.1	82.3	9.1	91.4
<b>TOTAL BORROWINGS</b>	<b>93.5</b>	<b>307.3</b>	<b>400.8</b>	<b>169.5</b>	<b>758.2</b>	<b>927.7</b>

**Borrowings in currencies**

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

(in € million)	EUR	Other currencies	Total
<b>31 DECEMBER 2013</b>	<b>349.2</b>	<b>51.6</b>	<b>400.8</b>
31 December 2012	884.9	42.8	927.7

**Value and effective interest rate of financial debt**

The value of bank loans, which are primarily composed of variable interest rate loans, are considered as being the same as their 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.

On October 29<sup>th</sup>, 2009 the Group issued € 250.0 million of bonds convertible into and/or exchangeable for new or existing shares (OCEANE) of Atos maturing on January 1<sup>st</sup>, 2016. The OCEANE is considered as a compound instrument and contains both a liability and an equity component, which should be classified separately in the balance sheet.

On initial recognition, the financial instrument (net of fees for € 3.8 million) was split between financial liability for € 198.4 million and equity for € 47.8 million. Consequently, the effective interest rate of the convertible bonds (6.68%) differs from the annual coupon paid in cash to the bond holders (2.50%).

On September 16<sup>th</sup>, Atos announced its decision to proceed with the early redemption of all the outstanding convertible bonds issued in 2009 and due January 1<sup>st</sup>, 2016. At the same time, the Group disclosed the launch of a share buy-back program of Atos SE shares for € 115.8 million that was completed in December 2013. On October 15<sup>th</sup>, the Group announced the

success of the early redemption of the 2009 convertible bonds which resulted in a € 233.8 million increase of its net cash position.

On July 1<sup>st</sup>, 2011 at the closing date of SIS acquisition, the Group issued a convertible bond of € 250.0 million reserved to Siemens with a maturity at July 1<sup>st</sup>, 2016. Siemens sold the convertible bond on March 1<sup>st</sup>, 2013 to other investors. The OCEANE is considered as a compound instrument and contains both a liability and an equity component, which should be classified separately in the balance sheet.

On initial recognition, the financial instrument was split between financial liability for € 218.5 million and equity for € 31.5 million. Consequently, the effective interest rate of the convertible bonds (4.35%) differs from the annual coupon paid in cash to Siemens (1.50%).

On November 15<sup>th</sup>, Atos announced its decision to proceed with the early redemption of all the convertible bonds issued in 2011 and due July 1<sup>st</sup>, 2016. At the same time, the Group announced it would proceed over the year 2014 with an additional share buy-back program including a € 115.0 million tranche representing circa half of net cash increase resulting from the early redemption of the 2011 OCEANE. On December 19<sup>th</sup>, the Group announced the success of the early redemption of the 2011 convertible bonds which resulted in a € 234.9 million increase of its net cash position.

### Non-current borrowings maturity

(in € million)	2015	2016	2017	2018	>2018	Total
Finance leases	2.9	0.3	0.2	0.1	1.1	4.6
Bank loans	0.3	280.2	0.3	0.3	2.6	283.7
Other borrowings	2.8	5.3	3.7	2.7	4.5	19.0
<b>AS AT DECEMBER 31<sup>ST</sup>, 2013 LONG-TERM DEBT</b>	<b>6.0</b>	<b>285.8</b>	<b>4.2</b>	<b>3.1</b>	<b>8.2</b>	<b>307.3</b>

(in € million)	2014	2015	2016	2017	>2017	Total
Finance leases	6.0	2.4	-	-	-	8.4
Bank loans	0.9	1.2	280.6	1.1	7.2	291.0
Convertible bonds	-	-	449.7	-	-	449.7
Other borrowings	0.5	1.5	4.8	2.3	-	9.1
<b>AS AT DECEMBER 31<sup>ST</sup>, 2012 LONG-TERM DEBT</b>	<b>7.4</b>	<b>5.1</b>	<b>735.1</b>	<b>3.4</b>	<b>7.2</b>	<b>758.2</b>

### Hypothesis retained regarding the presentation of the maturity of non-current borrowings

The evaluation of financial liabilities has been conducted based on:

- exchange rates prevailing as at December 31<sup>st</sup>, 2013; and
- interest rates presented hereafter.

The effective interest rates in 2013 were as follows:

(in € million)	Carrying value	Fair value	Effective interest rate
Finance leases	10.7	10.7	7.22%
Bank loans	284.0	284.0	2.66%
Securitization and other borrowings	106.1	106.1	-
<b>TOTAL BORROWINGS</b>	<b>400.8</b>	<b>400.8</b>	

### Change in net debt over the period

(in € million)	31 December 2013	31 December 2012
<b>Opening net cash/(debt)</b>	<b>232.1</b>	<b>-141.8</b>
New borrowings	-8.2	-8.9
Convertible bonds	459.7	-15.8
Repayment of long and medium-term borrowings	37.8	43.1
Variance in net cash and cash equivalents	154.3	392.5
New finance leases	-2.2	-0.1
Long and medium-term debt of companies sold during the period	-	-0.8
Long and medium-term debt of companies acquired during the period	2.5	-25.8
Impact of exchange rate fluctuations on net long and medium-term debt	-22.6	-8.6
Profit-sharing amounts payable to French employees transferred to debt	-3.2	-3.3
Other flows related to financing activities	55.2	1.6
<b>Closing net cash/(debt)</b>	<b>905.4</b>	<b>232.1</b>

**Note 23 Fair value and characteristics of financial instruments**

(in € million)	31 December 2013		31 December 2012	
	Assets	Liabilities	Assets	Liabilities
Forward foreign exchange contracts	19.4	-26.0	3.7	-4.7
Forward interest rate contracts	-	-6.7	-	-10.5
Analysed as:				
Non-current	0.3	-6.8	0.6	-12.6
Current	19.1	-25.9	3.1	-2.6

The fair value of financial instruments is provided by banking counterparties.

**Interest rate risk**

Bank loans of € 284.0 million (€ 292.0 million in 2012) 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.

At December 31<sup>st</sup>, 2013, the Group held swap rates contracts for the hedging of interest rate exposure. The swap rates contracts have been used on a part of the revolving credit facility for

an amount of € 280.0 million. The instruments used have a maturity in November 2015.

**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 € 1,185.4 million at December 31<sup>st</sup>, 2013. A 1% rise in 1-month Euribor would impact positively the financial expense by € 11.9 million assuming the structure (cash/floating debt/hedges) remains stable for the full period of the year.

(in € million)	Notes	Exposure		Total
		Less than 1 year	More than 1 year	
Bank loans	Note 22	-0.3	-283.7	-284.0
Securitization	Note 22	-10.0	-	-10.0
Other		-9.2	-19.0	-28.2
<b>Total liabilities</b>		<b>-19.5</b>	<b>-302.7</b>	<b>-322.2</b>
Cash and cash equivalents	Note 18	1,306.2	-	1,306.2
Overdrafts		-67.9	-	-67.9
<b>Total net cash and cash equivalents*</b>		<b>1,238.3</b>	<b>-</b>	<b>1,238.3</b>
Net position before risk management		1,218.8	-302.7	916.1
Hedging instruments		-	280.0	280.0
<b>Net position after risk management</b>		<b>1,218.8</b>	<b>-22.7</b>	<b>1,196.1</b>
Finance Leases	Note 22	-6.1	-4.6	-10.7
<b>Total net debt after risk management</b>		<b>-</b>	<b>-</b>	<b>1,185.4</b>

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

**Liquidity risk**

In April 2011, the Group signed a new five-year revolving credit facility for an amount of € 1.2 billion. The revolving credit facility includes two financial covenants which under the terms are the consolidated leverage ratio may not be greater than 2.5 times and the interest cover ratio (Operating Margin divided by the net cost of financial debt) which should not be less than four times.

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

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

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



The calculation of the above-mentioned ratios as of December 31<sup>st</sup>, 2013 is provided below:

<i>Nature of ratios subject to covenants</i>	Covenants	Group ratios at 31 December 2013	Group ratios at 31 December 2012
Leverage ratio (net debt/OMDA*)	<i>not greater than 2.5</i>	-1.05	-0.29
Interest cover ratio (operating margin/net cost of financial debt)	<i>not lower than 4.0</i>	20.88	16.96

\* OMDA = Operating margin before non cash items.

### Currency exchange risk

Atos operates in 52 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:

<i>(in € million)</i>	2013	2012	2013	2012	2013	2012
	EUR		GBP		USD	
Assets	83.6	34.9	17.3	3.2	49.3	51.9
Liabilities	128.5	33.0	2.3	3.0	23.4	17.3
Foreign exchange impact before hedging	-44.9	1.9	15.0	0.2	25.9	34.6
Hedged amounts	-	-1.4	-	-	-3.5	-4.6
<b>Foreign exchange impact after hedging</b>	<b>-44.9</b>	<b>0.5</b>	<b>15.0</b>	<b>0.2</b>	<b>22.4</b>	<b>30.0</b>

### 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.

<i>(in € million)</i>	2013	2012	2013	2012	2013	2012
	EUR		GBP		USD	
Income Statement	(2.2)	0.0	0.8	0.0	1.1	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.

At December 2013, derivatives are all allocated to the hedge of some transactional risks (foreign exchange currency risks). From an accounting point of view, most of the derivatives were considered as cash flow hedge instruments.

Breakdown of the designation of the instruments per currency is as follows:

<i>(in € million)</i> Instruments	31 December 2013		31 December 2012	
	Fair value	Notional	Fair value	Notional
<b>Cash flow hedge</b>				
<b>Interest rate</b>				
SWAP	-6.7	280.0	-10.5	280.0
<b>Foreign exchange</b>				
Forward contracts USD	0.5	15.4	0.4	33.3
Forward contracts GBP	0.0	0.2	-0.1	2.3
Forward contracts INR	-4.5	33.8	-1.1	71.8
Forward contracts HKD	0.6	2.3	0.3	4.2
Forward contracts THB	0.0	0.0	-0.0	0.2
Forward contracts MYR	-0.3	2.9	0.0	3.5
Forward contracts PLN	0.7	37.6	1.1	23.5
Forward contracts PHP	0.0	0.0	0.6	20.9
Forward contracts RUB	-0.3	5.7	0.2	15.5
Forward contracts MAD	-0.0	6.1	-	-
Forward contracts CNY	-0.0	0.9	-0.1	1.7
Forward contracts DKK	0.0	0.0	-1.6	98.6
Forward contracts RON	0.1	7.9	0.2	18.5
Forward contracts CHF	0.0	0.0	-0.0	1.3
Forward contracts TRY	-0.7	2.8	-	-
Forward contracts SGD	0.0	0.2	-	-
<b>Trading</b>				
<b>Foreign exchange</b>				
Forward contracts USD	0.0	1.2	0.0	1.4
Forward contracts INR	-3.0	73.3	-0.9	13.6
Forward contracts THB	-	-	-0.0	1.2
Forward contracts HKD	0.0	0.1	-	-
Forward contracts TRY	-0.1	0.2	-	-

The net amount of cash flow hedge reserve at December 31<sup>st</sup>, 2013 was € -8.6 million (net of tax), with a variation of € +1.5 million (net of tax) over the year.

## Note 24 Trade accounts and notes payable

<i>(in € million)</i>	31 December 2013	31 December 2012
Trade payables and notes payable	1,054.8	1,021.3
Amounts payable on tangible assets	0.8	5.5
<b>Trade payables and notes payable</b>	<b>1,055.6</b>	<b>1,026.8</b>
Net advance payments	-11.3	-40.4
Prepaid expenses	-154.8	-145.7
<b>NET ACCOUNTS PAYABLE</b>	<b>889.5</b>	<b>840.7</b>
<b>Number of days' payable outstanding (DPO)</b>	<b>82</b>	<b>71</b>

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

**Note 25 Other current liabilities**

<i>(in € million)</i>	31 December 2013	31 December 2012
Advances and down payments received on client orders	67.2	69.9
Employee-related liabilities	499.9	539.9
Social security and other employee welfare liabilities	187.8	182.8
VAT payable	273.1	254.1
Deferred income	332.4	413.3
Other operating liabilities	150.8	192.5
<b>TOTAL</b>	<b>1,511.2</b>	<b>1,652.5</b>

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 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.

<i>(in € million)</i>	31 December 2013	Maturing			31 December 2012
		Up to 1 year	1 to 5 years	Over 5 years	
Convertible bonds	-	-	-	-	459.7
Bank loans	284.0	0.3	0.3	283.4	292.0
Finance leases	10.7	6.1	2.9	1.7	14.6
<b>Recorded on the balance sheet</b>	<b>294.7</b>	<b>6.4</b>	<b>3.2</b>	<b>285.1</b>	<b>766.3</b>
Operating leases: land, buildings, fittings	796.5	165.3	419.4	211.9	879.7
Operating leases: IT equipment	73.2	30.3	42.9	-	29.3
Operating leases: other fixed assets	111.0	45.2	65.8	-	104.4
Non-cancellable purchase obligations (> 5 years)	60.3	31.5	22.0	6.8	51.9
<b>Commitments</b>	<b>1,041.0</b>	<b>272.3</b>	<b>550.1</b>	<b>218.6</b>	<b>1,065.3</b>
<b>TOTAL</b>	<b>1,335.7</b>	<b>278.7</b>	<b>553.3</b>	<b>503.7</b>	<b>1,831.6</b>
<b>Financial commitments received (Syndicated Loan)</b>	<b>920.0</b>	-	<b>920.0</b>	-	<b>920.0</b>
<b>TOTAL RECEIVED</b>	<b>920.0</b>	-	<b>920.0</b>	-	<b>920.0</b>

The received financial commitment refers exclusively to the non-utilized part of the € 1.2 billion revolving facility.

**Commercial commitments**

<i>(in € million)</i>	31 December 2013	31 December 2012
<b>Bank guarantees</b>	<b>170.9</b>	<b>175.3</b>
• Operational – Performance	121.3	135.9
• Operational – Bid	14.1	7.0
• Operational – Advance Payment	32.7	30.6
• Financial or Other	2.8	1.8
<b>Parental guarantees</b>	<b>3,536.8</b>	<b>3,764.7</b>
• Operational – Performance	3,485.5	3,712.8
• Operational – Other Business Orientated	51.3	51.9
• Financial or Other	-	-
<b>Pledges</b>	<b>0.2</b>	<b>0.4</b>
<b>TOTAL</b>	<b>3,707.9</b>	<b>3,940.4</b>

For various large long term contracts, the Group provides performance guarantees to its clients. These guarantees amount to € 3,536.8 million as of December 31<sup>st</sup>, 2013, compared with € 3,764.7 million at the end of December 2012.

With respect to the framework agreement signed with Siemens for the acquisition of SIS, Atos has committed to make its best effort to replace Siemens as guarantor for existing commitments as of July 1<sup>st</sup>, 2011.

At the end of 2013, new parental guarantees issued in replacement of Siemens were € 1,330.0 million including BBC for £ 345.0 million (€ 412.7 million), National Savings & Investments for £ 250.0 million (€ 299.0 million), and Nike Corp. for \$ 125.0 million (€ 91.3 million).

In the framework of the contract for the provision of IT services signed by Atos IT Services UK Limited with the International Olympic Committee (IOC), Atos SAE (Spain) has granted a full performance guarantee to the IOC by which it commits to perform the contract in case the signing entity (or any other affiliate to whom the signing entity could have assigned all or part of the rights and obligations under the contract) is unable to provide services required under the contract.

In relation to the multi-currency revolving facility signed in April 2011, 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 subsidiary, Atos Telcos Services B.V. and Atos B.V.

Atos SE has given a € 154.0 million guarantee to the Stichting Pensionfonds Atos. This guarantee is provided to secure the payments obligations of Atos Nederland B.V under the cover ratio mechanism in case of its failure to pay associated sums.

Subsequent to the Cellnet disposal in July 2004, Atos SE still has one outstanding guarantee with Schlumberger related to Citicorp for a total amount of \$ 39.46 million (€ 28.84 million), which is fully counter guaranteed by the acquirer of Cellnet, "Cellnet Holdings Corp."

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 B.V. has given for various subsidiaries guarantees of general financial support at the request of auditors or to comply with local regulations.

Finally, as part of the general agreement with Siemens in respect of transfer of SIS UK pension liabilities, the Board of Atos SE, during its March 29<sup>th</sup>, 2011 meeting, has 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 £ 200.0 million.

### Group contributions expectations regarding pension funds

#### Situation of the Netherlands and the United-Kingdom pension funds and impact on contributions for 2014

##### Dutch pension fund

Towards the end of 2013, agreement was reached between the Company, the Works Councils and the pension fund on a new pension system for the Netherlands, taking effect January 1<sup>st</sup>, 2014. As part of the agreement, the Company has committed to pay a final contribution of € 113.2 million to the pension fund in the first half of 2014. This contribution can be made in cash or in Atos shares, based on the mechanism approved by the General Assembly on December 27<sup>th</sup>, 2013. These payments also settle the dispute with the pension fund reported in 2012 for which eventually no arbitration was concluded.

Starting 2014, new pension accruals will take place in a defined contribution scheme that is executed by a professional third party provider. Per that date the pension fund will be closed for new accruals and will remain as a closed fund. As a consequence no regular contributions will be made to the pension fund in 2014 and thereafter.

##### United-Kingdom pension fund

The Group expects to contribute € 56.3 million to its United-Kingdom schemes next year versus € 53.7 million in 2013.

## Note 27 Related party transactions

Related parties are defined as follows:

- entities which are controlled directly by the Group, either solely or jointly, or indirectly through one or more intermediary controls. Entities which offer post-employment benefits in favor of employees of the Group, or entities which are controlled or jointly owned by a member of the key management personnel of the Group as defined hereafter; and
- key management personnel of the Group defined as persons who have the authority and responsibility for planning,

directing and controlling the activity of the Group, namely members of the Board of Directors as well as Senior Executive Vice Presidents.

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

No transactions between the Group and such entities or key management personnel have occurred in 2013.

## Compensation of members of the Board of Directors as well as Senior Executive Vice Presidents

The remuneration of the main members of the management during the year was as follows:

<i>(in € million)</i>	<b>12 months ended 31 December 2013</b>	<b>12 months ended 31 December 2012</b>
Short-term benefits	5.7	6.0
Employer contributions & other taxes	6.4	1.7
Post-employment benefits	2.80	2.50
Equity-based compensation: stock options & free share plans	2.7	1.8
<b>TOTAL</b>	<b>17.6</b>	<b>12.0</b>

The remuneration of Chief Executive Officer is determined by the Remuneration Committee according to the Group financial achievements.

Short-term benefits include salaries, bonuses and fringe benefits. The increase in employer contributions & other taxes is due to the French exceptional taxation on high salaries (€ +3.4 million) and the employer contribution on the performance shares

granted in the period (€ +1.3 million). Bonuses correspond to the total charge reflected in the income statement including the bonuses effectively paid during the year, the accruals relating to current year and the release of accruals relating to previous year.

During the year, the Group has neither granted nor received guarantees from any of its Board members.

### Note 28 Subsequent events

On March 18<sup>th</sup>, 2014, as expected, Atos and the Department for Work and Pensions successfully reached a mutual agreement regarding the Work Capability Assessment contract ("WCA"), under the sponsorship of the Cabinet Office. The Parties have agreed to an early exit from the contract on February 2015 instead of August 2015. A public tender has been launched

by the Department, in order to select the new single provider, which will take over all operations, headcounts and premises from Atos relative to this contract. Atos has agreed with the Department an exit plan which ensures continuity and quality of services.

### Note 29 Main operating entities part of scope of consolidation as of December 31<sup>st</sup>, 2013

	% of Interest	Consolidation method	% of Control	Address
<b>HOLDING</b>				
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
<b>FRANCE</b>				
Atos Worldline SAS	100	FC	100	80, quai Voltaire – 95870 Bezons
Atos Integration SAS	100	FC	100	80, quai Voltaire – 95870 Bezons
Diamis SA	60	FC	100	80, quai Voltaire – 95870 Bezons
Mantis SA	100	FC	100	24, rue des Jeûneurs – 75002 Paris
Atos Infogérance SAS	100	FC	100	80, quai Voltaire – 95870 Bezons
Atos Télépilote Informatique SA	100	FC	100	80, quai Voltaire – 95870 Bezons
Atos Consulting SAS	100	FC	100	80, quai Voltaire – 95870 Bezons
Atos A2B SAS	100	FC	100	80, quai Voltaire – 95870 Bezons
Atos Worldgrid	100	FC	100	80, quai Voltaire – 95870 Bezons
Buyster	25	EM	25	13-15 rue de Nancy – 75010 Paris
blueKiwi Software SA	100	FC	100	80, quai Voltaire – 95870 Bezons
Yunano	70	FC	100	80, quai Voltaire – 95870 Bezons



	% of Interest	Consolidation method	% of Control	Address
<b>GERMANY</b>				
Atos Worldline GmbH	100	FC	100	Hahnstraße 25 – 60528 Frankfurt – Germany
Atos GmbH	100	FC	100	Luxemburger Straße 3 – 45133 Essen – Germany
Atos IT Dienstleistung und Beratung GmbH	100	FC	100	Bruchstrasse 5 – 45883 Gelsenkirchen – Germany
Atos IT Solutions and Services GmbH	100	FC	100	Otto-Hahn-Ring 6 – 81739 Munich – Germany
Atos IT Solutions and Services Verwaltungs GmbH	100	FC	100	Otto-Hahn-Ring 6 – 81739 Munich – Germany
Energy4u GmbH	100	FC	100	Emmy-Noether-Straße 17 – 65627 Karlsruhe – Germany
<b>THE NETHERLANDS</b>				
Atos IT Services Nederland B.V.	100	FC	100	Papendorpseweg 93 – 3528 BJ Utrecht – The Netherlands
Atos IT Systems Management Nederland B.V.	100	FC	100	Papendorpseweg 93 – 3528 BJ Utrecht – The Netherlands
Atos Nederland B.V.	100	FC	100	Papendorpseweg 93 – 3528 BJ Utrecht – The Netherlands
Atos Telcos Services B.V.	100	FC	100	Papendorpseweg 93 – 3528 BJ Utrecht – The Netherlands
Atos Banking Services B.V.	100	FC	100	Papendorpseweg 93 – 3528 BJ Utrecht – The Netherlands
Atos Consulting NV	100	FC	100	Papendorpseweg 93 – 3528 BJ Utrecht – The Netherlands
<b>OTHER EUROPE – MIDDLE EAST – AFRICA</b>				
<b>Austria</b>				
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
<b>Belgium</b>				
Atos Belgium SA	100	FC	100	Da Vincilaan 5 – 1930 Zaventem – Belgium
Atos Worldline NV	100	FC	100	Chaussée de Haecht 1442 – B-1130 Brussel – Belgium
<b>Bulgaria</b>				
Atos IT Solutions and Services EOOD	100	FC	100	48 Sitnyakovo Blvd – Serdika Offices – 7 <sup>th</sup> floor – Sofia Municipality – Oborishte District – 1505 Sofia – Bulgaria
<b>Denmark</b>				
Atos IT Solutions and Services A/S	100	FC	100	Dybendalsvaenget 3 – 2630 Taastrup – Denmark
<b>Croatia</b>				
Atos IT Solutions and Services d.o.o.	100	FC	100	Heinzlova 69 – 10000 Zagreb – Republic of Croatia
<b>Czech Republic</b>				
Atos IT Solutions and Services s.r.o.	100	FC	100	14000 Praha 4 – Doudlebská 1699/5 – Czech Republic
<b>Russia</b>				
Atos IT Solutions and Services LLC	100	FC	100	1 <sup>st</sup> Kozhevnikheski per. 6, bld. 1 115114 Moscow – Russian Federation
<b>Finland</b>				
Atos IT Solutions and Services oy	100	FC	100	Majurinkatu Kalkkipellontie 6 – 026050 Espoo – Finland
<b>Ireland</b>				
Atos IT Solutions and Services Limited	100	FC	100	Fitzwilliam Court – Leeson Close – 2 Dublin – Ireland
<b>Italy</b>				
Atos Italia S.p.A.	100	FC	100	Via Caldera no. 21 – 20158 – Milan – Italy
Atos Worldgrid S.p.A.	100	FC	100	Via Caldera no. 21 – 20158 – Milan – Italy
<b>Luxembourg</b>				
Atos Luxembourg PSF S.A.	100	FC	100	2, rue Nicolas Bové – L1253 Luxembourg
<b>Morocco</b>				
Atos IT Services	100	FC	100	Avenue Annakhil – Espace High-Tech – hall B 5 <sup>th</sup> floor – Hay Ryad Rabat – Morocco
Atos ITS Nearshore Center Maroc SARL	100	FC	100	Casablanca – shore 7, 1100 boulevard Al Qods – quartier Sidi Maârouf, – Casablanca – Morocco

	% of Interest	Consolidation method	% of Control	Address
<b>Poland</b>				
Atos IT Services SP ZOO	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
<b>Portugal</b>				
Atos Soluções e Serviços para Tecnologias de Informação, Unipessoal, Ltda	100	FC	100	Rua Irmaos Siemens – 1 e 1-A – 2700 172 Amadora – Portugal
<b>Romania</b>				
Atos IT Solutions and Services s.r.l.	100	FC	100	Calea Floreasca 169A – Sector 1 – 014459 Bucharest – Romania
<b>Serbia</b>				
Atos IT Solutions and Services d.o.o.	100	FC	100	Pariske komune No. 22 – 11070 Belgrade – Serbia
<b>South Africa</b>				
Atos (PTY) Ltd	74	FC	100	204 Rivonia Road – Sandton private bag X 136 – Bryanston 2021 – South Africa
<b>Spain</b>				
Mundivia SA	100	FC	100	Calle Real Consulado – s/n Polígono Industrial Candina – Santander 39011- Spain
ATOS WORLDLINE SPAIN, S.A.	100	FC	100	Avda. Diagonal, 210-218 – Barcelona 08018 – Spain
Atos Consulting Canarias, SA	100	FC	100	Paseo Tomás Morales, 85 1º – Las Palmas de Gran Canaria 35004 – Spain
Centro de Tecnologias Informáticas, SA	80	FC	100	Paseo de la Condesa de Sagasta, 6 Oficina 1 – León 24001 – Spain
Infoservicios SA	100	FC	100	Albarracin 25 – Madrid 28037 – Spain
Atos, Sociedad Anonima Espanola	100	FC	100	Albarracin 25 – Madrid 28037 – Spain
Atos IT Solutions and Services Iberia SL	99,91	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
Desarrollo de Aplicaciones Especiales SA	100	FC	100	Juan de Olías 1 – Madrid 28020 – Spain
MSL Technology SL	50	FC	100	C/Marqués de Ahumada – 7 – 28028 Madrid – Spain
<b>Slovakia</b>				
Atos IT Solutions and Services s.r.o.	100	FC	100	Einsteinova 11 – 851 01 – Bratislava – Slovakia
<b>Sweden</b>				
Atos IT Solutions and Services AB	100	FC	100	Johanneslundsvägen 12-14 – 194 87 Upplands Väsby – Sweden
<b>Switzerland</b>				
Atos AG	100	FC	100	Freilagerstrasse 28 – 8047 Zurich – Switzerland
<b>Turkey</b>				
Atos Bilisim Danismanlik ve Musteri Hizmetleri Sanayi ve Ticaret A/S	99,92	FC	100	Yakacak Caddesi No: 111 – 18, 34870, Kartal, Istanbul – Turkey
<b>United Arab Emirates – Dubai</b>				
Atos FZ LLC	100	FC	100	Office G20 – Building DIC-9 Dubai Internet City – Dubai – United Arab Emirates
ATOS FZ LLC – Dubai Branch	100	FC	100	The Galleries – Building No. 2 Level 2 – Downtown Jebel Ali Dubai – United Arab Emirates
<b>Saudi Arabia</b>				
Atos Saudia	49	PC	49	P.O. Box # 8772 – Riyadh-11492 – Kingdom of Saoudi Arabia
<b>Qatar</b>				
ATOS QATAR Llc	100	FC	100	Sheikh Suhaim bin Hamad Street – No.89858 – Doha – Qatar
<b>Egypt</b>				
Atos IT SAE	100	FC	100	50 Rue Abbass El Akkad – Nasr city- Cairo – Egypt



	% of Interest	Consolidation method	% of Control	Address
<b>THE UNITED-KINGDOM</b>				
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 UK Limited	100	FC	100	4 Triton Square – Regent’s Place – London, NW1 3HG-United-Kingdom
Atos UK IT 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
Canopy The Open Cloud Company Limited	90,82	FC	100	4 Triton Square – Regent’s Place – London, NW1 3HG-United-Kingdom
<b>ASIA PACIFIC</b>				
<b>Australia</b>				
Atos (Australia) Pty. Ltd	100	FC	100	885 Mountain Highway 3153 Bayswater – Victoria – Australia
<b>China</b>				
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
<b>Hong Kong</b>				
Atos Information Technology HK Ltd	100	FC	100	8/F Octa Tower – 8 Lam Chak Street – Kowloon Bay – Kowloon- Hong Kong
<b>India</b>				
Atos India Private Limited	100	FC	100	Godrej & Boyce Complex – Plant 5 – Pirojshanagar – LBS Marg – Vikhroli(W) – Mumbai – 400079 – India
Atos Worldline India Private Ltd	100	FC	100	701, Interface 11 – Malad (West) – Mumbai 400064 – India
<b>Indonesia</b>				
PT Atos Worldline Indonesia	100	FC	100	Wisma Keiai #1707 – Jalan Jenderal Sudirman Kav 3 – Jakarta 10220 Indonesia
<b>Japan</b>				
Atos KK	100	FC	100	20 F, Shinjuku ParkTower – Nishi Shinjuku 3 – 7 -1 – Shinjuku – ku – Tokyo – Japan
<b>Malaysia</b>				
Atos Services (Malaysia) SDN BHD	100	FC	100	16-A (1 <sup>st</sup> Floor) Jalan Tun Sambanthan – 3 Brickfields – 50470 Kuala Lumpur – Malaysia
<b>Philippines</b>				
Atos Information Technology Inc.	99,94	FC	100	23/F Cyber One Building – Eastwood City – Cyberpark – 1110 Libis, Quezon City – Philippines
<b>Singapore</b>				
Atos Information Technology (Singapore) Ptd Ltd	100	FC	100	620A Lorong 1 Toa Payoh – TP4 Level 5 – 319762 Singapore
<b>Taiwan</b>				
Atos (Taiwan) Ltd	100	FC	100	5F, No. 100, Sec. 3, Min Sheng E. Road – Taipei 105 -Taiwan – R.O.C.
<b>Thailand</b>				
Atos IT Solutions and Services Ltd	100	FC	100	2922/339 Charn Issara Tower II – 36 <sup>th</sup> Floor – New Petchburi Road – Bangkapi – Huay Kwang – 10310 Bangkok – Thailand



	% of Interest	Consolidation method	% of Control	Address
<b>AMERICAS</b>				
<b>Argentina</b>				
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	100	FC	100	Arias 3751 piso 18, C.A.B.A. – Argentina
<b>Brazil</b>				
Atos Brasil Ltda	100	FC	100	Rua Werner Von Siemens – 111 – Prédio 6, 5º andar – Parte A – Bairro Lapa – CEP : 05069-900 – Município de São Paulo – Estado de São Paulo – Brazil
Atos Serviços de Tecnologia da Informação do Brasil Ltda	100	FC	100	Rua WernerVon Siemens – 111 – Prédio 6 – 5º andar – Parte C – Lapa – CEP :05069-900 – Município de São Paulo – Estado de São Paulo – Brazil
Atos Soluções e Serviços de tecnologia da informação LTDA	100	FC	100	Rua Werner Von Siemens, 111 – Prédio 6 – Lapa – São Paulo -SP – CEP 05069-900 – Brazil
<b>Canada</b>				
Atos Inc.	100	FC	100	6375 Shawson Drive – L5T 1S7 Mississauga – Ontario – Canada
<b>Chili</b>				
Atos IT Solutions and Services S.A.	100	FC	100	Avenida Providencia 1760 Piso 17, Comuna de Providencia – 8320000 Santiago de Chile – Chile
<b>Colombia</b>				
Atos IT Solutions and Services S.A.S	100	FC	100	Autopista Norte – Carrera 45 No. 108-27 Torre 2 – oficina 1505 – Bogotá – Colombia
<b>Mexico</b>				
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
<b>The United States of America</b>				
Atos IT Solutions and Services Inc.	100	FC	100	2500 Westchester Avenue – Suite 300 – Purchase, NY 10577 – United States of America

**Note 30 Auditors' fees**

	Total		Deloitte		Grant Thornton				
	2013	2012	2013	2012	2013	2012			
	Amount	%	Amount	%	Amount	%	Amount	Amount	
<i>(in € thousand and %)</i>									
<b>Audit</b>									
Statutory & consolidated accounts	7,250.0	85%	7,071.0	4,273.0	78%	4,162.0	2,977.0	96%	2,909.0
<i>Parent company</i>	2,066.0	24%	2,059.0	1,204.0	22%	1,204.0	862.0	28%	855.0
<i>Subsidiaries</i>	5,184.0	60%	5,012.0	3,069.0	56%	2,958.0	2,115.0	68%	2,054.0
Other services directly related to audit	1,175.0	14%	2,345.0	1,060.0	19%	2,313.0	115.0	4%	32.0
<i>Parent company</i>	720.0	8%	1,512.0	720.0	13%	1,504.0	-	-	8.0
<i>Subsidiaries</i>	455.0	5%	833.0	340.0	6%	809.0	115.0	4%	24.0
<b>Subtotal Audit</b>	<b>8,425.0</b>	<b>98%</b>	<b>9,416.0</b>	<b>5,333.0</b>	<b>97%</b>	<b>6,475.0</b>	<b>3,092.0</b>	<b>100%</b>	<b>2,941.0</b>
<b>Non audit services</b>									
Legal, tax and social	148.0	2%	296.0	148.0	3%	296.0	-	-	-
Other services	-	-	70.0	-	-	70.0	-	-	-
<b>Subtotal Non Audit</b>	<b>148.0</b>	<b>2%</b>	<b>366.0</b>	<b>148.0</b>	<b>3%</b>	<b>366.0</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>8,573.0</b>	<b>100%</b>	<b>9,782.0</b>	<b>5,481.0</b>	<b>100%</b>	<b>6,841.0</b>	<b>3,092.0</b>	<b>100%</b>	<b>2,941.0</b>

## E.5 Parent company summary financial statements

### E.5.1 Statutory auditors' report on the financial statements for the year ended December 31<sup>st</sup>, 2013

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

*The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.*

*This report also includes information relating to the specific verification of information given in the management report and in the document addressed to the shareholders.*

*This report 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 compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31<sup>st</sup>, 2013, on:

- the audit of the accompanying financial statements of Atos SE;
- the justification of our assessments;
- the specific verification and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

#### I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities, of the financial position of the Company as at December 31<sup>st</sup>, 2013 and of the results of its operations for the year then ended in accordance with French accounting principles.

#### II. Justification of our assessments

In accordance with article L. 823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

Participating interests, with a net book value of € 3,277,230 thousands in the balance sheet as at December 31<sup>st</sup>, 2013, are

valued at acquisition cost and depreciated based on its value-in-use according to the principles described in the note "Financial fixed assets" of the "Rules and accounting methods" section to the financial statements. Our work consisted on appreciating the data and assumptions on which these estimations are based, especially the cash-flow projections prepared by Atos management, reviewing the calculations performed by the entity and scrutinizing the approval procedure of these estimations by management.

These assessments were made as part of our audit of the financial statements, taken as a whole and therefore contributed to the opinion we formed which is expressed in the first part of this report.

#### III. Specific verifications and information

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

We have no matters to report regarding the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code (Code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favor, 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 companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this 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

**Neuilly-sur-Seine and Paris, April 1<sup>st</sup>, 2014**

#### The statutory auditors

Deloitte & Associés

Christophe Patrier

Grant Thornton

French member of Grant Thornton International

Victor Amselem



## E.5.2 Statutory auditor's special report on regulated agreements - year ended December 31<sup>st</sup>, 2013

*This is a free translation into English of the statutory auditors' special report on regulated agreements 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.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements 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, 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 for the purpose of approving them.

Our role is also to provide you with the information stipulated in article R. 225-31 of the French Commercial Code relating to the implementation during the past year of agreements previously approved by the shareholders' meeting, 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 submitted to the approval of the Shareholders' Meeting

#### Agreements authorized during the year

We hereby inform you that we have not been advised of any agreement 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 previously approved by the Shareholders' Meeting

#### Agreements approved in prior years not performed during the year

Pursuant to article R. 225-30 of the French Commercial Code, we have been informed of the following agreements, previously approved by Shareholders' Meetings of prior years, which were not performed during the year.

#### Agreement concluded with Mr. Thierry Breton, Chairman and Chief Executive Officer, - Terms and conditions related to a supplementary collective defined benefit pension plan

The supplementary collective defined benefit pension plan applicable to all members of the Executive Committee of the Atos Group as authorized by the Board of Directors Meeting of March 26, 2009 and approved by the Annual General Meeting of May 26, 2009 (fourth resolution), to which the Chairman and Chief Executive Officer has belonged, continued during the year ended December 31<sup>st</sup>, 2013.

No right has been definitively acquired for the benefit of the Chairman and Chief Executive Officer during the year ended December 31<sup>st</sup>, 2013.

Neuilly-sur-Seine and Paris, April 1<sup>st</sup>, 2014

#### The statutory auditors

Deloitte & Associés

Christophe Patrier

Grant Thornton

*French member of Grant Thornton International*

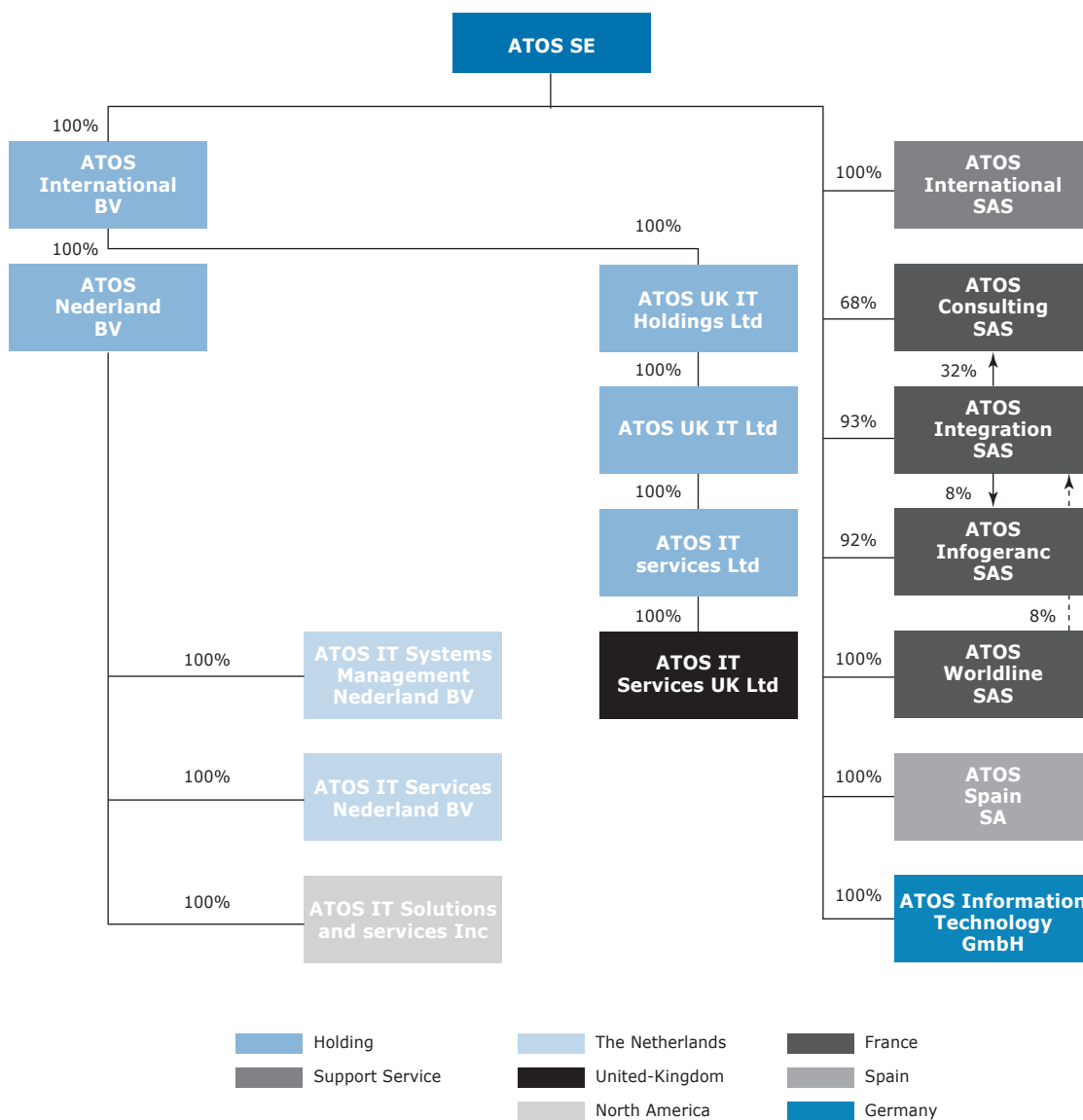
Victor Amselem



### E.5.3 Parent company’s simplified organization chart

As of December 31<sup>st</sup>, 2013, the Group issued common stock amounted to € 98.2 million comprising 98,165,446 fully paid-up shares of € 1 per value each.

Atos shares are traded on the Paris NYSE Euronext market under ISIN FR0000051732. The shares are not listed on any other stock exchange and Atos SE is the only listed company of the Group.





## E.5.4 Atos SE Financial statements

## E.5.4.1 Balance sheet

<i>(in € thousand)</i>	Notes	31 December 2013	31 December 2012
<b>ASSETS</b>			
Intangible fixed assets	Note 1	1,689	3,713
Tangible fixed assets	Note 2	46	46
Participating interests	Note 3	3,277,230	3,333,276
Other financial investments	Note 3	775,336	680,915
<b>Total fixed assets</b>		<b>4,054,301</b>	<b>4,017,950</b>
Trade accounts and notes receivable	Note 4	19,889	5,542
Other receivables	Note 4	821,285	452,479
Cash and cash equivalent	Note 5	836,006	705,948
<b>Total current assets</b>		<b>1,677,180</b>	<b>1,163,969</b>
Prepayments, deferred expenses	Note 6	6,392	8,301
<b>TOTAL ASSETS</b>		<b>5,737,873</b>	<b>5,190,220</b>

<i>(in € thousand)</i>	Notes	31 December 2013	31 December 2012
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Common stock		98,165	85,703
Additional paid-in capital		2,463,918	1,921,173
Legal reserves		8,570	8,551
Other reserves and retained earnings		770,746	322,869
Net income for the period		71,022	499,236
<b>Shareholders' equity</b>	<b>Note 7</b>	<b>3,412,421</b>	<b>2,837,532</b>
<b>Provisions for contingencies and losses</b>	<b>Note 8</b>	<b>57,073</b>	<b>11,236</b>
Borrowings	Note 9	1,223,866	1,487,327
Trade accounts payable	Note 10	32,609	5,625
Other liabilities	Note 10	1,011,904	848,395
<b>Total liabilities</b>		<b>2,268,379</b>	<b>2,341,347</b>
Unrecognised exchange gains			105
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>5,737,873</b>	<b>5,190,220</b>

## E.5.4.2 Income statement

<i>(in € thousand)</i>	Notes	31 December 2013	31 December 2012
<b>Revenue</b>	<b>Note 11</b>	<b>122,527</b>	<b>63,609</b>
Other income		494	1
<b>Total operating income</b>		<b>123,021</b>	<b>63,610</b>
Cost of sales		-10,140	-14,896
Taxes		-2,229	-741
Depreciation amortisation and provisions			
Other expenses	Note 12	-26,653	-17,033
<b>Total operating expenses</b>		<b>-39,022</b>	<b>-32,670</b>
<b>Operating margin</b>		<b>83,999</b>	<b>30,940</b>
Net financial result	Note 13	55,618	462,664
<b>Net income on ordinary activities</b>		<b>139,617</b>	<b>493,604</b>
Non-recurring items	Note 14	-74,338	-1,997
En employee profit sharing		-589	
Corporate income tax	Note 15	6,332	7,629
<b>NET INCOME FOR THE PERIOD</b>		<b>71,022</b>	<b>499,236</b>

## E.5.5 Notes to the Atos SE statutory financial statements

### DETAILED SUMMARY OF NOTES

<b>Note 1</b>	Intangible assets	216	<b>Note 11</b>	Revenue	224
<b>Note 2</b>	Tangible fixed assets	216	<b>Note 12</b>	Other expenses	224
<b>Note 3</b>	Financial fixed assets	216	<b>Note 13</b>	Financial result	225
<b>Note 4</b>	Trade accounts, notes receivable and other receivables	218	<b>Note 14</b>	Non recurring items	226
<b>Note 5</b>	Cash and cash equivalents	219	<b>Note 15</b>	Tax	226
<b>Note 6</b>	Prepayments and deferred expenses	220	<b>Note 16</b>	Off-balance sheet commitments	227
<b>Note 7</b>	Shareholders' equity	220	<b>Note 17</b>	Risk analysis	228
<b>Note 8</b>	Provisions	222	<b>Note 18</b>	Related parties	229
<b>Note 9</b>	Financial borrowings	222			
<b>Note 10</b>	Trade accounts, notes payable and other liabilities	223			

### 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

On October 29<sup>th</sup>, 2009, Atos issued a convertible bond (OCEANE) € 250.0 million divided into 5,414,771 bonds maturing on January 1<sup>st</sup>, 2016. Annual coupon paid to the bond holders is 2.50%.

On September 16<sup>th</sup>, 2013, Atos announced its decision to proceed with the early redemption of all the outstanding convertible bonds issued in 2009. On October 15<sup>th</sup>, the Group announced the success of the early redemption of the 2009 convertible bonds which resulted in an increase of capital for Atos SE of 253.2 million as 5,409,571 bonds were converted into 5,571,852 shares.

At the same time, the Group disclosed the launch of a share buy-back program of Atos SE shares for € 115.8 million that was completed in December 2013.

On July 1<sup>st</sup>, 2011, Atos issued a convertible bond (OCEANE) of € 250.0 million reserved for Siemens for the acquisition of Siemens IT Solutions and Services with a maturity on July 1<sup>st</sup>, 2016. The annual coupon paid is 1.50%. There is no financial covenant in respect with the convertible bond. Siemens sold the convertible bond on March 1<sup>st</sup>, 2013 to other investors.

On November 15<sup>th</sup>, 2013, Atos announced its decision to proceed with the early redemption of all the convertible bonds issued in 2011.

The number of 2011 Bonds presented for conversion amounted to 5,342,131, representing 99.3% of total. In application of the Conversion/Exchange ratio of 1.02 Atos SE shares per 2011

Bond, Atos SE proceeds to the delivery of 5,448,970 Atos SE shares as follows:

- admission on Euronext Paris of 3,676,658 new shares which resulted an increase of capital of 169.8 million;
- delivery of 1,772,312 Atos SE treasury shares from the share buy-back program realized over the period from September 18<sup>th</sup>, 2013 to December 17<sup>th</sup>, 2013.

The performance conditions related to the first half of the Performance Shares granted on December 22<sup>nd</sup>, 2011 were met and validated by the Board of Directors during the February 20<sup>th</sup>, 2013 Meeting.

As a consequence, on December 22<sup>nd</sup>, 2013, the first half of the Performance Shares granted on December 22<sup>nd</sup>, 2011 to beneficiaries of the Plan for France will definitively vest (2+2 Plan), i.e. the shares have been acquired by beneficiaries on that date.

The total amount of 215,000 performance shares delivered as follow:

- 116,282 existing shares have been attributed to the beneficiaries mainly by the shares acquired in the frame work of the LTI MIP plans that have been expired;
- 98,718 existing shares have been attributed in the context of the share buy-back program.

### Rules and accounting methods

In application with CRC 99-03, the financial statements of Atos SE have been prepared in accordance with generally accepted accounting principles in France and with the provisions of the French General Accounting Plan (Plan Comptable Général).

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.

The merger deficit acquired before 2004 is amortized on a straight-line basis over 20 years.

The Company applied the regulation CRC 2004-01 relating to the accounting treatment of mergers and similar operations which occurred from January 1<sup>st</sup>, 2004. Those merger deficits are subject to an annual impairment test. An impairment loss is recognized when the sum of the merger deficit and the related gross value of the participating interest exceed the enterprise value.

The enterprise value is computed on the basis of expected three year future cash flow through assumptions approved by the management of the Company.

### 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.

### Financial assets

Financial assets consist of participating interests and other financial investments (treasury stock, loans).

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:

- for the operational subsidiaries, the value-in-use is determined on the basis of the enterprise value described above;
- for the holding subsidiaries, the value-in-use is calculated based on their shareholding equities.

Treasury stocks are recorded at their acquisition cost. Atos shares are not held in the context of a liquidity contract nor in the intention to grant them as free shares plan or stock-options plan.

A depreciation charge is recognized when the carrying value exceeds the weighted average market price of Atos stock for the month of December.

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.

**Note 1 Intangible assets****Net value of intangible fixed assets**

<i>(in € thousand)</i>	31 December 2012	Acquisitions/charges	Disposals/ reversals	31 December 2013
<b>Intangible assets</b>	<b>113,918</b>	-	-	<b>113,918</b>
Amortisation	-9,294	-445	-	-9,739
Depreciation	-100,911	-1,579	-	-102,490
<b>Total of amortisation &amp; depreciation</b>	<b>-110,205</b>	<b>-2,024</b>	-	<b>-112,229</b>
<i>Of which</i>				
• non-recurring items		-445		
• financial result		-1,579		
<b>Net value of intangible assets</b>	<b>3,713</b>	<b>-2,024</b>	-	<b>1,689</b>

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.

The other merger deficit acquired before 2004 amounts to € 9.7 million in gross value, are depreciated on a straight line basis.

The depreciation charge of the merger deficit was related to:

- France € 39.4 million;
- Spain € 63.1 million.

**Note 2 Tangible fixed assets****Net value of tangible fixed assets**

<i>(in € thousand)</i>	31 December 2012	Acquisitions/Charges	Disposals/Release	31 December 2013
Tangible fixed assets	113	-	-	113
Depreciation of tangible fixed assets	-67	-	-	-67
<b>Net value of tangible fixed assets</b>	<b>46</b>	-	-	<b>46</b>

**Note 3 Financial fixed assets****Change in financial fixed assets - Gross value**

<i>(in € thousand)</i>	31 December 2012	Acquisition	Decrease	31 December 2013
Investments in consolidated companies	3,642,733	14,050	-90,999	3,565,784
Investments in non consolidated companies	124	-	-	124
Treasury stocks	92	-	-92	0
Other investments	85	-	-	85
<b>Total Investments</b>	<b>3,643,034</b>	<b>14,050</b>	<b>-91,091</b>	<b>3,565,993</b>
Loans and accrued interests	379,715	71,876	-418	451,173
Others	301,200	46,146	-23,183	324,163
<b>Total Other financial assets</b>	<b>680,915</b>	<b>118,022</b>	<b>-23,601</b>	<b>775,336</b>
<b>TOTAL</b>	<b>4,323,949</b>	<b>132,072</b>	<b>-114,692</b>	<b>4,341,329</b>

### Movement in consolidated investments

Atos SE increased the capital of Atos Worldline GmbH formerly Atos holding GmbH for an amount of € 14.1 million.

Atos SE decreased its investments in the following entities:

- Atos Serviços de Tecnologia de Informação do Brasil Ltda for € 26.2 million;
- Atos Worldline GmbH for € 64.7 million;

- Atos Formation for € 1.8 thousand;
- Atos Argentina SA for € 26.0 thousand.

All the decreases are sales done in the Atos Group and are motivated to improve and simplify the chart.

### Others financial assets

Other financial assets at closing date corresponded to deposit under securitization program for € 324.2 million.

### Change in financial fixed assets - Impairment

<i>(in € thousand)</i>	31 December 2012	Depreciation	Release	31 December 2013
Investments in consolidated companies	-309,527	-68,643	89,616	-288,554
Investments in non consolidated companies	-124	-	-	-124
Treasury stocks	-22	-	22	0
Other investments	-85	-	-	-85
<b>TOTAL</b>	<b>-309,758</b>	<b>-68,643</b>	<b>89,638</b>	<b>-288,763</b>
<i>Of which financial</i>			22	

The charge of the period mainly related to the depreciation of investment in consolidated entities in France (including headquarters) for € 67.1 million and in Spain for € 1.4 million.

The release of the period mainly related to the sales of entity in Germany for € 50.6 million and in Brazil for € 24.8 million, to investment in French consolidated entities for € 9.4 million and in Morocco for € 4.8 million.

### Net value of the financial fixed assets

<i>(in € thousand)</i>	Gross amount	Depreciation	Net value
Investments in consolidated companies	3,565,784	-288,554	3,277,230
Investments in non consolidated companies	124	-124	-
Treasury stocks	0	0	0
Other investments	85	-85	-
Loans and accrued interests	451,173	-	451,173
Others	324,163	-	324,163
<b>TOTAL</b>	<b>4,341,329</b>	<b>-288,763</b>	<b>4,052,566</b>

### Maturity of loans and other financial fixed assets

<i>(in € thousand)</i>	Gross amount 31 December 2013	Up to 1 year	1 to 5 years
Loans and accrued interests	451,173	129,405	321,768
Others	324,163	324,163	-
<b>TOTAL</b>	<b>775,336</b>	<b>453,568</b>	<b>321,768</b>

Accrued interests amounted to € 0.4 million (2012: € 0.5 million).

**Main subsidiaries and investments**

<i>(in € thousand)</i>	Gross value at 31 December 2013	Net value at 31 December 2013	% interest	Net Income at 31 December 2013	Shareholders' equity
<b>I – Detailed Information</b>					
A – Subsidiaries (50% or more of common stock)					
<b>France</b>					
Atos Worldline	110,015	110,015	100%	10,675	132,576
Atos Investissement 5	618,681	618,681	100%	146,318	671,572
Atos Infogérance	146,775	-	92%	-25,222	-1,837
Atos Intégration	127,458	127,458	93%	-13,811	-12,760
Atos Consulting	16,539	16,539	68%	222	578
Atos Participation 2	30,616	30,616	100%	-7	16,122
Atos International	62,278	-	100%	-21,282	-6,769
Atos Investissement 10	11,140	-	100%	-18,472	-19,181
Atos Management France	5,540	-	100%	-3,896	-12,361
Atos Investissement 12	40	25	100%	-5	24
Atos Meda	8,840	5,144	100%	213	-52
Atos Investissement 19	37	37	100%	-3	22
Atos Investissement 20	37	22	100%	-3	22
Atos Investissement 21	37	23	100%	-3	23
Atos WorldGrid	32,328	32,328	100%	3,698	14,457
<b>Italia</b>					
Atos Multimédia	68	68	100%	-	159
Atos Origin Srl	57,183	59	100%	-58	59
<b>Benelux</b>					
St Louis RE	2,139	2,139	100%	-	2,140
<b>Spain</b>					
Atos Spain SA	80,390	78,951	100%	1,298	28,129
GTI	751	234	33%	71	234
<b>Germany</b>					
Atos Information Technology GMBH	587,072	587,072	100%	64,878	640,394
<b>The Netherlands</b>					
Atos International BV	1,656,608	1,656,608	100%	-8,360	950,263
<b>Brazil</b>					
<b>Turkey</b>					
Atos Bilisim	11,212	11,212	81%	345	13,830
<b>II – Global Informations</b>					
Others participations	124	-			
<b>TOTAL</b>	<b>3,565,908</b>	<b>3,277,231</b>			

The total of subsidiaries and investments corresponded to investments in consolidated companies and investments in non-consolidated companies presented in the table "Net value of the financial fixed assets" above.

**Note 4 Trade accounts, notes receivable and other receivables**
**Trade accounts, notes receivable and other receivables**

<i>(in € thousand)</i>	Gross amount at 31 December 2013	Depreciation	Net value 31 December 2013	Net value 31 December 2012
Trade accounts and notes receivable	5,714	-	5,714	5,498
Doubtful debtors	289	-245	44	44
Invoices to be issued	14,130	-	14,130	-
State and income tax	1,973	-	1,973	256
VAT receivable	5,286	-	5,286	1,428
Intercompany current account	767,716	-	767,716	445,251
Other debtors	46,513	-202	46,311	5,544
<b>TOTAL</b>	<b>841,621</b>	<b>-447</b>	<b>841,174</b>	<b>458,021</b>
<i>Of which – operating</i>		-447		

## Maturity of trade accounts receivable and other debtors

<i>(in € thousand)</i>	<b>Gross amount at 31 December 2013</b>	<b>Up to 1 year</b>	<b>1 to 5 years</b>
Trade accounts and notes receivable	5,714	5,714	-
Doubtful debtors	289	-	289
Invoices to be issued	14,130	14,130	-
State and income tax	1,973	1,973	-
VAT receivable	5,286	5,286	-
Intercompany current account	767,716	767,716	-
Other debtors	46,513	46,513	-
<b>TOTAL</b>	<b>841,621</b>	<b>841,332</b>	<b>289</b>

## Accrued income

<i>(in € thousand)</i>	<b>31 December 2013</b>	<b>31 December 2012</b>
<b>Accrued income included in Receivable accounts</b>		
Other debtors	616	2,247
<b>TOTAL</b>	<b>616</b>	<b>2,247</b>

## Note 5 Cash and cash equivalents

### Cash and cash equivalents and mutual funds

<i>(in € thousand)</i>	<b>Gross amount at 31 December 2013</b>	<b>Depreciation</b>	<b>Net value 31 December 2013</b>	<b>Net value 31 December 2012</b>
Mutual funds	309,097	-	309,097	297,914
Treasury stocks – owned shares	2,281	-	2,281	4,973
Treasury stocks for share based payments	-	-	-	-
Short Term Bank deposits	452,946	-	452,946	382,418
Cash at bank	71,682	-	71,682	20,643
<b>TOTAL</b>	<b>836,006</b>	<b>-</b>	<b>836,006</b>	<b>705,948</b>

### Movement in Treasury stocks - owned shares:

The existing 135,900 own shares acquired within the framework of the plans of profit-sharing 2007 and 2008 Long Term Incentive Plan (LTI) and Management Investment Plan (MIP) accounted for an amount of € 5.0 million have been attributed:

- 21,003 shares have been attributed in the framework of the LTI/MIP plans;

- 114,897 shares have been attributed in the framework of the performance plan.

The 36,155 existing shares at December 31<sup>st</sup>, 2013, have been acquired in the framework of the share buy-back program.

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

<i>(in € thousand)</i>	31 December 2013	31 December 2012
Translation losses	235	
Prepaid expenses	1,481	114
Deferred expenses	4,676	8,187
<b>TOTAL</b>	<b>6,392</b>	<b>8,301</b>

**Note 7** Shareholders' equity

## Common stock

	31 December 2013	31 December 2012
Number of shares	98,165,446	85,703,430
Nominal value <i>(in €)</i>	1	1
<b>Common stock <i>(in € thousand)</i></b>	<b>98,165</b>	<b>85,703</b>

## Capital ownership structure over three years

	31 December 2013		31 December 2012		31 December 2011	
	Shares	%	Shares	%	Shares	%
Financière Daunou 17	9,399,376	9.6%	18,077,790	21.1%	17,855,541	21.4%
FMR Llc	-	-	-	-	4,121,717	4.9%
Siemens	12,483,153	12.7%	12,483,153	14.6%	12,483,153	14.9%
Board of Directors	49,024	0.0%	16,542	0.0%	15,640	0.0%
Employees	1,688,640	1.7%	1,806,638	2.1%	1,820,548	2.2%
Treasury stocks	36,155	0.0%	137,193	0.2%	202,370	0.2%
Public	74,509,098	75.9%	53,182,114	62.1%	47,067,799	56.3%
<b>TOTAL</b>	<b>98,165,446</b>	<b>100.0%</b>	<b>85,703,430</b>	<b>100.0%</b>	<b>83,566,768</b>	<b>100.0%</b>

Siemens Beteiligungen Inland GmbH no longer exceeded the 15% threshold with 12.7% of Atos share capital and voting right as of December 31<sup>st</sup>, 2013.

The shares owned by employees are held through mutual funds and corporate savings plans.

The 12<sup>th</sup> resolution of the Annual General Meeting of May 29<sup>th</sup>, 2013, as amended by the second resolution of the General Meeting held on December 27<sup>th</sup>, 2013 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. At December 31<sup>st</sup>, 2013, the Company held 36,155 shares of treasury stocks representing 0.04% of the common stock.

The free-float of the Group shares exclude stakes held by the reference shareholders, namely the two main shareholders, Financière Daunou 17 (PAI Partners) holding 9.6% of the share capital as at December 31<sup>st</sup>, 2013, and Siemens Beteiligungen Inland GmbH (owned by Siemens AG, Siemens Group) holding a stake of 12.7% of the share capital which it committed to keep until June 30<sup>th</sup>, 2016.

No other reference shareholder has announced its will to maintain a strategic shareholding in the Group's share capital. Stakes owned by the employees and the management, are also excluded from the free float.

	31 December 2013			31 December 2012		
	Shares	% of capital	% of voting rights	Shares	% of capital	% of voting rights
Treasury stock	36,155	0.0%	-	137,193	0.2%	-
Financière Daunou 17	9,399,376	9.6%	9.6%	18,077,790	21.1%	21.1%
Siemens	12,483,153	12.7%	12.7%	12,483,153	14.6%	14.6%
Board of Directors	49,024	0.0%	0.0%	16,542	0.0%	0.0%
Employees	1,688,640	1.7%	1.7%	1,806,638	2.1%	2.1%
Free float	74,509,098	75.9%	75.9%	53,182,114	62.1%	62.1%
<b>TOTAL</b>	<b>98,165,446</b>	<b>100.0%</b>	<b>100.0%</b>	<b>85,703,430</b>	<b>100.0%</b>	<b>100.0%</b>

### Changes in shareholders' equity

(in € thousand)	31 December 2012	Dividends	Appropriation of result	Capital increase	Net Income 2013	31 December 2013
Common stock	85,703			12,462		98,165
Additional paid-in capital	1,921,173			542,745		2,463,918
Legal reserve	8,551		19			8,570
Other reserves	25,511					25,511
Retained earnings	297,358	-51,340	499,217			745,235
Net income for the period	499,236		-499,236		71,022	71,022
<b>TOTAL OF THE SHAREHOLDERS' EQUITY</b>	<b>2,837,532</b>	<b>-51,340</b>	<b>-</b>	<b>555,207</b>	<b>71,022</b>	<b>3,412,421</b>

### Capital increase

During the year, Atos SE increased its common stock by issuing new shares and incorporating additional paid-in-capital for € 555.2 million, resulting in the creation of 12,462,016 new shares composed of:

- the 702,606 new shares resulting from the payments of the 2012 dividend in shares;

- the early redemption of the 2009 convertible bonds for 5,571,852 new shares;
- the early redemption of the 2011 convertible bonds for 3,676,658 new shares; and
- the exercise during the year 2013 of 2,509,900 share options;
- the early vesting of 1,000 new free shares.

### Potential common stock

Based on 98,165,446 shares issued, the common stock could be increased by 6,227,543 new shares representing an increase of 6.0% vesting.

	31 December 2013	31 December 2012	Variation
<b>Number of shares outstanding</b>	<b>98,165,446</b>	<b>85,703,430</b>	<b>12,462,016</b>
Conversion of OCEANES		10,980,950	-10,980,950
Stock options	5,015,053	7,542,180	-2,527,127
Performance shares	1,212,490	967,300	245,190
<b>TOTAL POTENTIAL COMMON STOCK</b>	<b>104,392,989</b>	<b>105,193,860</b>	<b>-800,871</b>

On the total of 5,015,053 of stock options, no option had a price of exercise higher than € 65.79 (year-end stock price at December 31<sup>st</sup>, 2013).

**Note 8 Provisions****Provisions**

(in € thousand)	31 December 2012	Charges	Release used	Release unused	31 December 2013
Subsidiary risk	10,722	38,707		-2,257	47,172
Contingencies	20	9,881			9,901
Litigations	494			-494	0
<b>TOTAL</b>	<b>11,236</b>	<b>48,588</b>	<b>0</b>	<b>-2,751</b>	<b>57,073</b>
<i>Of which</i>					
• operating					
• financial		38,943		-2,257	36,686
• exceptional		9,645			9,645

The evaluation of the participating interest led to an additional charge for the following subsidiaries:

- Atos Investissement 10 € 28.0 million;
- Atos International € 6.8 million;
- Atos Management France € 3.9 million.

The sale of Atos Worldline GmbH led to a release of € 2.2 million.

The charge of € 9.6 million related to the project Mio Cali to cover legal obligation of indemnification towards the banks; the settlement received from Siemens for the same amount has been booked in non-recurring items. A provision of € 0.2 million has been booked for exchange losses.

**Note 9 Financial borrowings****Closing net debt**

(in € thousand)		Up to 1 year	1 to 5 years	Gross value 31 December 2013	Gross value 31 December 2012
Long and medium term borrowings		-	-	0	500,000
Bank overdraft		840,765	-	840,765	593,721
Other borrowings		383,101	-	383,101	393,606
<b>Total Borrowings</b>		<b>1,223,866</b>	<b>0</b>	<b>1,223,866</b>	<b>1,487,327</b>
Cash at bank	Note 5	71,682		71,682	20,643
<b>CLOSING NET DEBT</b>		<b>1,152,184</b>	<b>0</b>	<b>1,152,184</b>	<b>1,466,684</b>

Financial borrowings included:

- intercompany loans for € 363.4 million;
- borrowing EUROFACTOR for € 6.3 million;
- profit-sharing for a total amount of € 13.3 million.

Deferred expenses related to other borrowings amounted to € 4.7 million (€ 8.2 million in 2012).

**Syndicated loan (2011-2016)**

On April 11<sup>th</sup>, 2011, Atos signed a new five-year revolving credit facility for an amount of € 1.2 billion with an international syndicate of financial institutions. The maturity of the revolving credit facility is until April 2016. As of December 31<sup>st</sup>, 2013, Atos SE had not used this multi-currency revolving facility.



### Securitization

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

The new program is structured in two compartments, called "ON" and "OFF" depending on the transfer of the credit risk:

- compartment "ON" is similar to the previous program; the receivables are transferred in a recurring basis to the financing institution;

- 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<sup>st</sup>, 2013, Atos SE has sold:

- in the compartment "ON" € 334.2 million receivables for which € 10.0 million were received in cash;
- in the compartment "OFF" € 41.8 million receivables which all risks and rewards associated with the receivables were transferred.

## Note 10 Trade accounts, notes payable and other liabilities

### Maturity of trade accounts, notes payable and other liabilities

(in € thousand)	Gross amount 31 December 2013	Up to 1 year	1 to 5 years	Gross amount 31 December 2012
Accounts payable	32,609	32,609	-	3,286
Social security and other employee welfare liabilities	1,700	1,700	-	1,595
VAT payable	2,992	2,992	-	744
Intercompany current account liabilities	989,513	989,513	-	837,734
Other liabilities	17,699	17,699	-	10,661
<b>TOTAL</b>	<b>1,044,513</b>	<b>1,044,513</b>	<b>-</b>	<b>854,020</b>

### 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)	31 December	Associated companies	Other	Overdue for more than one year	Overdue for less than one year	Invoices non due at 31 December
<b>2013</b>						
<b>Accounts payable and liabilities</b>	<b>32,609</b>	<b>29,556</b>	<b>3,053</b>	<b>224</b>	<b>25,199</b>	<b>7,186</b>
	100.0%			0.7%	77.3%	22.0%
Accounts payable	25,753	25,122	631	224	25,199	330
Invoices to be received	6,856	4,434	2,422	-	-	6,856
<b>2012</b>						
<b>Accounts payable and liabilities</b>	<b>3,286</b>	<b>76</b>	<b>3,210</b>	<b>142</b>	<b>390</b>	<b>2,754</b>
	100.0%			4.3%	11.9%	83.8%
Accounts payable	553	76	477	142	390	21
Invoices to be received	2,733	-	2,733	-	-	2,733

## Deferred Expenses

(in € thousand)

	31 December 2013	31 December 2012
<b>Deferred Expenses included in the trade payable accounts</b>		
Invoices to be received	6,856	2,733
Other liabilities	497	433
State and employee related liabilities	287	288
<b>TOTAL</b>	<b>7,640</b>	<b>3,454</b>

## Note 11 Revenue

### Revenue split

	31 December 2013		31 December 2012	
	(in € thousand)	%	(in € thousand)	%
Trademark fees	116,945	95.4%	59,169	93.0%
Re-invoicing	2,193	1.8%	230	0.4%
Parental guarantees	3,389	2.8%	4,210	6.6%
<b>Total revenue by nature</b>	<b>122,527</b>	<b>100.0%</b>	<b>63,609</b>	<b>100.0%</b>
France	20,137	16.4%	14,242	22.4%
Foreign countries	102,390	83.6%	49,367	77.6%
<b>Total revenue by geographical area</b>	<b>122,527</b>	<b>100.0%</b>	<b>63,609</b>	<b>100.0%</b>

The revenue mainly included trademark fees received from Group companies for a total amount of € 116.9 million, increasing greatly compared to 2012 due to an increase of the percentage of royalties invoiced to the entities.

## Note 12 Other expenses

### Expenses

(in € thousand)

	31 December 2013	31 December 2012
Expenses of the functions' Group	-26,143	-16,437
Directors' fees	-497	-433
Other expenses	-13	-163
<b>TOTAL</b>	<b>-26,653</b>	<b>-17,033</b>

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.

Atos SE had no employee in 2013 and in 2012.

**Note 13 Financial result**

<i>(in € thousand)</i>	<b>31 December 2013</b>	<b>31 December 2012</b>
Dividends received	104,793	681,513
Intercompany current account interests	2,683	2,859
Other financial assets income	8,989	8,013
Investment banking revenues	1,151	1,077
Reversal of provisions on investments in consolidated companies	89,617	5,000
Reversal of provisions on treasury stock	22	2,456
Reversal of other financial provisions	2,257	15,276
Disposal of short-term investment	904	1,481
Foreign exchange gains	3,355	1,833
Other financial income	11,241	2,070
<b>Total of the financial expenses</b>	<b>225,012</b>	<b>721,578</b>
Interests on borrowings	-11,668	-13,310
Securitisation interests	-1,595	-1,923
Intercompany loans interests	-1,873	-13,050
Intercompany current accounts interests	-3	-95
Provision for goodwill depreciation	-1,579	-94,260
Provision for depreciation on investments in consolidated companies	-68,643	-122,156
Provision for deferred expenses	-2,513	-2,606
Other financial provisions	-38,943	-5,508
Short term borrowing interests	-2,848	-1,901
Foreign exchange losses	-2,950	-1,754
Other financial expenses	-36,779	-2,351
<b>Total of the financial expenses</b>	<b>-169,394</b>	<b>-258,914</b>
<b>NET FINANCIAL RESULT</b>	<b>55,618</b>	<b>462,664</b>

Dividends received in 2013 were paid by Atos Investissement 5 and included an exceptional dividend of € 100.0 million.

The release of other provision was mainly due to the evaluation of participating interest and had been disclosed in the Note 8 Provisions.

Other financial income for € 11.2 million related to the re-invoicing to the Group subsidiaries of free shares.

The other financial expenses for € 36.8 million are mainly related to the:

- granting of the free shares for € 11.2 million;

- loss incurred on the OCEANE for € 25.5 million between the amount paid in the share buy-back program (€ 107.3 million) and the value of the bonds on the date of conversion (€ 81.9 million).

The depreciation on investments has been disclosed in the Note 3 Financial Assets – Impairment.

The other financial provisions were mainly due to the evaluation of participating interest and had been disclosed in Note 8 Provisions.

Interests on borrowings included the interest on OCEANE for € 8.5 million.

**Note 14 Non recurring items**

Non recurring items coming from ordinary activities were those whose realization was not related to the current operations of the Company due to their unusual, abnormal and infrequent nature.

<i>(in € thousand)</i>	<b>31 December 2013</b>	<b>31 December 2012</b>
Selling price from disposal of financial investments	18,072	-
Other income	11,034	1,800
<b>Total of non recurring income</b>	<b>29,106</b>	<b>1,800</b>
Amortization of merger loss	-445	-445
Net book value of financial investments sold	-91,000	-
Provisions for liabilities and charges	-9,645	-
Other expenses	-2,354	-3,352
<b>Total of non recurring expenses</b>	<b>-103,444</b>	<b>-3,797</b>
<b>NON RECURRING ITEMS</b>	<b>-74,338</b>	<b>-1,997</b>

Other non-recurring income is related to the Siemens settlement for the UTE Mio CALI contract for € 9.6 million and the part of the Worldline costs related to carve-out project invoiced to Atos International SAS for € 1.4 million.

The proceeds from the sale of assets mainly come from the disposals of investments within the Atos Group:

- sale of Atos Worldline GmbH to Atos Worldline SA for € 14.1 million;
- sale of Atos formation to Atos consulting for € 2.5 million;

- sale of Atos Serviços de Tecnologia de Informação do Brasil Ltda to Atos International BV for € 1.5 million.

Net book value of participating interest is disclosed in Note 3.

Provisions are disclosed in Note 5.

The other expenses are related mainly to carve-out project for € 1.7 million and a write off of the Brazil debt at June 30<sup>th</sup>, 2013 for € 0.4 million.

**Note 15 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<sup>st</sup>, 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;
- tax savings related to the use of the tax losses of the tax consolidation members will be only temporary since the subsidiaries concerned will still be able to use them;
- 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.

**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:

<i>(in € thousand)</i>	<b>Basis Decrease</b>	<b>Basis Increase</b>
Non deductible provisions for timing differences	-	258
<b>TOTAL</b>	<b>-</b>	<b>258</b>

No deferred tax assets or liabilities had been recognized.

### Breakdown between net income on ordinary activities and non-recurring items

<i>(in € thousand)</i>	Before tax	Computed tax	Net amount
Net income on ordinary activities	139,617	-	139,617
Non recurring items and employee participation	-74,927	-	-74,927
Tax credit	-	6,332	6,332
<b>TOTAL</b>	<b>64,690</b>	<b>6,332</b>	<b>71,022</b>

At December 2013, there was no risk of repayment of the tax credit booked in the frame of the French tax consolidation as per the French tax consolidation agreement.

The tax that would have been paid in the absence of French tax consolidation was an expense of € 21.6 million.

The result of the fiscal consolidation is a profit of € 13.9 million before use of losses carried forward. After use of the losses carried forward the taxable profit 2013 was an amount of € 6.1 million with a tax charge of € 2.3 million.

The total amount of the losses carried forward was € 248.8 million.

### Note 16 Off-balance sheet commitments

<i>(in € thousand)</i>	31 December 2013	31 December 2012
Performance Guarantees	3,238,115	3,534,566
Bank guarantees	324	196
<b>TOTAL</b>	<b>3,238,439</b>	<b>3,534,762</b>

For various large long term contracts, the Group provides performance guarantees to its clients. These limited guarantees amounted to € 3,238.1 million as of December 31<sup>st</sup>, 2013, compared with € 3,534.6 million at the end of December 2012.

In respect to the agreement signed with Siemens for the acquisition of Siemens IT Solutions and Services, Atos SE agreed to make its best efforts to replace Siemens as guarantor for existing commitments as of July 1<sup>st</sup>, 2011.

At the end of 2013, new parental guarantees issued in replacement of Siemens were € 1,330 million including BBC for £ 345.0 million (€ 412.7 million), National Savings for £ 250.0 million (€ 299.0 million) and Nike Corp. for \$ 125.0 million (€ 91.3 million).

In the framework of the contract signed by Atos IT Services UK Limited with the International Olympic Committee (IOC), Atos SAE (Spain) has granted a full performance guarantee to the IOC by which it commits to perform the contract in case the signing entity (or any other affiliate to which the signing entity could have assigned all or part of the rights and obligations under the contract) is unable to provide services required under the contract.

In relation to the multi-currency revolving facility signed in April 2011, Atos SE issued a parental guarantee to the benefit of the consortium of banks represented by BNP Paribas, in order to cover the obligations of its subsidiaries, Atos Telcos Services B.V. and Atos B.V. up to € 660.0 million.

Atos SE has given a € 154.0 million guarantee to the Stichting Pensionfonds Atos. This guarantee is provided to secure the payments obligations of Atos Nederland B.V under the cover ratio mechanism in case of its failure to pay the associated sums.

Subsequent to the Cellnet disposal in July 2004, Atos SE still has one outstanding guarantee with Schlumberger as part of relations with Citicorp for a total amount of \$ 39.46 million (€ 28.84 million), which is fully counter guaranteed by the acquirer of Cellnet, "Cellnet Holdings Corp."

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

Atos SE and Atos B.V. have also given guarantees of financial support to several of their subsidiaries to comply with local regulations.

Finally, as part of the general agreement with Siemens in respect of transfer of SIS UK pension liabilities, the Board of Atos SE, during its March 29<sup>th</sup>, 2011 Meeting, has 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 £ 200.0 million.

## Note 17 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<sup>st</sup>, 2013.

#### Long and medium term liabilities

As of December 31<sup>st</sup>, 2013, Atos SE presents no long and medium term liabilities related to the syndicated loan.

### Liquidity risk

#### Syndicated loan

The major financing tool of Atos is a € 1.2 billion multi-currency revolving facility renewed on April 11<sup>th</sup>, 2011. The maturity of the new revolving credit facility is until April 2016.

The revolving credit facility includes two financial covenants which under the terms are the following:

- the consolidated leverage ratio (net debt divided by Operating Margin before Depreciation and Amortization) may not be greater than 2.5 times under the multi-currency revolving facility;
- the consolidated interest cover ratio (operating margin divided by the net cost of financial debt) may not be less than four times throughout the term of the multi-currency revolving facility.

#### Liquidity risk at December 31<sup>st</sup>, 2013

Instruments	Fix/Variable	Line (in € Million)	Maturity
Syndicated loan	Variable	1,200	April 2016
Securitization program	Variable	200	June 2018

#### 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

#### Securitization program

Atos securitization program of trade receivables has been renewed for 5 years on June 18<sup>th</sup>, 2013 with Ester Finance, a subsidiary of Crédit Agricole CIB rated A- by Standard & Poor's and A2 by Moody's. The maximum amount of the program is € 200.0 million.

The trade accounts receivable of certain entities of Atos based in The Netherlands, in France, in the United-Kingdom and in Germany are transferred on a recurring basis to this financing institution. This transaction is financed through the issue of commercial notes rated A1P1. This rate is granted due to an underlying deposit made by Atos. The deposit amount is calculated every month and is based on various criteria such as the dilution ratio, the days sales outstanding (DSO), losses, etc.

As of December 31<sup>st</sup>, 2013, Atos SE has sold:

- in the compartment "ON" € 334.2 million in receivables of which € 10.0 million were received in cash;
- in the compartment "OFF" € 41.8 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 favorable conditions of the renewable multicurrency credit facility described above.

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.

Atos objective is 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 are managed by the Group's Treasury Department.

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**Note 18 Related parties**

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Transactions made by the Company (trade mark fees, financing operations and tax consolidation) were performed under market conditions.







# F

## Risks analysis

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The Company conducted a review of risks that could have a material adverse impact on its business, or results (or its ability to achieve its objectives) and considers that there are no significant risks other than those presented hereafter.

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## F1 External risk factors

### F1.1 The market

In 2013, Public Sector continued to be under strong budgetary pressure while cyber security is becoming even more of a concern to governments and local authorities.

Financial Services institutions are facing regulatory changes which drive further balance sheet optimization while cost reduction and digitization of services to customers remain a strong focus.

Customer demand has developed positively in most Manufacturing and Retail markets, in which companies continue to globalize their supply chain and invest in sustainability.

Utility companies are continuing with their programs to implement smart grid technologies.

Telcos companies are moving forward with creating more added-value data services for both residential consumer and business customers while increasing investments in Cloud computing.

### F1.2 Country risks

Atos operates in 52 countries. Some countries are more exposed than others to political or economic risks that may affect the Group's business and profitability.

The Group makes a periodic Strategic Operational Review of its activities in order to fully revisit all options in respect of portions of the business which would not have the critical size on their market, as well as activities considered as being non-core business.

### F1.3 Clients

The Group delivers services to a large number of clients which are large international groups or public organizations throughout different markets and countries, which limits its

risk of dependency on one particular client. The Group's top 10 customers generated 28% of total Group revenues in 2013 and the top 50 customers generate 51% of total Group revenues.

### F1.4 Suppliers

Atos works hard to consolidate its expenses with a small number of key vendors across all categories and in particular for the supply of software used in the design, implementation and operation of IT systems. While there are alternative solutions for most software, there is always the chance of possible failure of those suppliers to continue producing innovative software, or the inability to renew agreements on acceptable terms, which may have an adverse impact on Atos operations.

Major risks associated with key IT, Non-IT and Staffing vendors are managed by the Global Procurement function. This function is responsible for managing the cost base of Atos and with managing vendors including their identification and selection, input into customer bids, contract negotiation and signature, cost savings actions, innovation ideas and their overall relationship with Atos.

Regarding the ranking of the main vendors of Atos, the largest one accounted for 4% of total Group purchases in 2013, the five biggest represented 12% of the total and the ten biggest amounted to 21%.

At December 31<sup>st</sup>, 2013, there was no binding commitment with vendors for capital expenditures higher than € 5 million.

## F.1.5 Partnerships and subcontractors

Atos sometimes relies on partners and/or subcontractors to deliver services in particular contexts. Having recourse to third parties is a common practice in the industry but represents a business risk that must be closely monitored on the basis of quality, cost, delivery, innovation, management and sustainability requirements.

Partnerships may be formed or subcontractors may be used in areas where the Group does not have the specific expertise necessary to fulfill the terms of a particular contract or requires such skills for a limited period of time only, or to comply with

local legislation. All requests to enter into partnerships or use subcontractors are initiated locally by the operational team evaluating the proposal or in specific case at Group level.

Subcontracting is managed by Global HR Workforce Managers working in the GBU's; but the commercial relationship is through contracts negotiated by the Global Procurement function.

At the end of 2013, the Group had around 5,400 full-time equivalents (FTE) subcontractors working across more than 45 countries.

## F.1.6 Counterparty risk

Payments services expose Atos to a counterparty risk in the case a counterparty (mainly card issuer client) would be in default while the clearing and settlement are processed (which may take a few days depending on the type of processing, the day of the week and the card scheme).

To mitigate these risks, Atos Worldline has developed a methodology for:

- defining the type of risk, calculating and managing risk exposures;
- evaluating and monitoring its counterparties' financial standing.

The main objective is to mitigate the impact of significant counterparty credit events on the Company. This framework has been fully implemented for banks and is being implemented for merchants.

# F.2 Business risks

## F.2.1 Technology and IT risks

IT system breakdowns could be critical both for the Group's internal operations and its customers' needs in respect of the services provided. The Group has implemented specific programs and procedures to ensure the proper management of IT risks, covering security and back-up systems and effective insurance cover.

IT production sites, offshore development centers, maintenance centers and data-centers are specifically subject to extensive administrative and technical procedures for safeguarding and monitoring, covering physical and IT system access, energy supply breakdown or disruption, fire, regulation of extreme temperature changes, data storage and back-up, contingency and disaster recovery plans.

Atos has also deployed an information security management system to prevent unauthorized access to information and systems. However, the visibility of Atos and its clients may attract hackers to conduct attacks on Atos systems that could compromise the security of data. An information breach in the system and loss of confidential information (especially in payments activities) could have a longer and more significant impact on the business operations than a hardware failure. The loss of confidential information could result in losing the customers' confidence and thus the loss of their business, as well as imposition of fines and damages.

## F.2.2 Risks related to contracts and project performance

The IT services provided to customers are sometimes a critical element for the performance of their commercial activities. Oftentimes IT solutions also play a key role in the development of their businesses. Any inadequate implementation of sensitive IT systems or any deficiency in the performance of services, either related to delays or to unsatisfactory levels of services, may result in significant prejudicial consequences for clients and may result in penalty claims or litigations.

Below are some of the key risks Atos needs to manage:

- **degraded performance resulting from third party products and/or product customization:** Systems Integration frequently involves products (whether software or hardware, standard or adapted or specifically developed for customized requirements) designed and developed by third parties and which, by definition, the IT service provider cannot control. In addition, the particular requirements of certain clients who wish for specific functionalities may disrupt the operation of the product or generate significant delays or difficulties in providing the services;
- **exposure due to assessment or delivery failures:** Also, it is a practice of the IT sector to enter into certain contracts on a fixed-rate basis whereas other contracts are invoiced

according to the service provided. For fixed-rate contracts, an under assessed scope of the provided services or dedicated resources to a specific project may lead to a budget or agreed timeframe overrun, and lead to an operating loss, by exceeding budget or payments of penalties for late performance.

The Group seeks to minimize the risks described above through a rigorous review processes right from the offer stage. A dedicated specific process is in place, called Atos Rainbow, under which service proposals are reviewed, with an inventory of risks being kept for tracking purposes. This process also covers the execution phase of the contract, including updates of the risk registers. This allows the Group to take any mitigating action where appropriate and follow up on outstanding actions.

Generally, periodical risk reviews are performed on the Group's major contracts with a view to enhancing control over any excess for projects and to closely monitoring service delivery.

In order to further strengthen Atos' operational excellence, a Group Contract management program was launched in 2013 on major accounts to globalize and homogenize contract management activities, combining risk management, contractual obligations and performance management.

## F.2.3 Acquisition/External growth risk

Acquisitions/external growth operations may have adverse impacts on the achievement of the Group's objectives, especially in the case of:

- under-performing contracts which were not properly identified during the acquisition process;
- ineffective integration efforts preventing expected level of synergies from being reached.

In the context of the acquisition of SIS, Atos has rolled out an integration program closely monitored by General management through a weekly "integration Committee". The TOP<sup>2</sup> program aimed to improve efficiency in Siemens IT Solutions and Services through the use of Atos best practices, and included notably an in-depth review of contracts at risk in all countries in order to raise the appropriate claim to Siemens within due date.

## F.2.4 Human Resources

### Dependence on qualified personnel

In today's IT services market, companies remain dependent on the skills, the experience and the performance of their staff and the key members of their management teams. The success of organizations in this field depends on their ability to retain key qualified staff and to use their competences for the benefit of customers. Therefore, Atos is focused on providing challenging career opportunities and job content. Over the reporting period,

Atos has been able to continue its focus on employability furthermore developing the workforce management and offering better career perspective supported by competency development through the Atos University programs, with particular efforts on e-learning solutions and on sales workforce in 2013.

## Employee attrition

To enhance the Group ability to attract and retain staff, the Human Resources department has developed competitive rewarding structures. In addition it has continued to strengthen the internal offerings for training and development programs through the Atos University using e-learning techniques. During 2013, specific attention was paid to key skills, such as Sales, Project management, SAP, Lean and Talent Development,

resulting in lower rates of attrition in the targeted groups of people. Meanwhile, wider distance learning opportunities have been made available for thousands of employees on English language, as well as IT and business topics.

These programs allowed faster adaptation of people to client needs and led to greater mobility, which also helped to balance attrition.

## Offshoring

Atos increasingly fulfils its client contracts using offshore facilities in order to optimize its cost structure. Offshoring is used in Systems Integration and Managed Services. To keep up with increasing demand, the Group developed its offshore capacity with more than 11,500 staff at the end of December 2013, mainly based in India. The combination of insourcing and offshoring for the delivery of projects led the Group to adapt

and optimize the insourced resources to other contracts. Given Atos' ongoing need to attract and to deploy human resources, the Group made sure it was able to optimize resource utilization rate. The Group processes in this area are mature and the offshore facilities of the Company have been certified. Atos is therefore well positioned and ready in any case of business risks associated with offshoring.

# F.3 Compliance and reputation risk

## F.3.1 Regulatory risks

The activities of the Group are in general not subject to specific legal, administrative or regulatory authorizations.

However, activities related to payments in Belgium and Buyster (a joint venture with the main telecommunications operators in

France) have been subject since 2011 to the European Payments Institution regulation. A dedicated follow-up is performed to ensure that the requirements of this regulation are met by the entities concerned.

## F.3.2 Personal data protection

As an employer and as a service provider, Atos is regularly exposed to Personal Data Protection regulations, which protect the identity, privacy and liberties of individuals in the digital world.

Compliance with those regulations, when managing and storing personal data, requires a good understanding of each specific situation and local regulations.

Claims related to the non-respect of personal data could affect the Group's reputation and have a negative impact on the Group's business.

Atos has therefore deployed a data protection organization in its main entities to provide training, support and expertise to the operations.

### F.3.3 Intellectual property protection

The Group's intellectual property may be challenged or infringed and the Group may be subject to infringement claims or license requirements under open source.

The Group relies on a combination of contractual rights and copyright, trademark, patent and trade secret laws to establish and protect its proprietary technology. Third parties may challenge, invalidate, circumvent, infringe or misappropriate its intellectual property.

While the Group strives to ensure that its intellectual property is sufficient to permit to conduct its business independently, others, including its competitors, may develop similar technology, duplicate its services or design around its intellectual property. In such cases the Group could not assert its intellectual property rights against such parties or may have to obtain licenses from these third parties (including in the context of cross license agreements, pursuant to which the Group would also grant a license under its intellectual property). The Group may have to litigate to enforce or determine the scope and enforceability

of its intellectual property rights, trade secrets and know-how, which is expensive, could cause a diversion of resources and may not prove successful. The loss of intellectual property protection or the inability to obtain third party intellectual property could harm the Group's business and ability to freely operate.

Due to their complexity, the technology domains addressed by the Group are subject to an increase in the number of risks related to intellectual property but also in the financial impact they may have. In order to tackle these risks and to manage them efficiently, the Group develops its own strategy by means of specific governance and is providing dedicated resources which are entrusted with the implementation of appropriate policies and processes. This governance is headed by an Intellectual Property Steering Committee which convenes on a quarterly basis and gathers top management representatives and internal stakeholders and ramifies deeply into operations by means of an Intellectual Property Managers network active at Service Lines or local level.

### F.3.4 Reputation risks

Media coverage of possible difficulties, especially related to the implementation of significant or sensitive projects, could affect the credibility and image of the Group vis-a-vis its customers, and consequently, its ability to maintain or develop some activities.

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## F.4 Financial markets risks

Atos has not been affected by the liquidity crisis that has impacted the financial markets over the past years.

The Group proceeds to a specific review of its liquidity risk and considers itself as being able to face future requirements. Atos' policy is to cover fully 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 future developments.

On April 11<sup>th</sup>, 2011, Atos signed with a number of major financial institutions a five-year € 1.2 billion credit facility that will mature in April 2016. The facility is available for general corporate purposes.

Atos renewed its securitization program of trade receivables on June 18<sup>th</sup>, 2013 for 5 years, with a maximum amount of transferable receivables of € 500.0 million and a maximum financing amount of € 200.0 million.

The new program is structured into 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;
- compartment "OFF" is designed so that the credit risk (insolvency and default) of the debtors eligible for this compartment of the program is fully transferred to the purchasing entity of Crédit Agricole CIB (Ester Finance Titrisation).

Securitization program financial covenants are in line with those of the € 1.2 billion multi-currency credit facility.

On October 29, 2009 Atos Origin issued a convertible bond into and/or exchangeable for new or existing shares (OCEANE) due on January 1<sup>st</sup>, 2016 with an aggregate principal amount of € 250 million. The annual coupon paid to the holders of bonds amounted to 2.5%. On September 16<sup>th</sup>, 2013, Atos announced its decision to proceed with the early redemption of all the outstanding convertible bonds issued in 2009 and mature on

January 1<sup>st</sup>, 2016. At the same time, the Group disclosed the launch of a share buy-back program of Atos SE shares for € 115.8 million that was completed in December 2013. On October 15, the Group announced the success of the early redemption of the 2009 convertible bonds which resulted in an increase in its net cash position of € 233.8 million.

As part of the acquisition of Siemens IT Solutions and Services GmbH, on the completion date of the contribution, Atos issued 5.4 million bonds that can be converted and/or exchanged into new or existing shares of Atos with an aggregate nominal value of € 250 million to Siemens Inland (Siemens Beteiligungen Inland GmbH) at a subscription price of € 250 million. In addition, Siemens Inland has received shares in Atos representing 15% of the Atos share capital and has become the second largest shareholder of Atos. Siemens sold the convertible bond on March 1<sup>st</sup>, 2013 to other investors.

On November 15<sup>th</sup>, 2013 Atos announced its decision to proceed with the early redemption of all the convertible bonds issued in 2011 and mature on July 1<sup>st</sup>, 2016. At the same time, the Group announced that it would proceed in 2014 with an additional share buy-back program including a € 115.0 million tranche representing circa half of net cash increase resulting from the early redemption of the 2011 OCEANE. On December 19, the Group announced the success of the early redemption of the 2011 convertible bonds which resulted in an increase to its net cash position of € 234.9 million.

More details on liquidity risk, cash flow interest rate risk, foreign exchange risk, market value of financial instruments, price risk and credit risk are described in section E.4.7.3 *Financial risk management* of this document and in Note 23 to the consolidated financial statements (E.4.7.4).

The risk on shares is limited to treasury shares.

## F.5 Risk management activities

In addition to managing the risk embedded in each process, dedicated activities are also deployed for a transversal management of risks.

### F.5.1 Business risk assessment and management

Atos has a robust business risk management approach reinforced during the last years, based on specific processes.

#### Risk management System

Atos Rainbow™ is a set of procedures and tools that provides a formal and standard approach to bid execution. The Group operates a risk management system that facilitates the analysis (by identification and assessment) and treatment (by control and financing) of business risks throughout the life cycle of a project. This process is integrated with the control and approval process when entering into new contracts. The objective is to ensure that the Group only bids for projects that can be delivered effectively and to provide an early warning system for any project that encounters problems or diverges from its original targets. Specifically, the risk management process:

- identifies potential exposures, including technical, legal and financial risks that could have an impact during the life cycle of the project;
- evaluates, both qualitatively and quantitatively, the significance and materiality of any such exposures;
- ensures that appropriate and cost-effective risk control or risk mitigation measures are initiated to reduce the likelihood and impact of negative outcomes on the project; and
- manages residual exposure through a combination of external risk transfer instruments and internal contingency reserves in order to optimize the use of exposed capital.

In 2010, a major enhancement of the contract monitoring process was deployed to monitor all operational contracts on a monthly basis using the Rainbow Delivery Dashboard, providing status on both financial, delivery and technology, customer, legal and supplier KPI's. Capitalizing on the experience gained in 2010 through 2012, the process has been refined and re-engineered in close cooperation with the global service lines, explicitly focusing on adding lessons learned and follow up onto the monitoring process. This enhanced process will be deployed in 2014.



## Risk management and Rainbow management

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The control and approval process governing the bidding and contracting activities report to the Group Vice President for Risk management and Bid Control, ensuring the capturing and ongoing tracking of risks identified at the bidding stage throughout the delivery cycle.

Risk management reports directly to the Group Chief Financial Officer, with the risk managers in the countries and the Global Service Lines reporting directly to the Group Vice President for Risk management and Bid Control, shortening the lines of command.

## Group Risk management Committee

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A Group Risk management Committee convenes on a monthly basis to review the most significant contracts and the sensitive ones. The Committee is chaired by the Group CFO and lead by the Vice President for Risk management and Bid Control. Permanent members of the Committee include the Senior Executive Vice President Operations, Executive Vice Presidents in charge of

the Global Service Lines and several other representatives from the Global Functions, including Finance, Legal, and Internal Audit. Twice a year, the Audit Committee conducts a thorough review of all the major contracts considered to be high risk; these are updated quarterly. Either the service line or the Risk management Committee performs the monitoring.

## F.5.2 Insurance

Global insurance policies have been taken out with reliable international insurance companies, providing the Group with appropriate insurance coverage for its worldwide operations. The total cost of these policies in 2013 represented circa 0.20% of total Group revenue.

The most important global insurance programs are bought and managed centrally at renewal on January 1 for Liability insurance and on April 1 for Property Damage and Business Interruption insurance. In 2013 the Property Damage and Business Interruption policy and Professional Indemnity policies were both renewed for limits respectively of € 200 million and € 150 million. Several additional policies cover insurable business risks such as general liabilities or car fleet, and are maintained at cover limits commensurate with the Group's size and risk exposures.

Deductible retentions are used both to promote good risk management practices and to control the quantity of claims and level of premiums.

Each country also contracts insurance policies in accordance with local regulations, customs and practice. These include employers' liability, workers compensation and employee travel.

Atos' wholly-owned reinsurance company provides insurance for some layers of the property policy and professional indemnity policies, which are the most critical policies for the Group's operations.

Insurable losses are not a frequent occurrence. This is partly due to quality risk management processes deployed at all key locations to protect assets from fire and other unexpected events as well as ensuring business continuity in the event of damage or loss. In offers and contracts a uniform and mandatory process of risk management is used as described in previous chapter.

Risks are also monitored by the Underwriting Committee of the Atos reinsurance company who maintains adequate net equity and technical reserves commensurate with the level of insured risks, and ensures a satisfying diversification of external reinsurer. The Underwriting Committee also carries out regular surveys and analysis to monitor the relevance of Atos' insurance cover.



## F.6 Claims and litigation

The Atos Group is a global business operating in 52 countries. In many of the countries where the Group operates there are no claims, and in others there are only a very small number of claims or actions made involving the Group. Considering the Group's size and revenue, the level of claims and litigation remains low.

The low level of claims and litigation is attributable in part to self-insurance incentives and the vigorous promotion of the quality of the services performed by the Group and the intervention of a fully dedicated Risk management department, which effectively monitors contract management from the bid stage through to delivery and provides early warnings on potential issues and disputes. All potential and active claims and disputes are

carefully monitored, reported and managed in an appropriate manner at every stage.

In 2013, some significant claims made against the Group were successfully resolved in terms favorable to the Group.

Group management considers that sufficient provisions have been made.

The total amount of the provisions for litigation risks, in the consolidated financial accounts closed as of December 31<sup>st</sup>, 2013, to cover identified claims and litigations, added up to € 74 million (including tax and social contribution claims but excluding labor claims).

### F.6.1 Tax and Social Contribution claims

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

A number of the tax and social contribution claims are in Brazil, where Atos is a defendant in some cases and a plaintiff in others. Such claims are typical for companies operating in this region. Proceedings in this country usually take a long time to be processed.

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

The total provision for tax and social contribution claims, as recorded in the consolidated financial statements as at December 31<sup>st</sup>, 2013, was € 12.6 million.

### F.6.2 Commercial claims

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

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

The Group is facing a very small number of intellectual property cases of a speculative nature in which the claims are heavily inflated and without merit.

There were a number of significant on-going commercial cases in various jurisdictions that the Group acquired through the acquisition of Siemens IT Solutions and Services. Some of these cases involve claims on behalf of the Group and in 2013 a number were successfully resolved.

The total provision for commercial claim risks, as recorded in the consolidated financial statements as at December 31<sup>st</sup>, 2013 was € 61.3 million.



## Risks analysis

F6 Claims and litigation

### F.6.3 Labor claims

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

The Group is a respondent in a few labor claims of higher value in France, Brazil and the United-Kingdom, but in the Group's

opinion most of these claims have little or no merit and have been provisioned appropriately.

There are 28 claims against the Group which exceed € 200,000.

The provision for these claims, as recorded in the consolidated financial statements as at December 31<sup>st</sup>, 2013 was € 2.4 million.

### F.6.4 Representation & Warranty claims

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

### F.6.5 Miscellaneous

To the knowledge of the Company, there are no other administrative, governmental, judicial, or arbitral proceedings, pending or potential, likely to have or having had significant consequences over the past twelve months on the Company's and the Group's financial situation or profitability.



# G

## Corporate governance and capital

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## G.1 Management of the Company

Thierry Breton has been the Chairman and Chief Executive Officer of the Company since February 10, 2009 when the statutory governance was changed from a Supervisory Board and Management Board system to a system with a Board of Directors. This evolution has simplified and unified the governance by adapting it to the Company's situation. On the occasion of the vote concerning the Company's transformation from a "Société Anonyme" (public limited-liability company) into a "Societas Europaea" (European public limited-liability company or "European company") decided by the Annual

General Meeting of May 30<sup>th</sup>, 2012, this unitary board structure was upheld by the shareholders in the Articles of Association of the Company that were submitted for their approval, and Thierry Breton's mandate as Director was renewed. The Board of Directors then confirmed the choice of governance by deciding to unify the functions of Chairman and Chief Executive Officer and confirming Thierry Breton as Chairman and Chief Executive Officer for his three-year term of office.

The reason for this management structure is detailed hereunder in the section entitled "management Mode".

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## G.2 Legal Information

### G.2.1 Transformation into a Societas Europaea (European Company)

The Company, which was initially incorporated as a "Société Anonyme" (public limited-liability company) was transformed into a European public limited-liability company ("Societas Europaea" (European Company) or "SE") pursuant to a decision of the Extraordinary General Meeting of May 30<sup>th</sup>, 2012. It is governed by applicable European Community and national provisions on "Sociétés Anonymes" as well as by the Articles of Association.

Following the acquisition of SIS, a subsidiary of Siemens on July 1<sup>st</sup>, 2011, the Company became a leading information technology services provider in Europe. The new scope of the Company has expanded and has been strengthened by new European offices and especially in Germany, in Northern Europe, Eastern Europe and Central Europe. In order to reflect this enhanced European dimension, the Board of Directors of the Company suggested in 2012 changing the Company's form from a French "Société Anonyme" to a "Societas Europaea" (European company). As a result, the Company now benefits from a homogeneous framework within the European Union, as this legal status is recognized in most countries where it operates, consistent with its new economic reality, both relating to its employees and to its customers.

The Board of Directors held on December 20<sup>th</sup>, 2012 acknowledged that the conditions for the transformation had

been met and, since January 8<sup>th</sup>, 2013, Atos SE has been registered as a "Societas Europaea" (European company) with Board of Directors in the Pontoise Trade and Companies Register.

The effects of the transformation from a "Société Anonyme" into a "Societas Europaea" (European company) are limited:

- the transformation of the Company into a "Societas Europaea" (European company) does not lead to the dissolution of the Company nor does it entail the creation of a new legal entity;
- the term, the corporate purpose and the registered offices of the Company are not modified;
- the share capital still remains at the same amount and the same number of shares with a nominal value of one euro each; these shares are still traded on the NYSE Euronext Paris stock exchange;
- the duration of the current financial year is not modified as a result of the adoption of the "Societas Europaea" (European Company) corporate form and the financial statements will be drawn up, presented and controlled under the terms and conditions set forth in the Company's Articles of Association under its new corporate form and the provisions of the French Commercial Code regarding the "Societas Europaea" (European Company).

## G.2.2 Corporate Purpose and other information

- **corporate purpose:** under article 2 of the Articles of Association, the Company's purpose in France and elsewhere is as follows:
  - the processing of information, systems engineering, studies, advice and assistance notably in the finance and banking sectors,
  - the research into, study, realization and sale of products or services which help in promoting or developing the automation and broadcasting of information and notably: the design, application and implementation of software, computer, on-line and office automation systems,
  - it can also operate, either by itself or using any other method, without any exception, or create any company, make all contributions to existing companies, merge or create alliances therewith, subscribe to, purchase or resell all shares and ownership rights, take all interests in a partnership and grant all loans, credits and advances,
  - and more generally any commercial, industrial, real-estate, movable property or financial transactions, either directly or indirectly related to one of the above mentioned purposes;
- **company name:** the corporate name of the Company has been changed to "Atos SE" (previously "Atos") upon the transformation into a "Societas Europaea" (European Company) (article 3 of the Articles of Association);
- **nationality:** French;
- **registered office and principal place of business:** under article 4 of the Articles of Association, the registered offices of Atos SE are located at 80 quai Voltaire – 95870 Bezons, France – +33 (0) 1 73 26 00 00;
- **registered** in the Pontoise under Siren number 323 623 603;
- **business identification code** (APE code): 7010Z;
- **date of incorporation and term:** The Company was incorporated in 1982 for a period of 99 years, i.e. up to March 2, 2081.

## G.2.3 Provision of the Articles of Association

### Members of the Board of Directors (articles 13, 14 and 15 of the Articles of Association)

The Company is managed by a Board of Directors composed of a minimum of three members and a maximum of twelve members that are appointed by the Ordinary General Meeting of shareholders. The Board of Directors will be renewed annually by rotation in such a way as to allow a rotation of one third of the members of the Board of Directors. The term of office of the Directors is three years. The number of members of the Board of Directors over the age of 70 must not be greater than one third of the total serving members. Pursuant to an amendment to article 15 of the Articles of Association, as approved by the Combined General Meeting held on May 29<sup>th</sup>, 2013, each Director now is required to own at least 500 Company shares during the term of his or her office (this rule however does not apply to the Director representing employee shareholders).

### Chairman (article 21 of the Articles of Association)

The Board of Directors elects a Chairman from among its members. The Chairman represents the Board of Directors. He organizes and directs the Board's activities, on which he reports at General Meetings of Shareholders. He oversees the proper functioning of the Company's bodies and makes sure, in particular, that the Directors are able to carry out their assignments.

### Chief Executive Officer (article 23 of the Articles of Association)

Pursuant to the choice made by the Board of Directors, the general management is handled either by the Chairman, or by an individual appointed by the Board of Directors who has the title of Chief Executive Officer. The Chief Executive Officer has the broadest powers to act in all circumstances in the name

of the Company. He exercises these powers within the limits of the Company's purpose and what the law and the Articles of Association expressly assign to the General Meetings of shareholders or the Board of Directors. The Chief Executive Officer represents the Company in its relationship with third parties.

### Notices to attend Board meetings and decisions of the Board of Directors (article 18 of the Articles of Association)

The Board of Directors convenes as often as the Company's interest demands and at least every three months. Notice of Board meetings is sent to Directors by the Chairman. If no Board meeting is called for over two months, at least one third of the Directors are empowered to ask the Chairman to call a meeting in order to handle the specific matters included on the agenda. The Chief Executive Officer is also empowered to ask the Chairman to call a Board meeting in order to discuss specific matters included on the agenda. Decisions are taken by majority of the members present or represented. In the event of a tie in the voting, the Chairman will have the casting vote.

### Powers of the Board of Directors (article 17 of the Articles of Association)

The Board of Directors determines the orientations of the Company's business and monitors their implementation. With the exception of powers expressly assigned to General Meetings of shareholders and within the limits of the Company's purpose, it handles all matters involving the proper functioning of the Company and settles matters through its deliberations.

The sale of real estate, the total or partial transfer of shares and the constitution of sureties on company assets require the prior authorization of the Board of Directors.

### Related-party agreements (article 25 of the Articles of Association)

Any agreement entered into (directly, indirectly or through an intermediary) between the Company and its Chief Executive Officer, one of its Deputy Chief Executive Officers, any of its Directors or one of its shareholders holding a fraction of the voting rights greater than 10% or, if it is a Company shareholder, the company that controls it in the meaning of article L. 233-3 of the French Commercial Code, must receive the prior authorization of the Board of Directors. Agreements between the Company and another company, if the Chief Executive Officer, one of the Deputy Chief Executive Officers or one of the Directors of the Company is an owner, indefinitely responsible partner, manager, Director, member of the Supervisory Board or,

in general, a senior manager of this company, are also subject to prior authorization. Such prior approval does not apply to agreements covering standard operations that are concluded under normal conditions.

### Directors' compensation (article 20 of the Articles of Association)

The members of the Board of Directors may receive as Directors' fees (jetons de presence), a compensation the aggregate amount of which, as determined by the General Meeting, is freely allocated by the Board of Directors. The Board of Directors may in particular allocate a greater share to the Directors who are members of the Committees.

## Rights, privileges and restrictions attached to shares

### Voting rights

Each share carries one voting right. There is no share with double voting right.

majority at an Extraordinary General Meeting. A unanimous shareholder vote is required to increase the liabilities of shareholders.

### Participation in General Meetings of Shareholders (article 28 of the Articles of Association)

All shareholders may participate in General Meetings either in person or by proxy. All shareholders may be represented by their spouses, by another shareholder, or by partners with whom a civil solidarity pact ("PACS") has been concluded. They may also be represented by any other natural person or legal entity of their choice. The proxy must show evidence of this delegation.

### Terms and conditions for calling and general conduct of Ordinary General Meeting and Extraordinary General Meeting

General Meetings of shareholders are considered to be "Extraordinary" when the decisions relate to a change in the Articles of Association or Company's nationality or where required by law; and, "Ordinary" in all other cases. The Extraordinary General Meeting rules by a majority of two-third of the expressed votes, and the Ordinary General Meeting rules by the majority of expressed votes; expressed votes do not include blank and null votes of the present or represented shareholders, or shareholders voting by mail (articles 34 and 35 of the Articles of Association).

The right of shareholders to participate in General Meetings is subject to the recording of the shares in the name of the shareholder or the financial intermediary registered on its behalf, on the third business day, zero hour (Paris time), preceding the General Meeting: (i) for holders of registered shares in the registered shareholder account held by the Company; and (ii) for holders of bearer shares in the bearer shareholder account held by the accredited financial intermediary. Such financial intermediaries shall deliver to holders of bearer shares a shareholding certificate ("Participation certificate") enabling them to participate in the General Meeting.

General Meetings are called and conducted in accordance with the terms and conditions of French law.

The shareholders, upon decision of the Company's Board of Directors, may take part in General Meetings through video conference or by telecommunication means, including the internet. article 28 of the Articles of Association was modified by the General Meeting of May 30<sup>th</sup>, 2012 in order to provide for the terms and conditions of shareholders' participation in General Meetings in particular by means of an electronic voting form made available on the Company's website. Until now, this procedure has not been used by the Board of Directors.

### Disclosure of threshold crossing (article 10 of the Articles of Association)

In addition to the thresholds defined by applicable laws and regulations, all private individuals and legal entities, acting alone or in concert, who acquire, directly or indirectly, a fraction of the share capital equal to or greater than 2% or, following a shareholding of 2%, any multiple of 1% are required to inform the Company, by registered letter with return receipt requested, within 5 trading days from the date on which one of these thresholds is crossed, of the total number of shares, voting rights or securities giving access to the share capital or voting rights of the Company held by them.

### Identifiable bearer shares

The Company may proceed to the identification of holders of bearer shares at any time (article 9 par. 3 of the Articles of Association).

Failure to comply with the above requirements results in rescission of the voting rights attached to those shares relating to the unreported fraction at all General Meetings of Shareholders held during a two-year period following the date or regularisation filing of the aforementioned notice. Application of this penalty is subject to a request by one or more shareholders holding at least 5% of the Company's share capital or voting rights mentioned in the minutes of the General Meeting.

### Changes to shareholders' rights

Any amendment to the Articles of Association, which set out the rights attached to the shares, must be approved by a two-thirds

The same information obligation applies, within the same terms and conditions, each time the fraction of the share capital or voting rights of a shareholder decreases to less than one of the above-mentioned thresholds.

## Financial statements (articles 37, 38 and 39 of the Articles of Association)

### Legal Reserve

5% of the statutory net profit for each year, reduced by prior losses if any, has to be allocated to the legal reserve fund before dividends may be paid with respect to that year. Funds must be allocated until the amount in the legal reserve is equal to 10% of the share capital, and shall be allocated again if, for any reason whatsoever, the legal reserve falls below that threshold.

### Approval of dividends

Dividend payments are approved by General Meeting of Shareholders, in accordance with articles L. 232-12 to L. 232-

18 of the French Commercial Code. The General Meeting of shareholder may offer the shareholders, for all or part of the dividend available for distribution, an option for cash payments or payments in the form of new shares of the Company under the terms and conditions set by law.

### Control of the issuer

No provisions in the Articles of Association, or in any charter or regulation, may delay, postpone or prevent a change of control in the Company's management.

## G.2.4 Board of Directors

The Company's Annual General Meeting held on May 29<sup>th</sup>, 2013 approved the renewal of the terms of office of the Directors Ms. Aminata Niane and Mr. Vernon Sankey, appointed new Director Ms. Lynn Sharp Paine in replacement of Mr. Rene Abate whose

term of office had come to an end on the day of the General Meeting, and proceeded with the election of Ms. Jean Fleming as Director representing the employee shareholders.

## Composition of the Board of Directors

### Thierry BRETON

**Number of shares:**  
37,500

**Date of birth:**  
January 15, 1955

**Nationality:**  
French

**Date of renewal:**  
May 30, 2012

**Term expires on:**  
AGM ruling on the accounts of the 2014 fiscal year

#### Biography - Professional Experience

##### Chairman and Chief Executive Officer of Atos SE

Thierry Breton graduated from the Paris Ecole Supérieure d'Electricité (Supelec), and the Institut des Hautes Études de Défense Nationale (IHEDN, 46<sup>th</sup> class).

In 1986, he became Project Manager of the Poitiers Futuroscope theme park, and then headed its teleport operations. He later served as an advisor to Education Minister René Monory in the area of new information technologies. He also served in the Poitou-Charentes Regional Council from 1986 to 1992 (as Vice-Chairman from 1988 on).

He then joined Bull as Director of Strategy and Development before becoming Deputy Managing Director. Member of the Board of Directors in February 1996, he was successively named Vice-Chairman of the Board then group delegated Director.

After being appointed Chairman and Chief Executive Officer of Thomson (1997-2002) then Chairman and Chief Executive Officer of France Telecom (2002-2005), he was France's Minister for the Economy, Finance and Industry between February 25, 2005 and May 16, 2007, before becoming a professor at Harvard University (USA) for "Leadership, Corporate Accountability". In November 2008, he became Chairman of the Management Board of Atos Origin. He is today Chairman and Chief Executive Officer of Atos SE.

#### Directorships and positions

##### Other directorships and positions as at December 31<sup>st</sup>, 2013:

France:

- General Manager: Atos International SAS
- Chairman of Supervisory Board: Worldline
- Director: Carrefour SA\*\*, Sonatel\*\*

##### Previous positions held:

- Minister of Economy, Finance and Industry (France)

**Nicolas BAZIRE** ◆

Chairman of the Nomination and Remuneration Committee

**Number of shares:**  
1,000

**Date of birth:**  
July 13, 1957

**Nationality:**  
French

**Date of renewal:**  
May 30<sup>th</sup>, 2012

**Term expires on:**  
AGM ruling on the accounts of the 2013 financial year

**Biography - Professional Experience****General Manager of Groupe Arnault SAS**

Nicolas Bazire is a graduate of the Ecole Navale (1978), the Paris Institut d'Etudes Politiques (1984), former student of the Ecole Nationale d'Administration, Magistrate on the French Cour des Comptes (Court of Audit). Nicolas Bazire was an auditor then Conseiller Référendaire with the Cour des Comptes. In 1993 he became Cabinet Director for French Prime Minister Edouard Balladur. He served as a Managing Partner at Rothschild & Cie Banque from 1995 to 1999, when he was named Chairman of the Conseil des Commanditaires. He was appointed General Manager at Groupe Arnault in 1999, and became a member of the LVMH Board of Directors; he is also a member of the Executive Committee. Nicolas Bazire is a Reserve Officer in the French Naval Reserve. He is an Officer in the French Ordre National du Mérite (National Order of Merit) and a Chevalier in the French Légion d'honneur.

**Directorships and positions****Other directorships and positions as at December 31<sup>st</sup>, 2013:****France:**

- Member of the Supervisory Board: Montaigne Finance SAS, Semyrhamis SAS, Rothschild and Cie Bank
- Vice-President of the Supervisory Board: Les Echos SAS
- Deputy CEO: Groupe Arnault SAS
- Director: LVMH Moët Hennessy Louis Vuitton SA\*\*, Agache Développement SA, Europatweb SA, Financière Agache Private Equity SA, Groupe les Echos SA, LV Group SA, Suez Environnement Company SA\*\*, Carrefour SA\*\*, Fondation Louis Vuitton pour la Création (foundation)
- Permanent Representative:
  - Groupe Arnault SAS, Director of Financière Agache SA
  - Ufipar SAS, Director of Louis Vuitton Malletier SA
  - Montaigne Finance SAS, Director of GA Placements SA.

**Positions held during the last five years:**

- President: Société Financière Saint-Nivard SAS
- Member of the Supervisory Board: Lyparis SAS
- Director: Ipsos SA\*\*, Marignan Investissements SA, Tajan SA and Go Invest SA (Belgium)

**Jean-Paul BECHAT** ◆

Chairman of the Audit Committee

**Number of shares:**  
1,000

**Date of birth:**  
September 2, 1942

**Nationality:**  
French

**Date of renewal:**  
May 30, 2012

**Term expires on:**  
AGM ruling on the accounts of the 2014 financial year

**Biography - Professional Experience****Manager of SARL ARSCO**

Jean-Paul Béchat is a graduate of Ecole polytechnique and has a Master degree in Science from Stanford University (USA). Jean-Paul Béchat spent most of his professional career at Snecma which he joined in 1965, he was Chairman and Chief Executive Officer of the group from June 1996 to March 2005, then Chairman of the Management Board when the group evolved as Safran until August 2007. He is Honorary Chairman and member of the Bureau and Board of GIFAS. He is Honorary Fellow of the Royal Aeronautical Society (RAeS), honorary member of the Association Aéronautique et Astronautique de France (AAAF) and member of the International Academy of Astronautics (IAA). Jean-Paul Béchat is Officer of the French Légion d'honneur and Officer of the French Ordre National du Mérite (National Order of Merit).

**Directorships and positions****Other directorships and positions as at December 31<sup>st</sup>, 2013:****France:**

- Director: TRESICAL, Musée de l'Air
- Honorary President and member of the Board: Groupement des Industries Françaises Aéronautiques et Spatiales (GIFAS)

**Abroad:**

- Director: Russian Helicopters, MIDPARC

**Positions held during the last five years:**

- Director: Sogepa, Alstom SA\*\*
- Member of the Supervisory Board: IMS

◆ Independent Director      \*\* Company listed on a stock exchange.





## Roland BUSCH

Member of the Audit Committee

**Number of shares:**  
1,000

**Date of birth:**  
November 22, 1964

**Nationality:**  
German

**Date of appointment:**  
July 1<sup>st</sup>, 2011

**Term expires on:**  
AGM ruling on the accounts of the 2013 financial year

### Biography - Professional Experience

#### Member of the Management Board of Siemens AG (Germany)

Roland Busch is a graduate of the University of Friedrich Alexander (Germany) and the University of Grenoble where he received a PHD in Physics. He is a member of the Management Board of Siemens AG. During the past five years, Roland Busch was appointed Chairman of Siemens VDO Automotive Asia Pacific Co Ltd., and Chief of the Mass Transit Division of the Transportation Systems Group (TS). He also held the position of Chief of Strategy with Siemens in Germany.

### Directorships and positions

#### Other directorships and positions as at December 31<sup>st</sup>, 2013:

##### Abroad:

- Chairman of Infrastructure & Cities Sector, Siemens (Germany)
- Chairman Asia-Pacific, Siemens (Germany)
- Head of Corporate Sustainability Office (Germany)

#### Positions held during the last five years:

- Chairman of Siemens VDO Automotive Asia Pacific Co. Ltd., Shanghai (China)
- Chief of Mass Transit Division of Transportation Systems Group (TS), Siemens (Germany)
- Chief of Strategy, Siemens (Germany)

## Jean FLEMING

Director representing the employee shareholders

**Number of shares:**  
500

**Date of birth:**  
March 4, 1969

**Nationality:**  
British

**Date of renewal:**  
May 29<sup>th</sup>, 2013

**Term expires on:**  
AGM ruling on the accounts of the 2016 financial year

### Biography - Professional Experience

#### Human Resources Director at Atos IT Services UK Ltd (United-Kingdom)

Jean Fleming is a graduate of the London South Bank University where she obtained an MSc in Human Resources and from Brunel University where she obtained a BA in Business Administration. She is Human Resources Director of Atos in the United-Kingdom. Jean Fleming was appointed Director representing the employee shareholders.

### Directorships and positions

#### Other directorships and positions as at December 31<sup>st</sup>, 2013:

- None

#### Positions held during the last five years:

- None

**Bertrand MEUNIER** ◆

Member of the Nomination and Remuneration Committee <b>Number of shares:</b> 1,000 <b>Date of birth:</b> March 10, 1956 <b>Nationality:</b> French <b>Date of renewal:</b> May 30, 2012 <b>Term expires on:</b> AGM ruling on the accounts of the 2014 financial year	<b>Biography - Professional Experience</b> <b>Managing Partner of CVC Capital Partners Ltd (United-Kingdom)</b> Bertrand Meunier is a graduate of the Ecole Polytechnique and of Paris VI University. He joined PAI Partners in 1982 and oversaw investments in Information Technology and Telecommunications for eleven years, before heading Consumer Goods, Retail and Services sector for eight years. Bertrand Meunier joined CVC Capital Partners as a Managing Partner in 2012.	
	<b>Other directorships and positions as at December 31<sup>st</sup>, 2013:</b> <ul style="list-style-type: none"> <li>• CVC Group Ltd (Luxembourg)</li> <li>• Continental Food (Belgium)</li> </ul>	<b>Positions held during the last five years:</b> <ul style="list-style-type: none"> <li>• Chairman: M&amp;M Capital SAS, Financière Le Play SAS</li> <li>• Director: CVC Capital Partners (Luxembourg), Chr. Hansen (Denmark), Gruppo Coin, Saeco (Italy), Kaufman &amp; Broad SA**, Spie and Yoplait (France), Monier, Xella (Germany), PAI Europe III General Partner, PAI Europe IV General Partner, PAI Europe V General Partner, PAI Syndication GP (Guernsey), PAI Partners (Spain), Perstorp (Sweden), PAI Europe IV UK, United Biscuits (United-Kingdom)</li> </ul>

**Colette NEUVILLE** ◆

<b>Number of shares:</b> 1,000 <b>Date of birth:</b> January 21, 1937 <b>Nationality:</b> French <b>Date of appointment:</b> May 30, 2012 <b>Term expires on:</b> AGM ruling on the accounts of the 2013 financial year	<b>Biography - Professional Experience</b> <b>Chairman (founder) of the ADAM</b> Colette Neuville is a law graduate, and a graduate of the Paris Institut d'Etudes Politiques and holds a post-graduate degree in economics and political science. She served as an Economist for NATO, the Moroccan government, and the Loire-Bretagne agency. Ms. Neuville is the founding Chairman of ADAM (Association de Défense des Actionnaires Minoritaires) and member of the commission "Epargnants et Actionnaires Minoritaires" (Retail Investors and Minority shareholders) of the Autorité des Marchés Financiers (French Financial Markets Authority). She is the Lead Director of the Board of Directors, member of the Audit Committee and Chairman of the Appointments and Remuneration Committee of Groupe Eurotunnel SA. She is member of the Governance Committee of the Paris "Ecole de Droit et de management". She is member of the Board of Directors of the FAIDER and the ARCAF.	
	<b>Other directorships and positions as at December 31<sup>st</sup>, 2013:</b> France: <ul style="list-style-type: none"> <li>• Director: Groupe Eurotunnel SA** (also member of the Audit Committee and Chairman of the Remuneration Committee and lead Director since February 2014), ARCAF (association des fonctionnaires épargnants pour la retraite), FAIDER (fédération des associations indépendantes de défense des épargnants pour la retraite)</li> <li>• Member: of the Consultative Committee "Epargnants et actionnaires minoritaires" ("Retail Investors and Minority shareholders") of the Autorité des Marchés Financiers (French Financial Markets Authority), of the Conseil de Gouvernance de l'Ecole de Droit &amp; management de Paris, of the Commission "Rémunération des dirigeants" of the Institut Français des Administrateurs</li> </ul>	<b>Positions held during the last five years:</b> <ul style="list-style-type: none"> <li>• Member of the Supervisory Board then censor: Atos SA**</li> <li>• Director: European Forum for corporate governance, with the European Commission</li> </ul>

◆ Independent Director    \*\* Company listed on a stock exchange.



### Aminata NIANE ♦

Member of the Audit Committee

**Number of shares:**  
1,012

**Date of birth:**  
December 9, 1956

**Nationality:**  
Senegalese

**Date of renewal:**  
May 29, 2013

**Term expires on:**  
AGM ruling on the accounts of the 2015 financial year

#### Biography - Professional Experience

##### Interim Manager for the Return of the African Development Bank to its registered offices in Abidjan

After getting a Bachelor in high school John F. Kennedy in Dakar, Aminata Niane left to continue her studies in Toulouse, Rennes and Montpellier in France. These studies have been finalized by a Master in Chemistry and an Engineering Degree in Science and Technology of Food Industries. Then she started her career in 1983 as an engineer in large Senegalese companies in food-processing sector (SIPL and SONACOS). This experience continued in 1987 in the Senegalese administration (Ministry of Commerce, Senegalese Institute for Standardization), then in 1991 in the first structures supporting the private sector, financed by the French Cooperation and the World Bank (Support Unit to the Business Environment and Private Sector Foundation). Finally, after several years of entrepreneurial experience in strategy consulting, she was appointed in 2000 Managing Director of APIX, National Agency for Investment Promotion and Major Projects. She handled the creation and the management until May 2012. Then, she was Special Advisor of the President of the Republic of Senegal until May 2013. Today she is Interim Manager for the Return of the African Development Bank to its registered offices in Abidjan, after being Lead Advisor-Office of the Vice-President Infrastructure, Private Sector and Regional Integration at that Bank.

#### Directorships and positions

##### Other directorships and positions as at December 31<sup>st</sup>, 2013:

- None

##### Positions held during the last five years:

- Chief Executive Officer of the Agence Nationale Chargée de la promotion de l'Investissement et des Grands Travaux (APIX) which became APIX SA (Senegal) from 2000 to 2012.
- Chairman of the Board of Directors: Société Aéroport International Blaise Diagne (AIBD SA, Senegal)

### Lynn Sharp PAINE\*

**Number of shares:**  
1,000

**Date of birth:**  
July 17, 1949

**Nationality:**  
American

**Date of Appointment:**  
May 29, 2013

**Term expires on:**  
AGM ruling on the accounts of the 2015 financial year

#### Biography - Professional Experience

##### Senior Associate Dean of Harvard Business School/John G. McLean Professor of Business Administration

##### Background:

J.D., cum laude, Harvard Law School, 1979.  
D. Phil., Oxford University, 1976.  
B.A., summa cum laude, Smith College, 1971.

Lynn Sharp Paine is Senior Associate Dean of Harvard Business School where she is former chair of the General management unit and a specialist in corporate governance. An American specialist with worldwide recognition, she currently co-chairs the Senior Executive Program for China. She co-founded and chaired the "Leadership and Corporate Accountability" required courses, which she has taught in the MBA program as well as the Advanced management Program. In addition to providing executive education and consulting services to numerous firms, she has served on a variety of advisory boards and panels. In particular, she was a member of the Conference Board Commission on Public Trust and Private enterprise.

#### Directorships and positions

##### Other directorships and positions as at December 31<sup>st</sup>, 2013:

##### Abroad:

- Governing Board (Public Member), Center for Audit Quality, Washington, D.C.
- Academic Advisory Council, Hills Program on Governance – Center for Strategic and International Studies, Washington, D.C.
- Selection Panel, Luce Scholars Program, Henry Luce Foundation, NYC

##### Positions held during the last five years:

- Advisory Board, Conference Board Governance Center, NYC (2009-2011)
- Director, RiskMetrics Group (merged with MSCI June 2010) (2008-2010) and member of the Compensation and Human Resources Committee
- Member, Conference Board Task Force on Executive Compensation NYC (2009)

♦ Independent Director      \*\* Company listed on a stock exchange.

**Michel PARIS**Member of the Audit:  
Committee**Number of shares:**  
1,000**Date of birth:**  
September 9, 1957**Nationality:**  
French**Date of renewal:**  
May 30, 2012**Term expires on:**  
AGM ruling on the  
accounts of the 2013  
financial year**Biography - Professional Experience****Managing Director of PAI Partners SAS**

Michel Paris graduated from the Lyon Ecole Centrale and the Reims Ecole Supérieure de Commerce. Michel Paris joined PAI Partners SAS in 1984. He is Chairman of the Investment Committee and Managing Director. He is also responsible for the Business Services, General Industrials and Retail & Distribution sector teams. Michel has almost 30 years of investment experience with this company. He had previously worked two years at Valeo.

**Directorships and positions****Other directorships and positions  
as at December 31<sup>st</sup>, 2013:****France:**

- Chief Investment Officer and Managing Director: PAI Partners SAS
- Director: Kiloutou SA, IPH

**Abroad:**

- Director: Xella (Germany), Cortefiel (Spain), Hunkemöller (the Netherlands), Perstorp (Sweden), Swissport and The Nuance Group (Switzerland)

**Positions held during the last five years:**

- Director: Monier (Germany), Spie SA, Kaufman & Broad SA\*\* (France), Gruppo Coin (United-Kingdom), Speedy 1 Ltd (United-Kingdom), GCS

**Pasquale PISTORIO** ♦Member of the  
Nomination and  
Remuneration  
Committee**Number of shares:**  
1,000**Date of birth:**  
January 6, 1936**Nationality:**  
Italian**Date of renewal:**  
May 30, 2012**Term expires on:**  
AGM ruling on the  
accounts of the 2014  
financial year**Biography - Professional Experience****Chairman of the Pistorio Foundation (Switzerland) (charity)**

Pasquale Pistorio graduated in Electrical Engineering from the Polytechnic school of Turin. He began his career as a salesman for Motorola products and in 1967 he joined Motorola in Italy, rising through the ranks to become Director of International Marketing in July 1977. In 1978, he was promoted to General Manager of Motorola's International Semiconductor Division. In July 1980 he was appointed Chairman and Chief Executive Officer of the SGS Group and oversaw, with success, in 1987, the integration of SGS with Thomson Semiconducteurs. The new company will be renamed STMicroelectronics in 1998. In 2005, Pasquale Pistorio is appointed Honorary Chairman of the Board of Directors and ambassador of ST Microelectronics.

**Directorships and positions****Other directorships and positions  
as at December 31<sup>st</sup>, 2013:****Abroad:**

- Honorary Chairman: STMicroelectronics Corporation (Switzerland), ST Foundation (Switzerland) and of the Kyoto Club (Italy) (charities)
- Independent Director: Brembo S.p.A\*\* (Italy) Stats ChipPac\*\* (Singapore), XiD (Singapore)

**Positions held during the last five years:**

- Director: Accent (Luxembourg) Xid
- Chairman, then independent Director: Sagem Wireless\*\* (now Mobiwire-up)\*\*
- Independent Director: Fiat S.p.A.\*\*
- Vice-president: Confindustria pour l'Innovation et la Recherche (Italy)
- Director: Chartered Semiconductor Manufacturing Ltd (Singapore)

♦ Independent Director    \*\* Company listed on a stock exchange.

**Vernon SANKEY** ♦

Member of the Audit Committee

**Number of shares:**  
1,000

**Date of birth:**  
May 9, 1949

**Nationality:**  
British

Date of renewal:  
May 29, 2013

**Term expires on:**  
AGM ruling on the accounts of the 2015 financial year

**Biography - Professional Experience****Officer in companies**

Vernon Sankey graduated from Oriel College, Oxford University (United-Kingdom). He joined Reckitt and Colman in 1971, and became Chief Executive Officer in Denmark, France, the USA and in Great Britain. He was Group Chief Executive Officer in the period 1992-1999. Since then, he has held several non-executive positions as Chairman or Board member (Pearson plc, Zurich AG, Taylor Woodrow plc, Thomson Travel plc, Gala plc, Photo-Me plc, Firmenich SA, etc.) and was a member of the Management Board of the FSA (Food Standards Agency) UK.

**Directorships and positions****Other directorships and positions as at December 31<sup>st</sup>, 2013:****Abroad:**

- Chairman, former Director: Harrow School Enterprises Ltd (United-Kingdom)
- Advisory Board member: GLP LLP (United-Kingdom)
- Member: Pi Capital (private equity investment group) (United-Kingdom)

**Positions held during the last five years:**

- Chairman: Photo-Me International plc\*\* (United-Kingdom)
- Director: Firmenich (Switzerland), Zurich Financial Services AG (Switzerland), Vividas Group PLC (United-Kingdom)

**Lionel ZINSOU-DERLIN**

**Number of shares:**  
1,012

**Date of birth:**  
October 23, 1954

**Nationality:**  
French and Beninese

**Date of renewal:**  
May 30, 2012

**Term expires on:**  
AGM ruling on the accounts of the 2013 financial year

**Biography - Professional Experience****Chairman and CEO of PAI Partners SAS**

Lionel Zinsou-Derlin graduated from Ecole Normale Supérieure (1975). He holds a master's degree in Economic History and an "Agregation" in Economics and social sciences. Lionel Zinsou-Derlin started his professional career as a lecturer and professor in Economics at Paris XIII University. He then became advisor to the Minister of Industry and to the Prime Minister. In 1986, he joined Danone where he held various positions including Group Corporate Development Director, Managing Director of HP and Lea & Perrins and was a member of the Group Executive Committee. In 1997, he joined the Rothschild Bank as General Partner; he was the Head of the Consumer Products Group, the Head of Middle East and Africa and chaired the Global Investment Bank Committee. He was appointed Chairman and CEO of PAI in 2009.

**Directorships and positions****Other directorships and positions as at December 31<sup>st</sup>, 2013:****France:**

- Chairman of the Executive Committee: PAI Partners SAS
- Member of the Supervisory Board: Financière Gaillon 12 SAS, Domaines Barons de Rothschild (DBR), Cerba European Lab SAS
- Member of the Advisory Council: Moët Hennessy\*\*
- Manager: Sofia-Société Financière Africaine SARL
- Director: Strategic Initiatives and Kaufman & Broad SA\*\*
- Deputy Director of associations: CARE France, LE SIECLE, AMREF and INSTITUT PASTEUR

**Abroad:**

- Director: PAI Europe III General Partner Ltd, PAI Europe IV General Partner Ltd, PAI Europe V General Partner Ltd, PAI Europe VI General Partner Limited (Guernsey), PAI Syndication GP Ltd (Guernsey), Investisseurs & Partenaires (Mauritius)
- Deputy Director: United Biscuits Topco Ltd (United-Kingdom)
- Founder and treasurer: Foundation Zinsou (Benin)

**Positions held during the last five years:**

- Vice Chairman of the Board of Directors: CHR HANSEN Holding AS (Switzerland)
- Director: Sodima SAS, Yoplait France SAS, Yoplait Marques Internationales SAS and Yoplait SAS, Financière Spie SAS and Spie SA (France), CHR Hansen Holding AS (Sweden)
- Manager: Star Ladybird SARL (former Capucine Investissement) and Cerberus Nightingale 1 SARL (former Financière Capucine 3)

♦ Independent Director      \*\* Company listed on a stock exchange.



## Declarations related to the members of the Board of Directors

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To the best of the Company's knowledge, there have been no official public incrimination and/or sanctions taken by statutory or regulatory authorities (including designated professional organisms) against any of the members of the Board of Directors. No court has, over the course of the past five years at least, prevented the members of the Board of Directors from acting as

member of an administrative, managing or supervisory body of an issuer or from participating in the management or oversight of an issuer's business. No Board member has been convicted of fraud over the past five years at least. No Board member has taken part as senior manager in a bankruptcy, receivership or liquidation over the past five years.

## Potential conflict of interest and agreements

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To the Company's knowledge, there are no existing service agreements between the members of the Board of Directors and Atos SE or one of its subsidiaries which would provide for benefits.

To the best of the Company's knowledge, save for the case of Dr. Roland Busch whose appointment was proposed pursuant to the agreements signed with Siemens in connection with the acquisition of Siemens Information Technology Services, which provided for the possibility for Siemens to submit an applicant as a Director of the Company, there are no arrangements, or any type of agreement with the shareholders, clients, service providers or others by which one of the members of the Board of Directors was selected as member of an administrative,

managing or supervisory body or as a member of the general management of the Company.

To the best the Company's knowledge, there are no parental relationships between any executive officers and Directors of the Company.

Finally, to the best of the Company's knowledge, there are no restrictions accepted by the members of the Board of Directors concerning the sale of their potential shareholding in the Company's share capital other than the provision of the Articles of Association under which each Director must own at least 500 shares of the Company and the retention obligations that the Board of Directors defined for the Chairman and Chief Executive Officer of the Company.

## G.3 Report of Chairman of the Board of Directors on corporate governance and Internal Control

Dear Shareholders,

Pursuant to article L. 225-37 of the French Commercial Code, as Chairman of the Board of Directors of Atos SE (hereinafter the "Company"), let me first of all present the preparation and organization conditions of the works of the Board of Directors since January 1<sup>st</sup>, 2013, and secondly, the internal control procedures set up within the Atos Group.

The Board of Directors approved this Report during its meeting of March 27<sup>th</sup>, 2014.

The rules and principles that the Company used to determine the remuneration and advantages attributed to its senior managers and executive officers are described in the "Executive compensation and stock ownership" section of the Registration Document.

The rules regarding the shareholders' participation in General Meetings are described in the "Legal Information" section of the Registration Document.

The factors which may have an influence on public takeover bids are described in the "shareholders Agreements" section of the Registration Document.

### G.3.1 Corporate governance

#### G.3.1.1 Compliance with the AFEP-MEDEF Code - Frame of reference on corporate governance

French legislation and rules published by the financial market regulatory authorities apply to the Company's corporate governance.

The Company refers to the recommendations set out in the Corporate Governance Code of Listed Companies issued by the AFEP-MEDEF (revised version of June 2013) and has decided to use the Code, as soon as published, as a reference in terms of corporate governance, and to follow it up, through an annual Board meeting entirely dedicated to these issues.

Thus, in 2013, the Board of Directors met on December 19 to perform this annual review of the implementation by the Company of these governance principles, taking into account the revised AFEP-MEDEF Code of June 2013. The Board wanted to assess the implementation of these provisions with

regard to the Company's Registration Document for 2012, compared against the statistics set out in the 5<sup>th</sup> yearly report of October 2013 regarding the implementation of the AFEP-MEDEF recommendations by companies in 2012. Following this meeting, to which participated some elected representatives of the Company's employees (pursuant to an agreement dated December 14<sup>th</sup>, 2012 in connection with the transformation of Atos to a European Company), the Board of Atos considered that the system put in place by the Company on corporate governance, including on the Chief Executive Officer's compensation, is fully compliant with the recommendations of the AFEP-MEDEF Code.

The detail of the Board's assessment items on the implementation of the recommendations of the AFEP-MEDEF Code is available in its entirety on Atos' website: [www.atos.net](http://www.atos.net).

As at the date of publication of this Registration Document, and in compliance with the rule "Comply or Explain" set forth under article L225-37 of the Commercial Code and article 25.1 of the AFEP-MEDEF Code, the Company has deviated from the following recommendation for the reasons hereafter indicated:

#### Recommendation of the AFEP-MEDEF Code

#### Justification

##### Directors' compensation (article 21.1 of the AFEP-MEDEF Code)

It shall be recalled that the method of allocation of Directors' compensation, the total amount of which is determined by the meeting of shareholders, is set by the Board of Directors. It should take account, in such ways as it shall determine, of the Directors' actual attendance at meetings of the Board and Committees, and therefore include a significant variable portion.

The Board of Directors, noting the Directors' excellent attendance rate at Board meetings (86.6% in 2012, 87.91% in 2013), considered that modifying the Directors' fees distribution rules was not justified for the Company, and upon proposal from the Nomination and Remuneration Committee, chose to renew in 2014 the Director's fees distribution rules adopted for the previous years. These are detailed in section G.4.1 of this Registration Document.

Moreover, upon suggestion by the Chairman of the Board of Directors, the agenda of the Board of Directors regularly contains points on the corporate governance of the Company. Thus the Board has consistently expressed its will to take into account, and sometimes anticipate, recommendations from various bodies working on the improvement of corporate governance for listed companies whenever such recommendations are in line with the interests of the Company and of its shareholders.

Therefore, many systems illustrating this commitment have already been set up by the Board of Directors upon the Chairman's request. This includes, among others, the appointment of a Lead Director, the reinforcement of conditions for stock option or performance share plans for which the senior managers of the Company are beneficiaries, the reinforcement of the presence of women on the Board of Directors, or the consultation of the Shareholders' General Meeting on the strategic orientation plan for the next three years.

### G.3.1.2 Management Mode

On the occasion of the vote concerning the Company's transformation from a "Société Anonyme" (public limited-liability company) into a "Societas Europaea" (European public limited-liability company or "European Company") decided by the Annual General Meeting of May 30<sup>th</sup>, 2012, the unitary board structure, with Board of Directors, was upheld by the shareholders in the Articles of Association of the Company that were submitted to their approval, and Thierry Breton's mandate as Director was renewed. The Board of Directors then confirmed the choice of governance by deciding to unify the functions of Chairman and Chief Executive Officer and confirming Thierry Breton as Chairman and Chief Executive Officer for a new three-year term (2012-2015).

The Board of Directors believes that this unified management structure allows for the necessary proactivity which enabled the Chief Executive Officer to implement the Company reconstruction since 2009, the successful integration of Siemens IT Solutions and Services since 2011, and the successful three-year strategic plan 2011-2013.

The powers of the Chairman of the Board and Chief Executive Officer are described in the "Legal information" section of the Registration Document. The reserved matters of the Board of Directors which require the Board's prior authorization are defined in the Board of Directors internal rules, as such were revised pursuant to the Board of Directors' meeting held on December 19<sup>th</sup>, 2013:

- purchase or sale of shareholdings exceeding € 100 million;
- purchase or sale of assets exceeding € 100 million;
- purchase of assets or shareholdings beyond the Group's usual activities;
- purchase or sale of real property exceeding € 100 million;
- strategic alliance or partnership which may have a structural impact for the Group;
- parental company guarantees exceeding the scope of the delegation granted to the Chairman and Chief Executive Officer.

### G.3.1.3 The Board of Directors: composition and functioning

#### Mission of the Board of Directors

The mission of the Board of Directors is to determine the strategy and trends of the Company's activity and to oversee their implementation. Moreover, the Board of Directors appoints senior executive officers and rules on the independence of Directors on a yearly basis, possibly imposes limitations on the powers of the Chief Executive Officer, approves the Chief Executive Officer Report, convenes the General Meetings and decides on the agenda, undertakes the controls and verifications which it deems opportune, the control and audit of the sincerity of the financial statements, the review and approval of the financial statements, the communication to the shareholders and to the market of high quality information.

#### Composition of the Board of Directors

As at December 31<sup>st</sup>, 2013, the Board of Directors is composed of thirteen members: Thierry Breton (Chairman of the Board and Chief Executive Officer), Nicolas Bazire, Jean-Paul Béchat, Dr. Roland Busch, Ms. Jean Fleming (Director representing employee shareholders), Bertrand Meunier, Aminata Niane, Colette Neuville, Lynn Sharp Paine (who was appointed at the Combined General Meeting of May 29<sup>th</sup>, 2013), Michel Paris, Pasquale Pistorio, Vernon Sankey and Lionel Zinsou-Derlin.



article 14 of the Articles of Association of the Company (as amended by the Combined General Meeting of May 30<sup>th</sup>, 2012) provides for an annual renewal mechanism by rotation of the Company's Directors, allowing one third of the Directors to be renewed each year, pursuant to the recommendations of the AFEP-MEDEF Code of corporate governance.

Name	Nationality	Age	Date of appointment/renewal	Committee member	End of office term	Number of shares held
Nicolas Bazire <sup>1</sup>	French	56	2012**	N&R*	AGM 2014	1,000
Jean-Paul Béchat <sup>2</sup>	French	71	2012	A*	AGM 2015	1,000
Thierry Breton	French	58	2012		AGM 2015	37,500
Roland Busch	German	49	2011	A	AGM 2014	1,000
Mrs Jean Fleming <sup>3</sup>	British	45	2013		AGM 2017	500
Bertrand Meunier	French	58	2012	N&R	AGM 2015	1,000
Mrs Colette Neuville	French	77	2012**		AGM 2014	1,000
Mrs Aminata Niane	Senegalese	57	2013	A	AGM 2016	1,012
Mrs Lynn Sharp Paine	American	64	2013		AGM 2016	1,000
Michel Paris	French	56	2012**	A	AGM 2014	1,000
Pasquale Pistorio	Italian	78	2012	N&R	AGM 2015	1,000
Vernon Sankey	British	64	2013	A	AGM 2016	1,000
Lionel Zinsou-Derlin	French and Beninese	59	2012		AGM 2014	1,012

\* AGM: Annual General Meeting; N&R Nomination and Remuneration Committee; A: Audit Committee.

1 Chairman of the Nomination and Remuneration Committee.

2 Chairman of the Audit Committee.

3 Director representing the employee shareholders appointed for 4 years pursuant to the Articles of Association (art. 16).

\*\* Appointed on an exceptional basis in 2012 for 2 years on the occasion of the setting up of the renewal mechanism of one third of the Directors each year.

Pursuant to the Articles of Association, each Director must own at least 500 shares.

The Director representing employee shareholders is expressly designated as member of the Board in the Internal Rules. In that respect, he participates to the meetings and deliberations of the Board. He has the same obligations as any other Directors, in particular confidentiality, save for the obligation to hold at least 500 shares of the Company.

The Company has not designated an employee Director within the meaning of article L. 225-27-1 of the French Commercial Code as it is under no obligation to establish a Works Council, and in this case, these provisions are not applicable.

The Board is composed for almost half of it (46%) of Directors of foreign nationality, thus reflecting the Group's international dimension.

### Internal Rules

Internal Rules govern the work of the Board of Directors. They specify the rules on composition, functioning and the role of the Board, remuneration of Directors, evaluation of the works of the Board, information of Directors, the role, competence, and operating rules of the Committees of the Board, missions and prerogatives of the Lead Director, the specific missions which can be granted to a Director and the confidentiality obligations imposed on Directors. The Internal Rules also specify the terms and conditions of attendance by the Participative Committee representatives (set up pursuant to the agreement dated December 14<sup>th</sup>, 2012 between the Company and the Works Council) to the meetings with the Board representatives and the Board plenary meeting on the review of the Company's compliance practices with rules of corporate governance.

As soon as appointed, a copy of the Internal Rules as well as the Charter of the Board of Directors and the Guide to the

prevention of insider trading are given to the Directors who subscribe to these documents. The content of these documents is described more specifically in the "Codes and Charts" section of the Registration Document. When a new Director is taking office, various sessions are proposed with the main Group Executives on business and the organization thereof.

### Lead Director

In accordance with the Autorité des Marchés Financiers' (French Financial Markets Authority) recommendation of December 7<sup>th</sup>, 2010 in the "Autorité des Marchés Financiers' supplemental report on corporate governance, executive compensation and internal control", upon proposal of the Nomination and Remuneration Committee, the Board of Directors appointed Pasquale Pistorio as the new Lead Director during its meeting of December 22<sup>nd</sup>, 2010. The Board of Directors meeting held following the General Meeting of May 30<sup>th</sup>, 2012, decided to renew the term of office of Pasquale Pistorio as Lead Director.

The Lead Director is in charge of ensuring continuous commitment and the implementation of best corporate governance standards by the Board of Directors. In that respect, he is in charge, in particular, of the assessment of the Board's work, carried out every year under his supervision. He is also in charge of arbitrating potential conflicts of interest. He is questioned on the functioning of the Board. The Board of Directors may assign specific governance-related tasks to the Lead Director.

### Evolution of parity at Board level

As at December 31<sup>st</sup>, 2013, the Board of Directors was composed of 31% of women. The Company is fully complying with the 20% rate of women Directors set forth by law no. 2011-103 dated January 27<sup>th</sup>, 2011.

### G.3.14 Directors' Independence

#### Definition of an independent Director

The Corporate Governance Code of the AFEP-MEDEF, as amended in June 2013, defines as independent, a Director when "he or she has no relationship of any kind whatsoever with the corporation, its group or the management of either that may colour his or her judgment". The AFEP-MEDEF Code also determines that a certain number of criteria must be reviewed in order to determine the independence of a Director:

- the Director shall not be an employee or Executive Director of the corporation, or an employee or Director of its parent or a company that the latter consolidates, and not having been in such a position for the previous five years;
- the Director shall not be an Executive Director of a company in which the corporation holds a directorship, directly or indirectly, or in which an employee appointed as such or an Executive Director of the corporation (currently in office or having held such office for less than five years) is a Director;
- the Director shall not be (or be bound directly or indirectly to) a customer, supplier, investment banker or commercial banker:
  - that is material for the corporation or its group,
  - for a significant part of whose business the corporation or its group accounts;
- the Director shall not be related by close family ties to an Executive Director;
- the Director shall not have been an auditor of the corporation within the previous five years;
- the Director shall not have been a Director of the corporation for more than twelve years.

As regards Directors representing significant shareholders of the Company, these may be considered as being independent,

provided that they do not take part in the control of the Company. In excess of a 10% holding of stock or votes, the Board, upon a report from the Nomination and Remuneration Committee, should systematically review the qualification of a Director as an independent Director, having regard to the make-up of the Company's share capital and the existence of a potential conflict of interest.

The Board of Directors also defined several criteria in connection with the assessment of how significant the relationship with the Company or its group is, and in particular a criterion of 2% of the Company's turnover, on the basis of which the independence of some Directors was acknowledged.

#### Review of the Directors' independence

The Board of Directors, during its meeting of December 19<sup>th</sup>, 2013, relying on the preliminary work of the Nomination and Remuneration Committee, reviewed the independent status of each of its members, on the basis of the above-mentioned criteria. On this basis, eight out of the thirteen members of the Board (i.e. 62%), are considered as independent, i.e. more than half of the Board members, in conformity with the AFEP-MEDEF recommendations. In particular, the Audit Committee and the Nomination and Remuneration Committee are both chaired by an independent Director.

Five out of thirteen members of the Board are not considered as independent, namely, Thierry Breton due to his office as Chief Executive Officer; Michel Paris and Lionel Zinsou-Derlin due to their ties with a significant shareholder of the Company (9.6% of the share capital of the Company is held by PAI Partners), Roland Busch due to his relations Siemens (12,7% of the share capital of the Company being held by Siemens); and Jean Fleming, Director representing the employee shareholders, by virtue of her quality of employee of a subsidiary of the Company.

### G.3.15 Board of Directors Meetings

Pursuant to the Articles of Association and the Internal Rules, the Board of Directors has met as often as necessary. During the 2013 financial year, the Board of Directors met 14 times. Attendance of Directors at these meetings was an average of 87.91%.

The Board of Directors met to discuss the following topics:

- review and approval of the 2014 budget;
- review of the financial information and quarterly reports and forecasts;
- review of and closure of consolidated half year and yearly financial statements;
- review of financial presentations and press releases;
- review of the strategic trends of the Group, especially the external growth operations and significant partnerships, a strategic seminar dedicated to the Worldline activity, and the regular review of the transactional and payments activities carve-out, the review of the 2016 Ambition plan and preparing the analyst day;
- approval of parental company guarantees and review of off-balance commitments;
- the early redemption of the OCEANes issued in 2009 and 2011;
- review of major financing transactions (securitization program, funding of the employee pension fund);
- convening the Annual General Meeting, and including on the agenda the option for the payments of the dividend in the form of new shares;

- confirming the elements of the Chairman and Chief Executive Officer's compensation, setting the objectives of the variable part, and the confirming his variable compensation paid in 2013, as well as the determination of his compensation's elements for the duration of the strategic plan 2014-2016;
- convening of an Ordinary General Meeting on December 27<sup>th</sup>, 2013 to deliver an opinion on the Company's 2016 Guidelines including the elements of the Chairman and Chief Executive Officer's compensation for 3 years, as well as to extend the share buyback program to an additional purpose;
- the setting up of a project performance shares allocation plan and deciding on the delivery method of the performance shares granted pursuant to an allocation plan of December 2011;
- review of the operation of the corporate bodies and corporate governance (renewal of the delegation of powers of the Chairman and Chief Executive Officer and review of

the delegations of authority in connection with the Group's new organization, propositions of appointment and renewal of the Directors, assessment of the Board's work, review of the independence of Directors, conformity review of the Company's practices with the AFEP-MEDEF recommendations as amended in June 2013, amendment of the Internal Rules).

The Board regularly heard the review of the statutory auditors as well as the works of the two permanent Committees of the Board of Directors: the Audit Committee and the Nomination and Remuneration Committee.

The powers of these Committees are governed by the Internal Rules of the Board of Directors. The Committees are solely advisory in preparing the works of the Board which is the only decision-making and liable body. They report to the Board of Directors. Their recommendations are discussed at length during the meetings, where applicable, on the basis of the documentation generated by the Committees.

### G.3.16 The Audit Committee

#### Mission

Within its relevant fields of competence pursuant to the provisions of the Internal Rules of the Board of Directors, the Audit Committee shall have the task of preparing and facilitating the work of the Board of Directors. For this purpose it shall assist the Board of Directors with its analysis of the accuracy and sincerity of the Company's corporate and consolidated accounts.

The Committee formulates all opinions or recommendations to the Board of Directors within the area described here below. The Committee particularly receives from the Board of Directors the assignment:

- with respect to the accounts:
  - to proceed with the prior examination of and give its opinion on the draft annual, half-yearly and, where applicable, quarterly company and consolidated accounts prepared by the financial management,
  - to examine the relevance and the permanence of the accounting principles,
  - to be presented with the evolution of the perimeter of consolidated companies,
  - to meet, whenever it deems necessary, the auditors, the general management, the financial, treasury and accounting management, internal audit or any other member of the management; these hearings may take place, when appropriate, without members of the general management being present,
  - to examine the financial documents distributed by the Company at the annual accounts closing as well as the important financial documents and press releases;
- with respect to the external control of the Company:
  - to examine questions concerning either the appointment or renewal of the statutory auditors and amount of fees to be determined for the performance of their assignments concerning legal supervision,
  - to pre-approve any assignment entrusted to the statutory auditors other than the legal audit, and more generally, to ensure compliance with principles that guarantee the independence of the auditors, to ensure the rotation of signatories, to be informed of the amounts of fees paid in the network to which the statutory auditors belong;
- with respect to the internal control and risk-monitoring of the Company:
  - to assess, along with the persons responsible at Group level, the efficiency and the quality of the systems and procedures for internal control of the Group, to examine the significant off-balance sheet risks and commitments, to meet with the person responsible for internal audit, to give its opinion on the organization of the department and to be informed of its work program. The Committee shall be provided with the internal auditor's reports or a periodic summary of these reports,
  - to assess the reliability of the systems and procedures that are used for establishing the accounts, as well as the methods and procedures for reporting and handling accounting and financial information,
  - to regularly make itself aware of the financial situation, the situation of the treasury and any significant commitments or risks and to examine the procedures adopted to assess and manage such risks.



## Composition

During the 2013 financial year, the Audit Committee was composed as follows<sup>1</sup>:

- Jean-Paul Béchat (Chairman)\*;
- Dr. Roland Busch;
- Aminata Niane\*;
- Michel Paris;
- Vernon Sankey\*.

i.e. five members, among whom the representatives of the two reference shareholders. Three of its members are independent (among which the Chairman) i.e. a ratio of 3/5 in line with the recommendation of the two thirds provided under the AFEP-MEDEF Code.

The Chairman of the Audit Committee has financial and accounting skills, acquired by virtue of his professional experience, as Chairman of the Management Board of Safran (and previously as Chairman and Chief Executive Officer of Snecma) from June 1996 to August 2007.

## Operating rules

Under the Internal Rules of the Board of Directors, the Audit Committee members should be provided, at the time of appointment, with information relating to the Company's specific accounting, financial and operational features. The Audit Committee should interview the statutory auditors, and also the persons responsible for finance, accounting and treasury matters. As far as internal audit and risk control are concerned, the Committee must interview those responsible for the internal audit. It should be informed of the program for the internal audit and receive internal audit reports or a regular summary of those reports. The Committee may use external experts as needed.

In 2013, the Audit Committee, in its operation, could benefit from Company internal skills, in particular the Group Chief Financial Officer, the Head of Internal Audit, the Head of Risk management, the Director of the Financial Support Services, the Head of Controlling, Reporting and Consolidation, the Group General Counsel as well as the statutory auditors who attended, as applicable and upon request from the Committee Chairman, meetings of the Audit Committee. All documentation presented to the Committee was communicated to the Committee by the Group Chief Financial Officer approximately three days prior to the meetings.

## Works in 2013

During the 2013 financial year, the Audit Committee met seven times. Attendance of members to the meetings was an average of 80%.

During the 2013 financial year, the Audit Committee reviewed the accounting and financial documents, including the statements related to the off-balance sheet, before their presentation to the Board; the Committee also reviewed the main accounting options. The Audit Committee examined the quarterly financial reports on the Group's performance, and the draft financial press releases before their submission to the Board of Directors. The Audit Committee reviewed the forecast information.

The Audit Committee reviewed the annual mission plan of the internal audit department, and was regularly informed of the conclusions of the main missions and reviewed the summary reports concerning the activities of the internal audit. The Committee also supervised the update of the risk mapping. The Committee was informed on a regular basis of the monitoring and management of risk of the significant contracts; the Committee was especially informed of the advancement of the discussions with the clients in the event of a claim concerning the operational performance of the Company or the accidents that occurred. The Committee also reviewed the state of the declared claims and litigations and the provisions. The Committee was involved in the review of significant financing operations, in the drafting of this "Chairman's report", as well as the renewal procedure of the mandate of one of the two statutory auditors of the Company at the 2014 General Meeting. The Committee was regularly informed on the state of the Group's treasury and financing needs. The Committee heard the intermediate and final reports of the statutory auditors concerning the annual and half-yearly accounts, as well as the reports of their other works carried out in connection with their general audit mission; the Committee examined the fees and the independence of the statutory auditors.

The Audit Committee was regularly informed of the progress of the Worldline carve-out and of the conditions for distribution of dividend, in particular the option for the payments of the dividend in shares. It reviewed the terms and conditions of the settlement agreement with the Dutch Employee Pension Fund and the enlargement of the share buyback program. The Committee examined a project of setting up of an Asset Back Funding mechanism to manage over time financing obligations in respect of United-Kingdom pension funds.

## G.3.1.7 The Nomination and Remuneration Committee

### Mission

Within its relevant fields of competence, the Nomination and Remuneration Committee shall have the task of preparing and facilitating the decisions of the Board of Directors.

With respect to nominations, the general field of competence of the Nomination and Remuneration Committee is to seek and examine any application for an appointment to the position of member of the Board of Directors or to a position of executive officer of the Company and to formulate an opinion on these applications and/or a recommendation to the Board of Directors.

<sup>1</sup> Independent Directors are identified by this symbol: \*

The Nomination and Remuneration Committee examines major operations involving a risk of a conflict of interest between the Company and the members of the Board of Directors. The qualification of an independent Director shall be discussed by the Nomination and Remuneration Committee and reviewed and discussed each year by the Board of Directors before the publication of the Registration Document.

With respect to remuneration, the Nomination and Remuneration Committee's task is to formulate proposals regarding the remuneration of the Chairman and Chief Executive Officer (the amount of the fixed remuneration and definition of the rules governing variable remuneration, ensuring the consistency of these rules with the annual assessment of the performances and with the medium-term strategy of the Company, as well as checking the annual application of such rules).

The Nomination and Remuneration Committee also contributes to the preparation of the profit sharing policy of the staff of the Company and its subsidiaries. In particular, the Committee's task is to formulate proposals regarding the decisions to grant options for the subscription and/or purchase of Company shares of Company performance shares to the benefit of executive officers and Directors and any or all employee staff members of the Company and its subsidiaries.

The rules relating to the remuneration of senior executives are described in the "Executive Compensation and Stock Ownership" section of the Registration Document.

Concerning the members of the Board of Directors, the Committee is responsible for proposing each year the total amount of the Directors' fees (jetons de presence) which shall be submitted to the approval of the General Meeting of shareholders and the way in which such Directors' fees shall be distributed among the Directors, particularly taking into account the presence of the members at the Board of Directors meetings and the Committees of which they are members, the level of liability incurred by the Directors and the time dedicated to their functions.

The Committee also makes observations and/or recommendations related to the pension and insurance plans, payments in kind, various financial rights granted to executive officers and Directors of the Company and their subsidiaries.

### Composition

During the 2013 financial year, the Nomination and Remuneration Committee was composed as follows<sup>1</sup>:

- Nicolas Bazire (Chairman)\*;
- Bertrand Meunier\*;
- Pasquale Pistorio\*.

All of its members are independent, being in perfect conformity with the recommendations of the AFEP-MEDEF code. The Nomination and Remuneration Committee does not include an employee Director within the meaning of article L. 225-27-1 of the French Commercial Code as these provisions are not applicable.

<sup>1</sup> Independent Directors are identified by this symbol: \*.

### Operating rules

The Nomination and Remuneration Committee meets without the Chairman and Chief Executive Officer's presence for the assessment of this latter's performance on the occasion of the allocation of his variable compensation. The Nomination and Remuneration Committee delivers an opinion to the Board of Directors on the performance of the Chairman and Chief Executive Officer.

The Chairman and Chief Executive Officer is associated to the works of the Committee relating appointments.

### Works in 2013

During the 2013 financial year, the Nomination and Remuneration Committee met 4 times. Attendance of members to the meetings was 100%.

The Nomination and Remuneration Committee met in 2013 in order to deal in particular with the following subjects so as to formulate opinions and recommendations to the Board of Directors:

- the review of variable compensation of the Chairman and Chief Executive Officer that is due for the second semester of 2012 and the first semester of 2013;
- the definition of the performance objectives applicable to the variable compensation of the Chairman and Chief Executive Officer for the second semester of 2013, and for the first semester of 2014;
- the review of the conformity with the recommendations of the revised AFEP-MEDEF Code regarding the Chairman and Chief Executive Officer's compensation;
- the validation of performance terms and conditions of certain currently valid stock option and performance share plans;
- the setting of terms and conditions of certain currently valid performance share plans (including performance conditions, shares delivery method);
- the review of a project of share capital increase dedicated to employees;
- the submission to the General Meeting of May 29<sup>th</sup>, 2013 of a resolution regarding the attribution of performance shares to Group employees and the Chairman and Chief Executive Officer and the review of the implementation of the resulting performance share plan;
- the composition of the Board of Directors and the terms and conditions regarding the selection mechanism for a Director representing employee shareholders; the appointment of a Director and the renewal of Directors mandates during the 2013 Annual General Meeting, the renewal of Directors' mandates during the 2014 Annual General Meeting;
- amendment to the Articles of Association regarding the number of shares to be held by each Director to be submitted to the General Meeting of May 29<sup>th</sup>, 2013;
- the total amount of Directors' fees (jetons de presence) envelope that was proposed during the 2013 General Meeting and the terms and conditions of allocation of Directors' fees (jetons de presence);
- the review of the Board members' independence.

### G.3.1.8 Assessment of the works of the Board of Directors

As mentioned in the Internal Rules of the Board of Directors, the Board of Directors must assess its capacity to meet the expectations of the shareholders by periodically analyzing its composition, organization and its functioning, as well as the composition, organization and functioning of its Committees.

The Internal Rules of the Board of Directors provide that for this purpose, once a year, the Board of Directors shall devote one item on its agenda to the discussion of its operation and inform the shareholders each year, in the Registration Document, of the conducting of these assessments and the subsequent follow-up.

In accordance with the AFEP-MEDEF recommendations, the Board of Directors has undertaken since 2009 the annual assessment under the direction of its Lead Director, Pasquale Pistorio. For the 2013 financial year, the Board decided during its meeting held on December 19<sup>th</sup>, 2013, to proceed to a formalized assessment under the same conditions as for the previous years.

The formalized assessment carried out on the works of the Board and its Committees during the 2013 fiscal year, allowed to deepen the appreciation of the works achieved at the Board as well as in the Committees, as to the conditions in which these meetings are prepared and in particular at the Committees' level (the latter also being subject to an assessment).

The assessment was carried out pursuant to the following procedure:

- under the supervision of the Lead Director, each Director answers a questionnaire which he is individually provided,

with the possibility of individual interviews with the Lead Director;

- at the end of these works, an item was put on the agenda of the Board of Directors' meeting of February 18<sup>th</sup>, 2014 in order to report the conclusions of this assessment and consider the improvements to retain.

The results of the assessment are very positive, as for the previous years. The following points emerged from the Lead Director's analysis and, were shared with all the Directors:

- the involvement of the Directors in the works of the Board and the specialized Committees is very important, all Directors having answered and largely commented on the questionnaire;
- the Directors emphasized this year the progress made in terms of diversity in the composition of the Board, with an increased proportion of women and foreign Directors;
- the functioning of the Board and its Committees was most appreciated, the Directors generally underlined the high quality of the Board debates and works, and welcomed the improvement made in the documentation timeless, even if progress can still be made.

The assessment of the action of the Chief Executive Officer took place twice in 2013, during the Board of Directors' meetings that ruled in February and July, respectively for the second semester 2012 and the first semester 2013, on the achievement of the performance criteria of the Chairman and Chief Executive Officer's variable compensation.

## G.3.2 Internal control

The internal control system whose definition is stated in section G.3.2.1 below and designed within Atos relies on the internal control reference framework prescribed by the AMF (Autorité des Marchés Financiers).

The "general principles" section of the AMF framework has been used to describe in a structured manner the components of the internal control system of Atos – section G.3.2.3 *Components of*

*the internal control system*. Specific attention has been given to the internal control system relating to accounting and financial information – section G.3.2.4 *Systems related to accounting and financial information*, in compliance with the application guide of the AMF.

Internal control players are described in section G.3.2.2 *Internal control system players*.

### G.3.2.1 Internal control definition and objectives

Internal control system designed throughout the Group aims to ensure:

- compliance with applicable laws and regulations;
- application of instructions and directional guidelines settled by General management;
- correct functioning of company's internal processes particularly those implicating the safeguarding of its assets;

- reliability of financial information.

One of the objectives of internal control procedures is to prevent and control risks of error and fraud, in particular in the accounting and financial areas. As for any internal control system, this mechanism can only provide reasonable assurance and not an absolute guarantee against these risks.

### G.3.2.2 Internal control system players

The main bodies involved in the implementation of internal control procedures at Atos are as follows:

#### Board of Directors supported by Audit Committee

The Board of Directors prepares governance rules detailing the Board's role supported by its Committees. Those Committees enlighten the Board as to the quality of the internal control system. The Audit Committee, in particular, is informed of the content and the implementation of internal control procedures used to ensure the reliability and accuracy of financial information and stays informed about the proper implementation of the Internal Control System.

#### General management and Executive Committee

General management is responsible for the management of the Group's business and focuses on strategic aspects to develop the Group. As part of its role, General management defines the framework of the internal control system.

The Executive Committee leads the operational performance of the Group. management at different levels is responsible for implementing and monitoring the internal control system within their respective areas of responsibility.

#### Risk management Committee

Risk management monitors, reviews and inspects the bidding, engaging in and the execution of contracts to achieve an optimum balance between risk and reward and identifies improvements in operational processes, including controls where applicable.

#### Audit, Risk and Compliance (ARC) Committees

At GBU level, ARC has been setup under the supervision of Group Internal Audit, in order to strengthen the local supervision of Internal Control topics. Their purpose is to share the main audit conclusions with local management, and to review action plans related to identified weaknesses or potential risks.

#### Internal control & ERM

Internal control & ERM function is to ensure the coordination of the internal control system, like the implementation of the Book of Internal Control and its continuous improvement within the Group. Internal control also runs the Enterprise Risk assessment.

Internal control relays in each Global Function/Service Line/GBU assist in the deployment of the various initiatives.

#### Internal Audit

The Internal Audit organization is centralized which enables a global working practice following one Group audit plan and a consistent audit methodology. Internal Audit operating principles are defined in the Group Internal Audit Charter, which was validated by General management. The Audit Committee also received regular reports on the Internal Audit work plan, objectives of assignments, and associated results and findings. The internal audit department liaises with the statutory auditors to ensure an appropriate co-ordination between internal and external control.

In 2013, Group Internal Audit department obtained the renewal of the French Institute for Internal Audit's IFACI certification. This accreditation attests to the quality of the Internal Audit (IA) function in organizations, the level of compliance with international standards and IA's degree of control over key challenges.

### G.3.2.3 Components of the internal control system

#### A - Organization/control environment

The organization, competencies, systems and policies (methods, procedures and practices) represent the ground layer of the internal control system and the fundamentals of the Group. The main components are presented in this section.

**Matrix organization:** the Company runs a matrix organization structure that combines Operational management (Global/Specialized Business Units/Service Lines) and Functional management (Sales & Markets and Support Functions). This matrix structure allows a dual view on all operations and therefore enhances the control environment.

**Compliance coordination:** the coordination of business assurance functions (Audit, Quality, Security, Risk management)

is managed by a Committee chaired by the Group General Secretary, in order to ensure that the organizations, processes and activities effectively support the compliance policy of Atos.

**Responsibilities and powers:** the following initiatives aim to frame the assignment of responsibilities:

- **delegation of Authority:** In order to ensure efficient and effective management control from the country level to General management level, a formal policy sets out the authorization of officers of subsidiaries to incur legal commitments on behalf of the Group with clients, suppliers and other third parties. The delegation of authority policy has been updated in July 2011, approved by the Board of Directors and rolled-out under the supervision of the Group Legal & Compliance department;

- **segregation of Duties:** updated rules for segregation of duties have been implemented in the organization. They are followed-up through functional review of segregation of duties and procedures for profiles attribution. Tooling has been used to perform automatic assessments of those rules in the systems.

**Policies and procedures:** the key policies and procedures contributing to an appropriate control environment include:

- **the Code of Ethics:** in line with Atos commitment to corporate social responsibility (Atos has signed the UN Global Compact), this code, part of each employee's work contract and outlines the importance paid by Atos for:
  - complying with all laws, regulations and internal standards,
  - acting honestly and fairly with clients, shareholders and partners,
  - playing by the rules of fair competition,
  - never using bribery or corruption in any form,
  - being loyal to the Company and in particular, avoiding any conflicts of interest,
  - protecting the Group's assets and preventing and combating against fraud
  - protecting confidentiality and insider information.

It is complemented by several codes and charts (as detailed in section *G.6 Code and charts*), and enforced throughout the Group by communications and training sessions;

- **Atos Rainbow™: Rainbow** is a set of procedures and tools that provides a formal and standard approach to bid management, balancing sales opportunities and risk management for all types of opportunities. Rainbow is the means by which Atos' management is involved in controlling and guiding the acquisition of the Group's contracts. Above specific thresholds Rainbow reviews are performed at General management level. Since 2010, Rainbow has been progressively deployed to also monitor delivery phases of projects;
- **operational policies and procedures** have also been implemented in all departments. The main impacting policies and procedures in terms of internal control include "Payments & Treasury Security Rules", "Pension Governance", "Investment Committee", "Data Protections", "Contributions", "Safety and Physical Security" and "Credit Risk Policy". They are gathered in the Book of Internal Policies.

**Process management:** along with the centralization of the Group Policies, the "Business Process and Organization management" (BPOM) department focuses on creating an Atos Business Process Center of Excellence (BPCOE) in coordination

with business process owners and the functions related to Internal Control, Quality, security etc. The BPCOE community, supported by process analysts, is responsible for documenting existing and targeted business processes, including the supporting organization, KPIs, and internally and externally mandated compliance parameters.

**Human Resource management:** the Group Human Resource management policy relies on the *Global Capability Model* (GCM) which is a standard for categorizing jobs by experience and expertise across the Group. A Group Policy on bonus scheme completes this system by setting additional incentives.

**Information Systems:** Group Business Process and Internal IT department is in place to provide common internal IT infrastructures and applications for Atos staff worldwide. It supports functions like Finance (accounting and reporting applications), Human Resources (resourcing tool, corporate directory), Communication (Group websites and intranet) or Project Managers (capacity planning and project management).

Security and access to these infrastructures and applications as well as their reliability and performance are managed by this department and benefit from the core expertise and resources from the Group.

### B - Communication of relevant and reliable information

Several processes are in place to ensure that relevant and reliable information is provided within the Group.

**Monthly reviews** of operational performance by Service Line and Operational Entity are organized under the responsibility of the Group Chief Financial Officer and in the presence of the relevant Executive Vice Presidents.

**A shared ERP system** is deployed and used in most countries of the Group, enabling easier exchange of operational information. It allows producing cross border reporting and analysis (cross border project analysis, customer profitability...) as well as business reports through different analytical axis (service line, geographical and market axis).

**Formal information reporting lines** have been defined, following the operational and the functional structures. This formal reporting, based on standard formats, concerns both financial and non-financial information as well as operational risks (through Risk management Committees), treasury (with Payments and Treasury Security Committee), or financial restructuring (Equity Committee).

This bottom-up communication is accompanied by top-down instructions, issued regularly, and especially for budgeting and financial reporting sessions.



## C - System for risk management

Risk management refers to means deployed in Atos to identify, analyze and manage risks. Although risk management is part of a manager's day to day decision making process, specific formal initiatives have been led concerning risk management:

**A risk mapping** has been updated in 2013 under the sponsorship of General management. The selected methodology involves the managers of the Group TOP 200 through workshops and questionnaires, to collect their perception of the main risks, their relative importance (inherent risk) and mitigation effectiveness (residual risk).

This assessment has covered potential risks related to environment (stakeholders, natural disasters), the transformation & business development (evolution, culture, market positioning), operations (clients, people, IT, processes) and the information used for decision making (financial and operational).

This recurring process, allows identifying evolutions from one year to another. Improvement plans for the main residual risks are designed at GBU and Group level, with assigned owners and milestones/timelines for follow-up and completion in 2014.

Results have been shared with General management and Group Executive Committee, to ensure that appropriate measures are deployed to manage the main risks, and presented to the Audit Committee of the Board of Directors.

**The Risk Analysis** (as detailed in the section *F. Risks analysis* of the 2013 Registration Document) presents the Group's vision of the main business risks, as well as the way those risks are managed. This includes the contracting of several insurance policies to cover primary insurable risks including the protection of Group assets (production sites and datacenters) and people. Operational risks on projects have been managed by the Risk management function (including a Group Risk management Committee who met monthly to review the most significant and challenging contracts). Risks related to logical or physical security are managed through a Security Organization coordinated at Group level. Control activities have also been implemented (through the Book of Internal Control), on the basis of main risks identified, as described next section related to "control activities".

## D - Control activities

Atos key control activities are described in the Book of Internal Control (BIC). This document, sent out to all entities by the General management, complements the different procedures by addressing the key control objectives of each process to achieve a convenient level of internal control.

It doesn't cover only the financial processes, but also delivery processes (like contract management), support processes

(including legal, Purchasing, HR or IT) and some management processes (Mergers and Acquisitions):

An updated version of the Book of Internal Control has been released and distributed throughout the Group in July 2013, in order to take into account additional controls and some improvements in various processes. This framework will continue to evolve, according to evolving maturity of processes and emerging risks;

An IT control framework (part of the BIC) has been defined, detailing control activities related to client service. This framework has been used to issue "ISAE3402" reports<sup>1</sup> for Atos clients.

## E - Monitoring

Monitoring of internal control system is the responsibility of the Group and Local management, and is also supported by Internal Audit missions.

Control self-assessments are performed by the main Functions through questionnaires filled by GBUs/SBUs, and reviewed at Group level. Action plans are initiated when deviations were reported.

Internal Audit is ensuring, through its reviews, that the internal control procedures are properly applied and supports the development of internal control procedures. Internal Audit also defined, in partnership with Group and Local management, action plans for continuously improving internal control processes.

In 2013, Internal Audit carried out a total of 52 audit assignments (including investigations at the request of General management) assessing the functioning of internal control system: 29 in the domain of support functions (Finance, Human Resources, Purchasing, Sales) and 23 related to Operations/core business. All assignments have been finalized by the issuance of an audit report including action plans to be implemented by the related division or country.

Twice a year, a full review of high & medium open recommendations is performed by Internal Audit with concerned owners, and reported up to the Group Executive Committee. In 2013, 70% of audit recommendations have been implemented in due time.

Internal audit has also actively contributed to help the business meeting the compliance requirements to maintain the "payments institution" status for Worldline Belgium. An annual assessment has therefore been included in the audit plan.

Audits on Service Organization Controls (SOC) have been performed by independent auditors for the main service providers who run processes on behalf of Atos, notably in the areas of payroll processing, accounts payable management or general ledger accounting processing.

<sup>1</sup> ISAE3402 (International Standards for Assurance Engagements (ISAE) no. 3402). A global assurance standard for reporting on controls at a service organization used for auditor's report on internal control of a service to a third party. Activities of Atos typically have an impact on the control environment of its clients (through information systems), which may require the issuance of "ISAE3402 reports" for the controls ensured by Atos.

### G.3.2.4 Systems related to accounting and financial information

The financial governance of the Group relies on a set of global financial processes, that are part of the Internal Control system of the Group and for which a specific attention is paid due to their sensitivity:

- finance processes: budget and forecast, consolidation and reporting, treasury, credit risk management;
- "expert" functions processes: taxes, insurance, pensions, real estate transactions;
- operational processes: bidding, contract execution, financial business model.

#### A - Local and Group financial organization

The management of the Finance function is performed through two main Committees that meet on a weekly basis and are chaired by the Group CFO:

- **The Group Finance Committee** (GFC) physically gathers the Directors of the main functions within Finance organization and Finance Directors of Service Lines and of Markets. This Committee deals with transversal topics critical for the Group;
- **The Operational Finance Committee** (OFC) gathers CFOs from GBUs, Treasury and Controlling Directors (and other Directors according to the agenda). It deals with operational topics and GBU specific issues.

This organization is cascaded at country level.

Direct reporting to Group Function, as for the other support functions, reinforces the integration of the financial function and contributes to the full alignment of key processes and provides an appropriate support to operational entities of the Group.

Group Finance department is in charge of piloting the financial processes, especially through the financial consolidation, the monitoring of compliance matters, the supply of expertise and the control of the reported financial information. It has reviewed significant accounting options, as well as potential Internal Control weaknesses and has initiated required corrective actions.

#### B - Group finance policies & procedures

Group Finance has drawn up a number of Group policies and procedures to control how financial information is processed in the subsidiaries. These policies and procedures were discussed with the statutory auditors before issuance and included the following main elements:

**Financial accounting policies** include a set of manuals such as the Group reporting and accounting principles handbooks applicable to the preparation of financial information, including

off-balance sheet items. The handbooks set out how financial information must be prepared, with common presentation and valuation standards. It also specifies the accounting principles to be implemented by Atos entities in order to prepare budget, forecast and actual financial reporting required for Group consolidation purposes. Group reporting definitions and internal guidelines for IFRS, and particularly accounting rules applicable in the Operations, are regularly updated.

An expertise center managed by the expert function at Group level is in charge of proper implementation of Group accounting principles (and their compliance with international standards), of the implementation of financial Internal Control, process standardization and of the knowledge transfer to the shared service center in charge of transactional processing for the entities in the main European countries.

Training and information sessions are organized regularly in order to circulate these policies and procedures within the Group. A dedicated intranet site is accessible to all accounting staff, which facilitates the sharing of knowledge and issues raised by members of the Atos financial community.

**Instructions and timetable:** financial reporting including budget, forecast and financial information by subsidiary is carried out in a standard format and within a timetable defined by specific instructions and procedures. Group Finance liaised with statutory auditors to coordinate the annual and half-year closing process.

#### C - Information systems

Information systems have played a key role in the control system related to the accounting and financial information, as they have both strongly structured the processes and provided automated preventive controls, but have also provided monitoring and analysis capabilities.

**An integrated ERP system** has supported the production of accounting and financial information in the main countries.

In 2013, Post Implementation Reviews & Standardization project has allowed to review the usage of ERP system and the compliance to Group standards, and monitor regularly the effectiveness of IT systems deployments throughout the Group.

**A unified reporting and consolidation tool** is used for financial information (operational reporting and statutory figures). Each subsidiary reported its financial statements on a standalone basis in order to be consolidated at Group level. There was no intermediary consolidation level and all accounting entries linked to the consolidation remain under the direct control of Group Finance. Off balance sheet commitments were reported as part of the mainstream financial information and are examined by Group Finance.

## D - Monitoring and control

In addition to the financial processes defined, monitoring and control processes aims to ensure that accounting and financial information complies with rules and instructions.

**The Closing File** (included in the Book of Internal Control) has been deployed at local level. It was required for each subsidiary to elaborate on a quarterly basis, a standard closing file formalizing key internal controls performed over financial cycles and supporting closing positions. Templates created by Group Finance illustrate the expected level of control for the main items.

**Functional reviews** are performed by Group financial support functions on significant matters relating to financial reporting, such as tax issues, pensions, litigations, off balance sheet items or business performance and forecast.

**Operational and financial reviews:** Group controlling is supporting Operations and General management in the decision making process through monthly reviews and by establishing a strong link with country management in financial analysis & monitoring, enhancing control & predictability of operations and improving the accuracy & reliability of information reported to the Group.

**Representation letters:** during the annual and half-year accounts preparation, the management and financial head of each subsidiary was required to certify in writing:

- they have complied with the Group's accounting rules and policies;
- they are not aware of cases of proven or potential fraud that may have an impact on the financial statements;
- the estimated amounts resulting from the assumptions made by management enable the Company to execute the corresponding actions; and
- that, to the best of their knowledge, there was no major dysfunction in the control systems in place within their respective subsidiaries.

**Internal Audit department:** the review of the internal control procedures linked to the processing of financial information was a component of the reviews conducted by the Internal Audit department. The Internal Audit department works together with Group Finance to identify the main risks and to focus its audit plan consequently.

### G.3.2.5 Outlook and related new procedures to be implemented

In 2014, financial, commercial and social development programs, as well as other transformation initiatives, will pursue their effects to improve and streamline processes, with benefits for the Internal Control System.

Coordinated actions with Operations will aim at improving the maturity level of Internal Control, notably through an increased monitoring of controls.

Initiatives identified through the updated risk mapping will be monitored to ensure that proper attention is given to those topics.

The Internal Audit department will pursue the internal review program updated following the risk assessment performed in 2013, and the follow-up of its recommendations.

#### Conclusion

Based on the above, we have no other observation with regard to internal control and procedures implemented by the Group.

The above elements participate to guarantee the appropriate level of internal control even if they cannot provide an absolute guarantee that the Group's goals in this respect will be achieved and that all risks will have been completely eliminated.

**Thierry Breton,**  
CEO and Chairman, Atos



### G.3.3 **Statutory auditors' report prepared in accordance with article L. 225-235 of French Commercial Code (Code de Commerce) on the report prepared by the Chairman of the Board of Directors of Atos SE**

*This is a free translation into English of the statutory auditors' report issued in French prepared in accordance with article L. 225-235 of French Commercial Code on the report prepared by the Chairman of the Board of Directors issued in French and is provided solely for the convenience of English speaking users.*

*This report should be read in conjunction and construed in accordance with French law and the relevant professional standards applicable in France.*

To the Shareholders,

In our capacity as statutory auditors of Atos S.E. and in accordance with article L. 225-235 of French Commercial Code (Code de Commerce), we hereby report on the report prepared by the Chairman of your company in accordance with article L. 225-37 of French Commercial Code (Code de Commerce) for the year ended December 31<sup>st</sup>, 2013.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the Company and containing the other disclosures required by article L. 225-37 of French Commercial Code (Code de Commerce), particularly in terms of corporate governance.

It is our responsibility:

- to report to you on the information contained in the Chairman's report in respect of the internal control procedures relating to the preparation and processing of the accounting and financial information; and
- to attest that this report contains the other disclosures required by article L. 225-37 of French Commercial Code (Code de commerce), being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

#### **Information on the internal control procedures and risk management procedures relating to the preparation and processing of accounting and financial information**

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal

control procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- obtaining an understanding of the internal control procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and the existing documentation;
- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the Company's internal control procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with article L. 225-37 of French Commercial Code (Code de Commerce).

#### **Other disclosures**

We attest that the Chairman's report includes the other disclosures required by article L. 225-37 of French Commercial Code (Code de commerce).

**Neuilly-sur-Seine and Paris, April 1<sup>st</sup>, 2014**

#### **The statutory auditors**

Deloitte & Associés  
Christophe Patrier

Grant Thornton  
French member of Grant Thornton International  
Victor Amselem

## G.4 Executive compensation and stock ownership

### G.4.1 Directors' fees

In accordance with a resolution adopted at the General Meeting of May 29<sup>th</sup>, 2013, the 2013 annual envelope for Directors' fees was set at € 500,000.

The rules of payment of the Directors' fees are set by the Board of Directors, based on the proposal of its Nomination and Remuneration Committee. For 2013, the fees were allocated on the basis of the following principles:

- for the Board of Directors: a fixed remuneration of € 25,000 per Director plus a variable fee of € 1,000 per meeting (remuneration is dependent on attendance at the meetings of the Board of Directors);

- for the Committees: remuneration is dependent on attendance at the meetings: € 1,500 per meeting for the Chairman of the said Committee and € 750 per meeting for each member of the Committee;
- the Lead Director receives an additional portion of Director fees amounting to € 1,000 for each meeting attended.

Mr. Thierry Breton has renounced to the benefit of his Director's fees.

With the exception of Mr. Thierry Breton, Chairman and Chief Executive Officer and Ms. Jean Fleming, Director representing employee shareholders, the members of the Board did not receive any compensation or additional Directors' fees from Atos SE or any of its subsidiaries.

### Director's fees paid and due to the members of the Board of Directors according to their attendance at the Board and Committees meetings

(in €)	2013		2012	
	Paid <sup>a</sup>	Due <sup>b</sup>	Paid <sup>c</sup>	Due <sup>d</sup>
René Abate	33,000	15,205 <sup>1</sup>	35,000	33,000
Nicolas Bazire	38,000	45,000	42,000	38,000
Jean-Paul Béchat	43,500	49,500	47,500	43,500
Thierry Breton	0	0	0	0
Roland Busch	32,250*	34,250*	16,250 <sup>2</sup> *	32,250*
Jean Fleming <sup>3</sup>	31,000*	38,000*	36,000*	31,000*
Bertrand Meunier	35,000*	39,000*	39,000	35,000*
Colette Neuville	33,000	39,000	35,000	33,000
Aminata Niane	36,500*	38,750*	37,000*	36,500*
Lynn Sharp Paine	N/A	21,795 <sup>4</sup> *	N/A	N/A
Michel Paris	38,250	41,500	38,750	38,250
Pasquale Pistorio	43,250*	54,000*	45,250*	43,250*
Vernon Sankey	36,500*	44,250*	40,250*	36,500*
Lionel Zinsou-Derlin	33,000	37,000	34,000	33,000
<b>TOTAL</b>	<b>433,250</b>	<b>497,250</b>	<b>446,000</b>	<b>433,250</b>

N/A: Not applicable.

\* These fees granted to Directors residing outside of France correspond to the amounts before with holding tax paid or due by Atos SE.

a Directors' fees paid in 2013 for the year 2012.

b Directors' fees due for the year 2013.

c Directors' fees paid in 2012, for the year 2011.

d Directors' fees due for the year 2012.

1 The term of office of Mr. René Abate ended at the Combined General Meeting of May 29<sup>th</sup>, 2013. The fixed portion of his Directors' fees for 2013 was calculated on a pro rata basis up to this date.

2 Dr. Roland Busch was appointed Director on July 1<sup>st</sup>, 2011. The fixed portion of his Director's fees for 2011 was calculated on a pro rata basis as from this date.

3 Ms. Jean Fleming, Director representing employee shareholders is employed by Atos IT Services UK.

4 Ms. Lynn Sharp Paine was appointed Director during the Combined General Meeting of May 29<sup>th</sup>, 2013. The fixed portion of the Directors' fees for 2013 was calculated on a pro rata basis as from this date.

## G.4.2 Executive compensation

Mr. Thierry Breton was appointed Chairman of the Management Board on November 16, 2008 and has been Chairman of the Board and Chief Executive Officer (CEO) since February 10, 2009. On May 30<sup>th</sup>, 2012, following the General Meeting of the Atos Shareholders, the Board of Directors renewed Mr. Thierry

Breton's mandate as Chairman of the Board and Chief Executive Officer. This mandate will end in 2015, on the date of the Shareholders' General Meeting validating the 2014 consolidated financial statements.

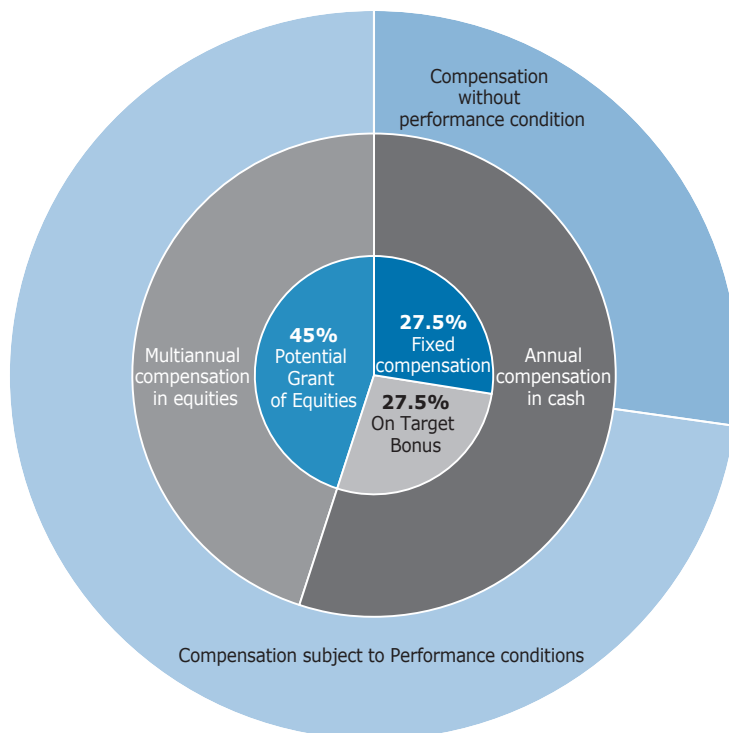
### G.4.2.1 Principles of the compensation of Mr. Thierry Breton - Chairman and Chief Executive Officer

The principles of the compensation of the Chairman and CEO of Atos SE are recommended by the Nomination and Remuneration Committee and approved by the Board of Directors. The Nomination and Remuneration Committee's role and composition are detailed in a dedicated paragraph in the corporate governance Section of this document.

The principles governing the determination of the compensation of the Chairman and CEO are established in the framework of the AFEP-MEDEF recommendations (revised version of June 2013):

- principle of **Balance**: the Nomination and Remuneration Committee ensures that no element represents a disproportionate share of the Chairman and CEO's compensation;
- principle of **Competitiveness**: the Nomination and Remuneration Committee also ensures the competitiveness of the remuneration of the Chairman and CEO, through regular compensation surveys;

- **related to Performance**: the Chairman and CEO's compensation is closely linked to company performance, notably through a variable remuneration plan determined on a half-year basis. The payment of the semester bonuses is subject to the achievement of specific objectives which are simple and measurable and closely linked with the Company's objectives, as regularly disclosed to the shareholders. In order to develop a **community of interest with the Group's shareholders** and to associate Atos managers and Chairman and CEO with the performance and financial results of the Company in a long-term perspective, a part of their compensation is delivered in Atos equities, including Performance Shares. Finally, the compensation policy of the Chairman and CEO supports Atos' commitment to corporate responsibility. In this context, performance criteria related to the **social and environmental responsibility** of the Company have been established in the July 24<sup>th</sup>, 2013 Performance Share Plan.



### G.4.2.2 Elements of the compensation of Mr. Thierry Breton - Chairman and Chief Executive Officer

The elements of the compensation of Mr. Thierry Breton, Atos SE Chairman and CEO, were decided by the Board of Directors during a meeting held on December 22<sup>nd</sup>, 2011, upon recommendation of the Nomination and Remuneration Committee. This decision has been confirmed following the General Meeting of Shareholders held on May 30<sup>th</sup>, 2012, on the renewal of Mr. Breton's mandate, as well as during the Meeting held on November 18<sup>th</sup>, 2013, following the adoption of Atos' strategic orientations to 2016.

Moreover, for the first time, Atos submitted to the vote of the shareholders, during the General Meeting held on December 27<sup>th</sup>, 2013, a resolution on the main strategic guidelines of the Group for the period 2014-2016, which was adopted with 99.63% of the vote. This resolution also included all the various elements composing the compensation of the Chairman and CEO of the Company Atos SE for the period 2014-2016, which are consubstantial with the Strategic Plan, and as they have been approved by the Board of Directors. These elements include:

- A **total compensation in cash**, from January 1<sup>st</sup>, 2012, which has been maintained for the three-year plan "2016 Ambition", and which is composed of:
  - Fixed Annual Compensation of € 1.35 million,
  - Variable Compensation, subject to performance conditions, annual target being equal to € 1.35 million, with a maximum payment capped at 130% of the target variable compensation, in accordance with the applicable rules.

In order to monitor **Company's performance** more closely and establish a proactive way to support its strategic plan, the performance objectives for the Chairman and CEO are set and reviewed on a half-year basis. As a consequence, the variable compensation is paid every 6 months (usually in February or March, for the payment of the second semester of the previous year's bonus, and in August for the payment of the current year first semester's bonus).

Thus, **Due Remuneration** reflects amounts due for the first and second semester of the relevant year; and **Paid Remuneration** reflects amounts paid for the second semester of the previous year and the following first semester.

It should also be specified that the variable compensation of the Chairman and CEO is conditional, based on clear and demanding operating performance criteria exclusively related to quantitative and financial objectives. The objectives are fully aligned with the Group ambitions, as they are regularly presented to the shareholders.

Regarding the 2013 year, the nature and weighting of each indicator of the variable on-target bonus of the Chairman and CEO is the following:

- Group Operating Margin (40%),
- Group Free Cash Flow before acquisition/disposal and variation of equity and dividends (30%),
- Group External Revenue (30%);
- **Grant of Atos Long Term Incentives (Equities)**: the Atos Board of Directors, during the meeting held on May 30<sup>th</sup>, 2012, and upon recommendation of the Nomination and Remuneration Committee, has set the weight of Long Term Incentives (Equities) in the total compensation of the Chairman and Chief Executive Officer. Thus, according to the recommendations of the AFEP-MEDEF, and with consideration of market practices documented in the Registration Documents of CAC 40 companies, the Board of Directors ensured that compensation in the form of options and shares (on the basis of their valuation pursuant to the IFRS standards), does not represent a disproportionate percentage of the Chairman and CEO's total compensation, by setting a maximum percentage of the total compensation.

Thus, for the period of the three-year plan "2016 Ambition", awards of Atos shares (share options or Performance Shares) to the Chairman and CEO are maintained, representing in the aggregate per annum 45% of the Total Compensation Package, such awards being subject to achieving several demanding performance conditions determined by the Board of Directors, whether internal or external, and based on financial criteria (such as: profitability, or free cash flow) and corporate social responsibility objectives;

- The **fringe benefits** granted to the Chairman and CEO since his appointment have remained unchanged.



### G.4.2.3 Summary of the Compensation and Stock-Options and Performance Shares granted to the Chairman and CEO - AMF Table 1

Mr. Thierry Breton Chairman and CEO (in €)	2013	2012
Due remuneration for the relevant year	2,690,261	2,831,924
Value of options granted during the year	-	-
Value of Performance Shares granted during the year	2,250,773	-
<b>TOTAL</b>	<b>4,941,033</b>	<b>2,831,924</b>

In 2012, the Chairman and CEO was not granted any Performance Shares or any Options to subscribe or purchase Shares of the Company. Performance Shares granted on July 24<sup>th</sup>, 2013 by Atos Board of Directors to the Chairman and CEO,

according to the authorization granted by the Atos Shareholders' General Meeting held on May 30<sup>th</sup>, 2012 (18<sup>th</sup> resolution), have been valued pursuant to the fair value method retained for the consolidated accounts under IFRS 2.

### G.4.2.4 Summary of the Chairman and CEO's remuneration, paid by the Company and its subsidiaries - AMF Table 2

(in €)	2013		2012	
	Due	Paid	Due	Paid
Fixed remuneration	1,350,000	1,350,000	1,350,000	1,350,000
Variable remuneration*	1,332,045	1,385,100	1,471,500	1,374,225
Exceptional remuneration	-	-	-	-
Atos SE Director's fees	-	-	-	-
Fringe benefits	8,216	8,216	10,424	10,424
<b>TOTAL</b>	<b>2,690,261</b>	<b>2,743,316</b>	<b>2,831,924</b>	<b>2,734,649</b>

\* In 2012, the financial objectives were over achieved for both the first semester (achieving 114.7%) and the second semester (103.3%). For 2012, the annual variable compensation due to the CEO corresponds to 109% of his target variable compensation. In 2013, the financial objectives were over achieved for the first semester (achieving 103.3%) when achievement for the second semester was 95.4%. For 2013, the annual variable compensation due to the Chairman and CEO corresponds to 98.7% of his target annual variable compensation.

### G.4.2.5 Fringe benefits of the Executive Director - AMF Table 11

The Chairman and CEO does not have an employment contract and will not receive any severance or non-competitive payment at the end of his mandate. The terms of the supplementary pension plan are described in paragraph "Compliance of global executive compensation with AFEP-MEDEF recommendations."

Chairman and Chief Executive Officer	Employment contract		Supplementary Pension plan		Payments or Benefits effectively or potentially due in the event of termination or change of position		Non Compete Clause payment	
	YES	NO	YES	NO	YES	NO	YES	NO
Thierry Breton Chairman of the management Directory November 16, 2008 – February 10, 2009 Chief Executive Officer February 10, 2009 to date		NO	YES			NO		NO



### G.4.3 Performance Share Plans and Option plans for Stock Subscription or Purchase

Atos is strongly committed to associating its employees with the long-term performance and results of the Company, notably through Long-Term Incentive plans. Beneficiaries of such LTI plans are mostly Top Managers of the Group, including the Chairman and CEO.

In line with Atos' three-year plan (2009-2011), Stock-Options have been granted between December 2008 and December 2010, with performance conditions applying over this period. As the three-year 2008-2011 stock option plan reached its term, upon proposal of its Nomination and Remuneration Committee, the Board of Directors, during the meeting held on

December 22<sup>nd</sup>, 2011 decided to implement a new Performance Share Plan post-integration of Siemens IT Solutions and Services, to associate the managers of the new Atos in the Group's success in the years 2012-2013. On July 24<sup>th</sup>, 2013, the Board of Directors also decided to grant Performance Shares, with performance conditions related to 2013 and 2014. The plans are detailed below.

The previous grants of Performance Shares and Options to subscribe or purchase Shares of the Company to the Chairman and CEO are detailed in the following paragraphs.

#### G.4.3.1 Terms and conditions of the Performance Share Plan decided on December 22<sup>nd</sup>, 2011 of which the Chairman and CEO is one of the beneficiaries

Pursuant to the authorization granted by the Atos Shareholders' General Meeting held on July 1<sup>st</sup>, 2011 (fourth resolution), and upon recommendation of the Nomination and Remuneration Committee, the Board of Directors, during its meeting held on December 22<sup>nd</sup>, 2011, granted Performance Shares to the top 740 first managers of the Group, including the Chairman and CEO of Atos SE. This grant was based on specific and quantifiable operational criteria to reflect the priority given to operational performance related to the successful integration of Siemens IT Solutions and Services.

Acquisition of these Performance Shares is subject to the following conditions, which reproduce and strengthen the criteria used in the previous three-year plan for stock options (which are described in the below Reminder of the Terms and Conditions of the stock option plan dated December 23, 2008):

1. **Employment condition:** subject to exceptions provided in the Performance Shares plan<sup>1</sup>, the grant of Performance Shares is conditional on the continued employment of the beneficiary, with an employee or Director status, within Atos Group during the vesting period described below in item "3. Vesting and conservation periods";
2. **Performance conditions:** the acquisition of Performance Shares is also subject to the achievement of the following two cumulative internal performance conditions calculated respectively for the years 2012 and 2013:
  - the Group Free Cash-Flow before dividend and acquisition/sales results for the relevant year is at least equal to one of the two following amounts:

- (i) 85% of the amount from the Group Free Cash-Flow before dividend and acquisition/sales results, as provided in the Company's budget for the relevant year, or
- (ii) the amount of the Group Free Cash-Flow before dividend and acquisition/sales results for the previous year with a 10% increase,

#### And

- the Group's Operating Margin for the relevant year is at least equal to one of the two following amounts:
  - (i) 85% of the amount of the Group Operating Margin as provided in the Company's budget for the relevant year, or
  - (ii) the amount of the Group's Operating Margin from the previous year with a 10% increase,
- subject to the aforementioned employment condition:
  - (i) achieving both performance conditions for the year 2012 will lead to the beneficiaries acquiring 50% of the Performance Shares which they were granted, and
  - (ii) achieving both performance conditions for the year 2013 will lead to the beneficiaries acquiring 50% of the remaining Performance Shares which they were granted;
- 3. **Vesting and conservation periods:** the grant of Performance Shares proposed by the Atos Board of Directors on December 22<sup>nd</sup>, 2011, in accordance with the authorization given by the fourth resolution adopted during the General Meeting of the shareholders on July 1<sup>st</sup>, 2011, provides for two plans (France and International).

<sup>1</sup> Such as: death or disability.



**International Plan:** the beneficiaries employed by a company of the Group incorporated outside of France, will definitively acquire the granted Performance Shares on the fourth anniversary of the grant date, subject to the achievement of the above mentioned performance and employment conditions, without any obligation of conservation of the shares which could be immediately sold.

**France Plan:** the beneficiaries employed by a company of the Group incorporated in France, will definitively acquire the granted Performance Shares on the second anniversary of the grant date, subject to the achievement of the above mentioned performance and employment conditions. The beneficiaries are

also required to remain owner of their acquired shares for an additional period of two years. The Chairman and CEO is eligible to the Performance Share Plan for France which is governed by the applicable French legislation.

For the France plan mentioned above, the shares subject to performance conditions for the year 2012 (Tranche 1) and for the year 2013 (tranche 2) were definitively acquired respectively on December 22<sup>nd</sup>, 2013, and on March 17<sup>th</sup>, 2014; the beneficiaries are also required to remain owner their acquired shares for a period of two years, the above-mentioned shares could be sold starting December 22<sup>nd</sup>, 2015 and March 17<sup>th</sup>, 2016 respectively.

### G.4.3.2 Terms and conditions of the Performance Share Plan decided on July 24<sup>th</sup>, 2013 of which the Chairman and CEO is one of the beneficiaries

Pursuant to the authorization granted by the Atos Shareholders' General Meeting held on May 30<sup>th</sup>, 2012 (eighteenth resolution), the Board of Directors, during its meeting held on July 24<sup>th</sup>, 2013, upon recommendation of the Nomination and Remuneration Committee, decided to proceed with the grant of 723,335 Atos Performance Shares, for the benefit of the top 705 managers of Atos, including the Chairman and CEO.

The performance conditions of this new plan focus on annual internal financial criteria related to profitability and free cash flow, which have been strengthened compared to the previous plan of December 22<sup>nd</sup>, 2011. It is indeed necessary to achieve all of the performance conditions for both concerned years (2013 and 2014) to definitively acquire 100% of the granted shares. Moreover, the requirement of the plan has been strengthened by the addition of an external condition, linked to the social and environmental performance of the Company. The Board noted the particularly demanding nature of these performance conditions.

It is stated that if one any of the performance conditions both internal and external were not achieved for the first or second year of the plan, Performance Shares would become null and void.

The performance plan's characteristics are the following:

- 1. **Employment condition:** subject to exceptions provided in the Performance Shares plan<sup>1</sup>, the grant of Performance Shares is conditional on the continued employment of the beneficiary, with an employee or Director status, within Atos Group during the vesting period described below in item "3.Vesting and conservation periods";
- 2. **Performance conditions:** the acquisition of Performance Shares is also subject to the achievement of the five following internal and external performance conditions calculated for the consecutive years 2013 and 2014:

#### Internal Performance conditions

For each of the concerned year 2013 and 2014:

- the Group Free Cash-Flow before dividend and acquisition/sales results for the relevant year is at least equal to one of the two following amounts:
  - (i) 85% of the amount from the Group Free Cash-Flow before dividend and acquisition/sales results, as provided in the Company's budget for the relevant year, or
  - (ii) the amount of the Group Free Cash-Flow before dividend and acquisition/sales results for the previous year with a 10% increase.

#### And

- the Group's Operating Margin for the relevant year is at least equal to one of the two following amounts:
  - (i) 85% of the amount of the Group Operating Margin as provided in the Company's budget for the relevant year, or
  - (ii) the amount of the Group's Operating Margin from the previous year with a 10% increase.

Being specified that the four performance conditions criteria described above will be calculated at constant exchange rates and perimeter.

#### And

#### External Performance conditions

For the year 2013, and for the year 2014, Atos must get at least the GRI<sup>2</sup> Rating A (or equivalent); or, be part of the Dow Jones Sustainability Index (World or Europe);

1 Such as: death or disability.

2 GRI: Global Reporting Initiative, setting the reporting international standards for the corporate responsibility.

**3. Vesting and conservation periods:** the free grant of Performance Shares by the Atos Board of Directors on July 24<sup>th</sup>, 2013, provides for two plans (France and International). These two plans apply, as the case may be, to employees of a company of the Group respectively located in France or outside France.

**International Plan:** the beneficiaries employed by a company of the Group incorporated outside of France, will definitively acquire the granted Performance Shares on the fourth anniversary of the grant date, subject to the achievement of the above mentioned performance and employment conditions, without any obligation of conservation of the shares which could be immediately sold.

**France Plan:** the beneficiaries employed by a company of the Group incorporated in France, will definitively acquire the granted Performance Shares on the second anniversary of the grant date, subject to the achievement of the above mentioned performance and employment conditions. The beneficiaries are also required to remain owner of their acquired shares for an additional period of two years. The Chairman and CEO is beneficiary of the Performance Share Plan for France.

### G.4.3.3 Achievement of the 2013 performance conditions related to the performance share plans dated December 22<sup>nd</sup>, 2011, March 29<sup>th</sup>, 2012 and July 24<sup>th</sup>, 2013

Internal performance conditions have been achieved for the 2013 year.

Operating Margin	2013
<b>Budget Achievement (%)</b>	<b>98.6%*</b>
85% of Budget or +10% vs previous year met	YES
Free Cash-Flow	2013
<b>Budget Achievement (%)</b>	<b>107.1%*</b>
85% of Budget or +10% vs previous year met	YES
<b>Condition met</b>	<b>YES</b>

\* Target budget adjusted to reflect actual 2013 exchange rates.

The Performance Share Plan dated July 24<sup>th</sup>, 2013 also includes a cumulative external performance condition related to the social and environmental responsibility of the Company:

As a reminder, for the year 2013, the Group must obtain a minimum GRI rating of A (or equivalent); Or, be part of Dow Jones Sustainability Index 2013 (Europe or World).

In 2013, Atos integrated the inner circle of the Dow Jones Sustainability World Index (DJSI), which selects among the world's largest 2,500 companies, the 10% of them recognized as the most efficient in terms of corporate responsibility, both from a standpoint of governance and of environmental and social performance.

The external condition of the Performance Share Plan, dated July 24<sup>th</sup>, 2013, has thus been achieved for the 2013 year.



### G.4.3.4 Past grants of Performance Shares - AMF Table 10

Performance Share Plans allocated by Atos as at December 31<sup>st</sup>, 2013 are listed below. For each grant, the template shows the dates of the Board's decisions, the number of granted shares, the number of beneficiaries, and the end date of vesting period. Performance Share Plans and especially their related performance conditions are described in the previous paragraphs.

Assembly Date	Board of Directors Date	Plan details <sup>(*)</sup>	Number of beneficiaries	Number of Shares				Number of vested shares at 12/31/2013	including Board of Directors Members	Situation Dec. 31 <sup>st</sup> , 2013	Acquisition date	Availability Date
				Number of Granted Shares	including Board of Directors Members	cancelled or forfeited						
07/01/2011	12/22/2011	plan FR Tranche <sup>(1)</sup>	187	233,300	32,500	3,350	215,000	32,500	14,950 <sup>(5)</sup>	12/22/13	12/22/15	
07/01/2011	12/22/2011	plan FR Tranche <sup>(2)</sup>	187 <sup>(1)</sup>	233,300	32,500	3,650	-	-	229,650	03/17/14	03/17/16	
07/01/2011	12/22/2011	plan INT tranche <sup>(1)</sup>	553	262,225	-	34,475	500 <sup>(4)</sup>	-	227,250	12/22/15	12/22/15 <sup>(3)</sup>	
07/01/2011	12/22/2011	plan INT tranche <sup>(2)</sup>	553 <sup>(2)</sup>	262,225	-	39,725	500 <sup>(4)</sup>	-	222,000	03/17/16	03/17/16 <sup>(3)</sup>	
07/01/2011	03/29/2012	plan FR	9	9,700	-	-	-	-	9,700	03/29/14	03/29/16	
07/01/2011	03/29/2012	plan INT	20	10,150	-	100	-	-	10,050	03/29/16	03/29/16	
05/30/2012	07/24/2013	plan FR	195	333,380	45,000	-	-	-	333,380	07/24/15	07/24/17	
05/30/2012	07/24/2013	plan INT	510	389,955	-	1,695	-	-	388,260	07/24/17	07/24/17	

(1), (2) Same beneficiaries.

(3) Five beneficiaries in Belgium have chosen an additional 2 years conservation period after shares acquisition.

(4) The 500 vested shares are due to a beneficiary's death.

(5) The balance of 14,950 shares concerns beneficiaries in a situation of international mobility.

(\*) FR: France, plan 2+2; INT: International, plan 4+0.

### G.4.3.5 Performance shares granted during the year to the Chairman and CEO - AMF Table 6

The below table shows the Performance Shares granted to the Chairman and CEO, and in particular those granted during the year. Pursuant to the authorization granted by the Atos Shareholders' General Meeting held on May 30<sup>th</sup>, 2012

(eighteenth resolution), on July 24<sup>th</sup>, 2013, the Board of Directors, upon recommendation of the Nomination and Remuneration Committee, decided the free grant of Performance Shares. Atos Chairman and CEO is one of the beneficiaries of this grant.

	Plan Date	Number of shares	Acquisition Date	Availability Date	Share valuation (in €)
<b>Thierry Breton</b> Chairman and Chief Executive Officer	December 22 <sup>nd</sup> , 2011	32,500	Dec. 22 <sup>nd</sup> , 2013	Dec. 22 <sup>nd</sup> , 2015	926,957
	December 22 <sup>nd</sup> , 2011	32,500	March 17 <sup>th</sup> , 2014	March 17 <sup>th</sup> , 2016	913,680
	July 24 <sup>th</sup> , 2013	45,000	July 24 <sup>th</sup> , 2015	July 24 <sup>th</sup> , 2017	2,250,773

The share valuation method is the fair value determined according to IFRS 2 method recognized by the consolidated accounts.

### G.4.3.6 Performance shares that have become available during the year for the Chairman and CEO - AMF Table 7

During 2013, Performance Shares granted on December 22<sup>nd</sup>, 2011, became definitively acquired by their beneficiaries, according to the France Plan Rules which related the 2012 financial year (Tranche 1). The Atos Chairman and CEO is a beneficiary of this plan. Acquisition terms are described above,

in the paragraphs related to the terms and conditions of the Performance Share Plan decided on December 22<sup>nd</sup>, 2011. Furthermore, beneficiaries are required to remain owner of their acquired shares for an additional period of two years; the shares will become available for possible sale on December 22<sup>nd</sup>, 2015.

	Plan Date	Number of Shares definitively acquired during the year	Vesting Date	number of shares available during the financial year	Availability Date
<b>Chairman and CEO</b>	December 22 <sup>nd</sup> , 2011 Tranche 1	32,500	Dec. 22 <sup>nd</sup> , 2013	0	Dec. 22 <sup>nd</sup> , 2015

### G.4.3.7 Past awards of subscription or purchase options – AMF Table 8

The plans of subscription or purchase options granted by Atos as at December 31<sup>st</sup>, 2013 are listed below. For each grant, the template shows the dates of the Board's decisions, the number of granted options, the number of beneficiaries, the start date of the vesting period, and the number of cancelled or exercised options.

Date of shareholders' meeting	Date of Board meeting	Exercise period start date	Exercise period end date	Strike Price (in €)	Options granted	Of which to members of the Board <sup>*</sup>	Numbers of beneficiaries	Options exercised	Options cancelled or expired <sup>**</sup>	Situation at 12.31.2013	Value of unexercised options (in € million)
10/31/2000	03/27/2003	01/01/2005	03/27/2013	25.92	616,410	0	1,447				
10/31/2000	03/27/2003	03/27/2007	03/27/2013	25.92	348,902	0	3,444	843,109	122,203	0	0.0
10/31/2000	06/16/2003	06/16/2007	06/16/2013	30.88	2,000	0	2	0	2,000	0	0.0
10/31/2000	07/08/2003	07/08/2006	07/08/2013	31.81	500	0	1	500	0	0	0.0
10/31/2000	10/01/2003	10/01/2006	10/01/2013	49.87	1,500	0	2	500	1,000	0	0.0
10/31/2000	10/01/2003	10/01/2007	10/01/2013	49.87	762	0	1	762	0	0	0.0
10/31/2000	02/09/2004	01/01/2006	02/09/2014	54.14	1,172,125	0	1,220				
01/22/2004	02/09/2004	02/09/2008	02/09/2014	54.14	414,750	0	686	849,050	76,450	661,375	35.8
06/04/2004	01/10/2005	01/10/2008	01/10/2015	49.75	805,450	0	803				
06/04/2004	01/10/2005	01/10/2009	01/10/2015	49.75	347,250	0	567	396,092	134,806	621,802	30.9
06/04/2004	04/28/2005	04/28/2008	04/28/2015	49.98	750	0	1				
06/04/2004	04/28/2005	04/28/2009	04/28/2015	49.98	6,750	0	5	1,750	1,833	3,917	0.2
06/04/2004	10/26/2005	10/26/2009	10/26/2015	58.04	5,200	0	3	0	1,999	3,201	0.2
06/04/2004	12/12/2005	12/12/2008	12/12/2015	57.07	20,000	0	1	0	0	20,000	1.1
06/04/2004	12/12/2005	12/12/2009	12/12/2015	57.07	15,000	0	1	0	6,666	8,334	0.5
06/04/2004	03/29/2006	03/29/2009	03/29/2016	59.99	810,130	0	828				
06/04/2004	03/29/2006	03/29/2010	03/29/2016	59.99	337,860	0	420	70,747	195,823	881,420	52.9
06/04/2004	12/01/2006	12/01/2010	12/01/2016	43.87	50,000	0	1	0	0	50,000	2.2
06/04/2004	12/19/2006	12/19/2009	12/19/2016	43.16	15,100	0	24				
06/04/2004	12/19/2006	12/19/2010	12/19/2016	43.16	4,050	0	6	8,568	3,745	6,837	0.3
05/23/2007	10/09/2007	10/09/2010	10/09/2017	40.35	20,000	0	1	20,000	0	0	0.0
05/23/2007	10/09/2007	10/09/2011	10/09/2017	40.35	5,000	0	1	5,000	0	0	0.0
05/23/2007	03/10/2008	03/10/2014	03/10/2018	34.73	190,000	0	3	0	140,000	50,000	1.7
05/23/2007	07/22/2008	07/22/2011	07/22/2018	34.72	5,000	0	1	5,000	0	0	0.0
05/23/2007	07/22/2008	07/22/2012	07/22/2018	34.72	2,500	0	1	0	0	2,500	0.1
05/23/2007	12/23/2008	04/01/2010	03/31/2018	18.40	459,348	233,334	24	110,493	3,334	345,521	6.4
05/23/2007	12/23/2008	04/01/2011	03/31/2018	22.00	459,326	233,333	24	101,481	6,666	351,179	7.7
05/23/2007	12/23/2008	04/01/2012	03/31/2018	26.40	459,326	233,333	24	89,482	9,999	359,845	9.5
05/23/2007	03/26/2009	07/01/2010	06/30/2018	20.64	611,714	0	74	423,457	43,336	144,921	3.0
05/23/2007	03/26/2009	07/01/2011	06/30/2018	24.57	611,643	0	74	307,396	78,330	225,917	5.6
05/23/2007	03/26/2009	07/01/2012	06/30/2018	29.49	611,643	0	74	287,433	101,661	222,549	6.6
05/26/2009	07/03/2009	07/01/2010	06/30/2018	25.00	481,414	0	438	283,017	46,696	151,701	3.8
05/26/2009	07/03/2009	07/01/2011	06/30/2018	30.00	481,108	0	438	227,327	90,313	163,468	4.9
05/26/2009	07/03/2009	07/01/2012	06/30/2018	35.00	480,978	0	438	104,029	109,784	267,165	9.4
05/26/2009	09/04/2009	07/01/2010	06/30/2018	34.28	86,347	0	24	50,136	3,502	32,709	1.1
05/26/2009	09/04/2009	07/01/2011	06/30/2018	40.81	86,334	0	24	30,665	6,834	48,835	2.0
05/26/2009	09/04/2009	07/01/2012	06/30/2018	48.97	86,319	0	24	25,548	7,829	52,942	2.6
05/26/2009	12/31/2010	07/01/2011	06/30/2019	40.41	124,842	0	18	18,753	0	106,089	4.3
05/26/2009	12/31/2010	07/01/2012	06/30/2019	48.11	124,830	0	18	5,083	3,333	116,414	5.6
05/26/2009	12/31/2010	07/01/2013	06/30/2019	57.74	124,828	0	18	1,750	6,666	116,412	6.7
<b>TOTAL</b>					<b>10,486,989</b>	<b>700,000</b>		<b>4,267,128</b>	<b>1,204,808</b>	<b>5,015,053</b>	<b>205.0</b>

\* Current members of the Board of Directors.

\*\* Variation between the number of cancelled options reported in 2012 Registration Document 2012 and this template is explained by cancellations of cancellations for plans dated 9 Feb.2004, 10 Jan. 2005, 29 Mar.2006, 19 Dec.2006, 26 Mar.2009 and by additional cancellations for plans dated 03 July 2009.

### G.4.3.8 Stock options granted to the top ten employees who are not company officers, and options exercised by the ten employees with the highest number of options purchased or subscribed during 2013 - AMF Table 9

	Total number of granted or exercised options	Average Price	Plans
Options granted during the year by the issuer to the ten employees having the highest number of options granted (Global Information)		No Grant of Stock-option in 2013	
Options held on the issuer exercised during the financial year by the ten employees of the issuer having the highest number of options purchased or subscribed (Global Information)	724,684	€ 31.00	Plans granted February 9, 2004, January 10, 2005, March 29, 2006, December 23, 2008 (3 tranches), March 26, 2009 (3 tranches), July 3, 2009 (tranches 1 and 2) September 4, 2009 (3 tranches)

### G.4.3.9 Stock options granted during the year to the Chairman and CEO - AMF Table 4

During 2013, Mr. Thierry Breton, Chairman and CEO, was not granted any options to purchase or subscribe to shares of the Company.

Chairman and CEO	Date of the plan	Nature of the options (purchase or subscription)	Valuation of the options according to the method used for consolidated financial statements	Number of options awarded during the financial year	Exercise Price	Exercise Period
Thierry Breton	-	-	-	-	-	-

### G.4.3.10 Subscription or purchase options exercised during the financial year by the Chairman and CEO - AMF Table 5

Name of the Executive	Plan Date (Grant Date)	Number of options exercised during the year	Exercise Price (in €)
Thierry Breton Chairman and CEO	PLAN 12/23/2008 Tranche 1	1,550	18.40
	PLAN 12/23/2008 Tranche 2	1,550	22.00
	PLAN 12/23/2008 Tranche 3	1,550	26.40
<b>TOTAL</b>		<b>4,650</b>	

## G.4.4 Compliance of the Executive Director's compensation with AFEP-MEDEF recommendations

In 2008, Atos committed to implement and comply with the AFEP-MEDEF Corporate Governance Code for listed companies, especially concerning the compensation conditions of Executive Directors and report to there on. On December 19<sup>th</sup>, 2013, The Board of Directors met in order to proceed with the annual review of the compliance by the Company with the AFEP-MEDEF Governance principles, in its revised version of June 2013.

The Board of Directors ensured the proper implementation by the Company of these principles, based on the comparison of the 2012 Registration Document with the statistics disclosed in the fifth annual report dated October 2013, concerning the implementation of the AFEP-MEDEF recommendations in 2012.

The detailed criteria of assessment by the Board of the implementation of the AFEP-MEDEF recommendations are available on the Atos website. This analysis includes the following:

**Employment contract:** Because he has never been an employee of the Company, the Chairman and CEO is not bound by any employment contract.

In the context of the Atos 2016 Ambition, the Board of Directors confirmed the elements of the compensation of Atos SE's Chairman and CEO, as they have been approved by the Board of Directors following the General Meeting of Shareholders held on May 30<sup>th</sup>, 2012, at the time of the renewal of Mr. Breton's mandate, and in particular a **total compensation in cash**, from January 1<sup>st</sup>, 2012, which has been maintained for the period of the Ambition 2016 Plan, and which is composed of:

- **Fixed Annual Compensation** of € 1.35 million;
- **Variable Compensation, subject to performance conditions:** annual target being equal to € 1.35 million (€ 675,000 per semester) with a maximum payment capped at 130% of the target variable compensation, in accordance with the rules applicable to the members of the Executive Committee of Atos.

Clear and demanding operating performance criteria were established and documented to condition the obtaining of the variable part on the achievement of objectives. In order to monitor Company's performance more closely and establish a proactive way to support its strategic plan, the performance objectives for the Chairman and CEO are set and reviewed on a half-year basis. For the 2013 second semester, the following performance criteria have been set with reference to the target budget: Group Operating Margin (40%), Group Free Cash Flow before acquisition/disposal and variation of equity and dividends (30%), Growth of Group External Revenue (30%).

**Severance pay:** there is no severance pay of any kind (golden parachutes, non-compete clauses etc.).

**Supplementary Pension Plan:** the Chairman and CEO benefits from the supplementary pension plan reserved for members of the Group's Executive Committee. The beneficiary Group is thus wider than the inner circle of Executive Directors.

The benefit of this scheme is subject to a presence condition within the Atos Group upon the liquidation of pension's rights in accordance with the article L. 137-11 of the French Social Security Code.

The amount of the additional pension benefit corresponds to the difference between 1% of the reference remuneration per full calendar quarter of seniority recognized by the plan (with a maximum of 60 quarters) and the annual amount of pension benefits paid by the legal, complementary and supplementary pension's plans. It is stated that a newcomer to the plan who is over 50 years old (e.g. aged 50+n years) receives a benefit based on n years of contributions, up to a maximum of 5 years. Practically, a minimum of 10 years of cumulated seniority recognized by the plan is required to receive benefits under this plan, with a maximum of 15 years.

The reference remuneration is the fixed remuneration (disregarding variable remuneration or any other additional compensation).

Each year of seniority under this plan allows the acquisition of a percentage of rights equal to 4% of the sole fixed remuneration which is, in fact, 2% of the fixed remuneration plus the variable on-target remuneration for the Chairman and CEO.

The reference to the fixed remuneration was preferred to the total compensation (fixed + variable) in order to prevent windfall effects and to allow a greater predictability of accrual amounts.

In any event, the rules for calculating the rights acquired under this scheme will prevent the Chairman and CEO from receiving an annual pension of an amount exceeding 45% of his average annual compensation during the period of membership in this plan (actual fixed and variable remunerations) and will prevent the potentially acquired rights in respect of each year of membership in this scheme from exceeding 5% of his remuneration for the relevant year (actual fixed and variable remunerations).

The implementation of the Pension Plan of the Executive Committee members for the benefit of the present Chairman and CEO was authorized by the Board of Directors on March 26, 2009, was approved by the General Assembly on May 26, 2009 under the 4<sup>th</sup> resolution, and confirmed by the Board of Directors on December 17, 2009.

**Option plans for Stock Subscription or Purchase:** in 2013, the Chairman and CEO was not granted any Options to subscribe or purchase Shares of the Company:

- **Hedging instruments:** the use by beneficiaries of any option hedging instruments is formally prohibited;
- **Retention of a percentage** of shares from exercised stock options: the Board decided that if options are exercised, the Executive Director should retain, while still part of the Company, at least 5% of the acquired shares in a nominative account. At the date of this Registration Document, Mr. Thierry Breton is owner of 336,914 shares as a result of the exercise of options.



## Performance Shares

**Plan of July 24<sup>th</sup>, 2013:** on July 24<sup>th</sup>, 2013, the Board of Directors granted 45,000 Performance Shares to the Chairman and CEO, valued at € 2,250,773 according to the IFRS 2 method recognized by the consolidated accounts of the Company. This amount takes into account the recommendations of the AFEP-MEDEF Corporate Governance Code regarding the executive officer, as well as elements of the Chairman and CEO's remuneration to three years as approved by the decision of the Board of Directors on May 30<sup>th</sup>, 2012.

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

- **Proportion of allocated shares:** the grant of 45,000 Performance Shares to Atos Chairman and CEO represents approximately 6% of the total number of shares allocated;
- **Allocated volume:** the number of shares granted to the CEO is an equity compensation of approximately 45% of the total target compensation at the time of the grant in July 2013;
- **Conservation obligation:** in the context of this Plan, the Chairman and CEO is subject to a conservation obligation of 15% of the Performance Shares granted for the duration of his mandate;
- **Scheme for employees benefiting from the Company's Performance:** according to the article L. 225-197-6 of the French Code de Commerce, Atos Group has implemented a derogatory profit-sharing scheme.

The Performance Share Plan decided by the Board of Directors on July 24<sup>th</sup>, 2013 includes clear and demanding Performance conditions, internal and external.

**Plan granted of December 22<sup>nd</sup>, 2011:** in 2013, the 32,500 Performance Shares granted to Atos Chairman and CEO on December 22<sup>nd</sup>, 2011, according to the France Plan, the performance conditions of which were related to 2012, became definitively acquired. The beneficiaries are also required to remain owner their acquired shares for a period of two years, and will be available for possible sale on December 22<sup>nd</sup>, 2015.

**Conservation obligation:** in the context of this Plan, the Board of Directors meeting held on December 22<sup>nd</sup>, 2011 decided that the Chairman and CEO is subject to a conservation obligation of 25% of the Performance Shares granted for the duration of his mandate.

**Hedging instruments:** according to Atos Performance Share Rules of Plans, of which Atos Chairman and CEO is beneficiary the use of hedging instruments is formally prohibited with respect of these awards for the duration of their employment contract or officer mandate.

**In conclusion, at the end of the meeting held on December 19<sup>th</sup>, 2013, to which the elected representatives of the employees of the Company have been invited (in accordance with the December 14<sup>th</sup>, 2012 agreement related to the transformation of Atos into a European Company), Atos Board of Directors considered that the governance principles implemented in Atos, and especially regarding the Chairman and CEO's compensation, were in conformity in all respects with the recommendations of the AFEP-MEDEF code. Accurate information was disclosed to the market in a press release dated December 27<sup>th</sup>, 2013.**

## G.5 Resolutions

### G.5.1 Resolutions submitted to the Annual General Meeting

Resolutions submitted to the shareholders' vote will be published in the "Bulletin des Annonces Légales Obligatoires" (official legal gazette for listed companies) in a notice of meeting which will be followed by a convening notice to the Annual General

Meeting which will be held on May 27<sup>th</sup>, 2014. These notices will be posted on the Atos Group website ("Investors" section) as required by applicable laws and regulations.

### G.5.2 Elements of the compensation due or awarded at the end of the closed financial year to the Executive Director, submitted to the shareholders' vote

According to the revised AFEP-MEDEF code of June 2013 (article 24.3), code to which Atos SE is referring in accordance with article L. 225-37 of the French Commercial Code (Code de Commerce), the following elements of the compensation due or awarded to the Executive Director related to 2013 must be submitted to the shareholders' vote at the annual General Meeting:

- the fixed part;
- the annual variable part and where necessary the multi-annual variable part with the objectives that contribute to the determination of this variable part;
- exceptional compensation;
- stock options, Performance Shares, and any other element of long-term compensation;

- benefits linked to taking up or terminating office;
- supplementary pension scheme;
- any other benefits.

In this context, the following elements of the compensation due or awarded to Mr. Thierry Breton, Atos SE Chairman and CEO, related to 2013 are submitted to the shareholders' vote at the annual General Meeting.

In this respect, it is reminded that the shareholders approved, with 99.63% of the vote, a resolution related to Atos' strategic plan over the 2014-2016 period. This resolution included all the components of the compensation of the Atos SE Chairman and CEO for the 2014-2016 period, as decided by the Board of Directors, on May 30<sup>th</sup>, 2012, following the General Meeting of the Atos Shareholders, when Mr. Thierry Breton's mandate has been renewed.

#### ELEMENTS OF THE COMPENSATION DUE OR AWARDED IN RELATION TO FINANCIAL YEAR 2013 TO MR. THIERRY BRETON, ATOS SE CHAIRMAN AND CEO, SUBMITTED TO THE SHAREHOLDERS' VOTE

Compensation Components	Amounts	Comments
<b>Fixed compensation</b>	€ 1,350,000	The total remuneration in cash, as from January 1 <sup>st</sup> , 2012, has been set by the Board of Directors on December 22 <sup>nd</sup> , 2011, upon recommendation of the Nomination and Remuneration Committee. It is composed of a fixed part set at € 1.35 million, and of a variable part described below.
<b>Variable compensation</b>	€ 1,332,045 due with respect to the 2013 year i.e. 98.67% of the annual target variable compensation	The variable on-target Bonus subject to performance conditions of Mr. Thierry Breton, Chairman and CEO is set at 100% of the fixed part of his compensation, with a maximum payment capped at 130% of the target in case of over performance, in accordance with the rules applicable to the Members of Atos' Executives Committee. The variable compensation of the Chairman and CEO is conditional, based on clear and demanding operating performance criteria exclusively related to quantitative and financial objectives. In 2013, the nature and weighting of each indicator of the variable on-target Bonus of the Chairman and CEO are the following: <ul style="list-style-type: none"> <li>• Group Operating Margin (40%);</li> <li>• Group Free Cash Flow before acquisition/disposal and variation of equity and dividends (30%);</li> <li>• Group External Revenue (30%).</li> </ul> In order to monitor Company performance more closely and establish a proactive way to support its strategic plan, the performance objectives for the Chairman and CEO are set and reviewed on a half-year basis by Atos Board of Directors upon recommendation of the Nomination and Remuneration Committee. Achievement of the performance criteria and the resulting variable compensation amount have been validated by the Board of Directors during the meetings held on July 24 <sup>th</sup> , 2013 and February 19 <sup>th</sup> , 2014: for the first semester of 2013, the variable bonus of Mr. Thierry Breton, Chairman and CEO, stood at <b>€ 697,275 (103.3%</b> of the semester on-target Bonus), and at <b>€ 644,220 (95.4%</b> of the semester on-target Bonus) for the second semester of 2013.



Compensation Components	Amounts	Comments
<b>Multiannual variable compensation</b>	N/A	Mr. Thierry Breton, Chairman and CEO, receives no variable multiannual compensation.
<b>Director's fees</b>	N/A	Mr. Thierry Breton, Chairman and CEO, has declined to accept his Director's fees.
<b>Fringe benefits</b>	€ 8,215.51	Mr. Thierry Breton, Chairman and CEO, has a company car with driver.
<b>Extraordinary Compensation</b>	N/A	For the year 2013, there is no exceptional compensation due to Mr. Thierry Breton, Chairman and CEO.
<b>Severance Pay</b>	N/A	There is no "golden hello" or severance pay of any kind (golden parachutes, non-compete clauses etc.)
<b>Grant of Stock-options and/or Performance Shares</b>	No stock-option Grant ~ Grant of 45,000 Performance Shares Shares valuation € 2,250,773 Share valuation method is the fair value determined according to IFRS 2 method recognized by the consolidated accounts.	<p>The total compensation in equities, as from January 1<sup>st</sup>, 2013, has been set by the Board of Directors on May 30<sup>th</sup>, 2012, upon the recommendation of the Nomination and Remuneration Committee.</p> <ul style="list-style-type: none"> <li>• During 2013, Mr. Thierry Breton, Chairman and CEO, was not granted any stock options.</li> <li>• On July 24<sup>th</sup>, 2013, the Board of Directors granted 45,000 Performance Shares to the Chairman and CEO, valued at € 2,250,773 according to the IFRS 2 method recognized by the consolidated accounts of the Company. This amount takes into account the recommendations of the AFEP-MEDEF Corporate Governance Code regarding the executive officer, as well as elements of the Chairman and CEO's remuneration to three years as approved by the decision of the Board of Directors on May 30<sup>th</sup>, 2012.</li> </ul> <p>In its analysis, the Board of Directors, upon recommendation of the Nomination and Remuneration Committee, considered the following elements:</p> <ul style="list-style-type: none"> <li>• the grant of 45,000 Performance Shares to Atos Chairman and CEO represents approximately 6% of the total number of shares allocated, and 0.05% of the share capital of the Company on July 1<sup>st</sup>, 2013;</li> <li>• the number of shares granted to the CEO in July 2013 is an equity compensation of approximately 45% of the total target compensation.</li> </ul> <p>The definitive acquisition of the Performance Shares granted under this plan is subject to the achievement of the following cumulative performance conditions:</p> <ul style="list-style-type: none"> <li>• Group Free Cash Flow before acquisition/disposal and variation of equity and dividends for 2013 and for 2014 (above or equal to 85% of the amount disclosed in the Group Budget for the concerned year, or, above or equal to the previous year's results +10%);</li> <li>• Group Operating Margin for 2013 and for 2014 (above or equal to 85% of the amount disclosed in the Group Budget for the concerned year, or, above or equal to the previous year's results +10%);</li> <li>• Social and Environmental Responsibility criteria in 2013 and in 2014 (Obtaining the GRI Rating A, or being part of the European or Worldwide Dow Jones Sustainability Index).</li> </ul> <p>The definitive acquisition of the Performance Shares will take place on the second anniversary of the grant date (subject to compliance with the presence condition); beneficiaries will also be required to hold their acquired shares for a period of two years after that date.</p> <p>It has also been decided by the Board of Directors that the Chairman and CEO is subject to a conservation obligation of 15% of the Performance Shares granted for the duration of his mandate.</p>
<b>Defined Benefit Supplementary Pension scheme</b>	Does not apply	<p>The Chairman and CEO benefits from the supplementary pension plan reserved for members of the Group's Executive Committee. The beneficiary group is thus wider than the inner circle of Executive Directors.</p> <p>The benefit of this scheme is subject to a presence condition within the Atos Group upon the liquidation of pension's rights in accordance with the article L. 137-11 of the French Social Security Code.</p> <p>The amount of the additional pension benefit corresponds to the difference between 1% of the reference remuneration per full calendar quarter of seniority recognized by the plan (with a maximum of 60 quarters) and the annual amount of pension benefits paid by the legal, complementary and supplementary pension's plans. It is stated that a newcomer to the plan who is over 50 years old (e.g. aged 50 + n-years) receives a benefit based on n-years of contributions, up to a maximum of 5 years. Practically, a minimum of 10 years of cumulated seniority recognized by the plan is required to receive benefits under this plan, with a maximum of 15 years.</p> <p>The reference remuneration is the fixed remuneration (disregarding variable remuneration or any other additional compensation).</p> <p>Each year of seniority under this plan allows the acquisition of a percentage of rights equal to 4% of the sole fixed remuneration which is, in fact, 2% of the fixed remuneration plus the variable on-target remuneration for the Chairman and CEO.</p> <p>The reference to the fixed remuneration was preferred to the total compensation (fixed + variable) in order to prevent windfall effects and to allow a greater predictability of accrual amounts.</p> <p>In any event, the rules for calculating the rights acquired under this scheme will prevent the Chairman and CEO from receiving an annual pension of an amount exceeding 45% of his average annual compensation during the period of membership in this plan (actual fixed and variable remunerations) and will prevent the potentially acquired rights in respect of each year of membership in this scheme from exceeding 5% of his remuneration for the relevant year (actual fixed and variable remunerations).</p> <p>The implementation of the Pension Plan of the Executive Committee members for the benefit of the present Chairman and CEO was authorized by the Board of Directors on March 26, 2009, was approved by the General Assembly on May 26, 2009 under the 4<sup>th</sup> resolution, and confirmed by the Board of Directors on December 17, 2009.</p>



### G.5.3 Board of Directors report to the Ordinary General Meeting on the transaction on the shares of the Company

Dear Shareholders,

We hereby inform you that the following transactions have been made on the Company's shares by the Company's executive officers and Directors and senior managers during 2013:

Name	Number of shares purchased	Number of shares sold	Date	Purchase price/ Sale price (in euros)	
Patrick Adiba	1,700		06/17/2013	20.64	
		1,700	06/17/2013	54.8528	
	1,700		06/17/2013	24.57	
		1,700	06/17/2013	54.8528	
	13,000		09/10/2013	54.14	
		13,000	09/10/2013	58	
	8,323		11/27/2013	20.64	
		6,954	11/27/2013	62.0024	
	8,323		11/27/2013	24.57	
		6,954	11/27/2013	62.0024	
	8,323		11/27/2013	29.49	
		6,953	11/27/2013	62.0023	
	12,023		11/28/2013	20.64	
		10,046	11/28/2013	62.06	
Thierry Breton	1,550		06/10/2013	18,4	
		1,550	06/10/2013	55.4977	
	1,550		06/10/2013	26.4	
		1,550	06/10/2013	55.4977	
	1,550		06/10/2013	22	
		1,550	06/10/2013	55.4977	
	Charles Dehelly	1,550		05/27/2013	22
			1,550	05/27/2013	55
		1,550		05/27/2013	18.40
			1,550	05/27/2013	55
1,550			05/27/2013	26.4	
		1,550	05/27/2013	55	
32,559			11/26/2013	18.4	
		27,118	11/26/2013	62.259	
32,559			11/26/2013	22	
		27,118	11/26/2013	62.2589	
32,558			11/26/2013	26.4	
		27,117	11/26/2013	62.259	
19,273			11/27/2013	18.4	
		16,077	11/27/2013	61.9315	
19,273		11/27/2013	22		
	16,077	11/27/2013	61.9315		
19,274		11/27/2013	26.4		
	16,078	11/27/2013	61.9316		



Name	Number of shares purchased	Number of shares sold	Date	Purchase price/ Sale price (in euros)
Jean Fleming	30		07/31/2013	30
		30	07/31/2013	56.08
	76		07/31/2013	25
		76	07/31/2013	56.08
	485		07/31/2013	35
		485	07/31/2013	56.08
	220		08/16/2013	30
		220	08/16/2013	58.5
		30	08/16/2013	58.88
Lynn Sharp Paine	500		08/27/2013	75.328 <sup>1</sup>
Michel-Alain Proch	33,334		10/28/2013	20.64
		33,334	10/28/2013	59.5579
	16,667		10/28/2013	24.57
		16,667	10/28/2013	59.5579
	19,999		11/27/2013	29.49
	19,999	11/27/2013	61.8928	
Financière Daunou 17 S.A. <sup>2</sup>		8,900,000	11/27/2013	61.25

<sup>1</sup> The transaction was carried out on US OTC Market at the price of \$ 75.328.

<sup>2</sup> Transaction carried out off-market (through an accelerated book building) by Financière Daunou 17 SA, having a close personal link with Michel Paris and Lionel Zinsou-Derlin, Directors of the Company.



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## G.6 Code and charts

### G.6.1 United Nations Global Compact

Since June 2010, Atos has been participating to the United Nations Global Compact, asserting its commitment to the ten principles in the areas of human rights, labor, environment and anti-corruption which enjoy universal consensus. Atos

is fully and proactively committed, both at company and top management level, to conduct its business in accordance with these principles.

### G.6.2 Code of Ethics

In 2010, Atos adopted a new Code of Ethics which covers a wider range of principles: the first principle introduced reminds employees the need to act honestly, impartially and with integrity in their day-to-day work in compliance with the legal framework applicable to each country where Atos conducts its business.

Since January 2011, the Code has been being attached to the employment contract.

In July 2013, Atos launched an e-learning module, explaining the principles of the Code of Ethics. This training is mandatory for all employees, regardless of their position in Atos.

Some specific employees, who are directly concerned by the principles in their day-to-day activity, are trained in classroom by lawyers on the Code of Ethics. Classroom training sessions have been launched throughout the world since the beginning of 2011 (for further information see Section *D.2.1 Compliance*).

In addition, suppliers, partners or third parties who assist Atos in its expansion must formally commit to respecting the principles of the Code. These principles are included in the Supplier Sustainability Charter supplier they must sign.

Atos treats its employees as well as third parties with integrity, based on merits and qualifications prohibiting any form of discrimination.

#### G.6.2.1 No Bribery or Corruption

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Atos refuses any form of corruption or dishonest or illegal practice with the aim to obtain a commercial advantage or other, as well as any money laundering. As participant to the United Nations Global Compact, Atos subscribes to the anti-bribery in "all its

forms, including extortion and bribery". In 2013, Atos launched a new policy related to gifts, invitations and other contributions (for further information see Section *D.2.1 Compliance*).

#### G.6.2.2 Fair competition

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Atos treats its customers, suppliers, partners, intermediaries with respect and shall not take unfair advantage nor practice discriminatory conditions. As a consequence, Atos refuses that its employees or third parties when assisting Atos in developing business take part in an agreement, understanding or concerted

practice which would contravene the applicable laws and regulations concerning anti-competitive practices. In 2013, Atos launched a new policy related to roundtables with competitors (for further information see Section *D.2.1 Compliance*).

#### G.6.2.3 Conflicts of Interest

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Atos undertakes to ensure that all decisions taken by anyone of its employees within the framework of professional duty are taken objectively and impartially, in the interest of Atos and not based on personal interest, whether financial or family. As a

consequence, employees are asked to inform the Company in the event they would be in a situation of conflict of interest with competitors, clients or suppliers of Atos.

### G.6.2.4 Protection of Atos assets - Fraud

The assets owned by Atos which consist in material such as hardware, or intellectual property rights or financial equity are used only for conducting Atos business and pursuant to the law and rules defined by the Group: reporting must be of high

quality, reliable and relevant, translating exactly the activities of the Company. In 2013, Atos launched a new anti-fraud policy (for further information see Section *D.2.1 Compliance*).

### G.6.2.5 Protection of confidentiality and privileged information

Atos protects both its own confidential information and that provided by its customers, suppliers or partners. Moreover, Atos set up rules in order to prevent insider trading and misconduct.

### G.6.3 Other applicable provisions

The Code of Ethics' principles are not the only mandatory provisions applicable within Atos. A standard of policies set up by the different departments and adopted by the Group governs the activities of each employee, who must comply with these

rules regarding delegation of authority, applicable clauses to client and supplier contracts, the selection of potential employees and their training or the selection process for business partners.

### G.6.4 Privileged Information and insider trading

In order to ensure market transparency and integrity in Atos SE securities, the Company aims at providing its investors and shareholders, under conditions that are equal for all, information on its activities and performance. The Company requires

all senior managers or employees having access to critical information to follow the insider trading rules and regulations that can be found in the Prevention guide that was updated on December 20<sup>th</sup>, 2011.

#### Insider trading

The use or disclosure of inside information constitutes a stock market regulation or legal violation which are liable to criminal, regulatory (Autorité des Marchés Financiers, the French Financial Markets Authority) and civil proceedings. Accordingly,

no employee may disclose any inside information to third parties or deal in Atos securities when he or she is in possession of any inside information.

#### Dealing during closed periods

Employees who are likely to have access on a regular basis to privileged information must not deal in Atos SE securities, whether directly or indirectly, during any "closed period", which is defined as six weeks prior to the publication of Atos SE' annual financial statements and four weeks prior to the publication of Atos SE' first semester financial statements or of the financial information concerning the first and third quarters.

The above limitation on dealing in Atos SE securities does not apply to the exercise by employees of stock options granted by Atos SE. The limitation does apply however to the sale of resulting shares.



## Hedging of stock-options and performance shares

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All staff members are prohibited to put in place, by means of derivatives or otherwise, hedging operations (right to purchase or sell at a certain price or any other terms and conditions) against Atos SE stock price changes from their exposure to the potential value of:

- stock-options they are entitled to until the beginning of such options' exercise period;
- performance shares they were awarded, during acquisition and blocking periods.

### G.6.5 Internal rules and charter of Board of Directors

The Board of Directors has approved Internal Rules that were updated during its meeting held on December 19<sup>th</sup>, 2013 and to which is attached a Charter of the Board of Directors and a Guide to the prevention of insider trading. The Charter of the Board of Directors summarizes the mission and obligations of the members of the Board of Directors. This Charter covers in

particular the following points: prohibition to hold a corporate office and an employee contract, company interests, attendance, diligence, loyalty, independence, confidentiality, trading in the Group's shares, conflicts of interest, information of members. The following paragraphs are extracted from the Charter of the Atos SE Board of Directors.

## Appointment

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Before accepting their mandate, each Director must be aware of his rights and obligations binding upon him. In particular, he/she must acknowledge the applicable laws and regulations applicable to his/her office, the provisions of the Articles of Association of the Company, the Internal Rules of the Board of

Directors, the Charter of the Board of Directors and the Guide to the prevention of insider trading. Directors must own in their own name at least five hundred nominative shares and, if they do not own such shares at appointment, they must acquire them within three months of their date of appointment.

## Directorship and Employment are mutually exclusive

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A senior manager who becomes an executive Officer or Director of the Company shall undertake to terminate his or her employment contract with the Company (if such employment

contract exists), either by contractual termination or by resignation. This provision obviously does not apply to the Director representing the employee shareholders.

## Defending the interests of the Company

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Each Director represents all shareholders and must act at all times in their interest and in the interest of the Company. He or she must warn the Board of Directors of any event brought

to his or her attention that he or she deems, could affect the interests of the Company.

## Conflicts of interest

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The Director strives to strictly avoid any conflict that may arise between his or her own moral and material interests and those of the Company. Directors must inform the Board of Directors of any actual or potential conflict of interest that they are aware of. He/She must strictly refrain from participating in discussions and decisions on such matters where he or she should be in a situation of a conflict of interest.

A conflict of interest arises when a Director or a member of his or her family could personally benefit from the way the Company's business is conducted, or could maintain a relationship of any kind with the Company, its affiliates or its management that could compromise the Director's judgment (particularly as a client, supplier, business banker, legal representative).



## Acceptance of new social mandates

The internal rules of the Board of Directors provide that the Chairman and Chief Executive Officer seeks the Board of

Directors' opinion before accepting new social mandate in a listed company, whether French or foreign, outside the Group.

## Attendance - Diligence

By accepting their mandate, each Director agrees to spend the necessary amount of time and care in performing their duties. Unless prevented from doing so, each Director must attend all Board meetings and the meetings of all Board Committees to which they belong. He or she shall keep informed about the work and specifics of the Company, including its stakes and values, by inquiring, if necessary, its management. He or she

shall make a point of keeping updated on the knowledge that enables him or her to perform his or her functions.

The Director shall request any documents that he or she considers essential to be able to deliberate on the issues on the agenda. If a Director considers that he or she does not have full knowledge of the facts, it is his or her duty to inform the Board and to demand any essential information.

## Loyalty

Each Director is under an obligation of loyalty towards the Company. He or she shall not take any initiative that could harm the interests of the Company or other companies or entities within the Atos Group and shall act in good faith in all circumstances. He or she shall not take on any responsibilities

on a personal basis in any company or business practicing any activities in direct competition with those of the Company without prior approval of the Chairman of the Board of Directors and of the Chairman of the Nomination and Remuneration Committee.

## Independence

The Director carries out his or her functions in complete independence. He or she undertakes to preserve in all circumstances, his or her independence of analysis, judgment, decision and action. He or she does not tolerate being influenced

by any factor outside of the corporate interest, which he or she undertakes to protect. He or she commits to inform the Board of any known issue which appears to be of such a nature as to affect the interest of the Company.

## Confidentiality

The Directors are required to uphold professional secrecy, which exceeds the mere obligation of discretion provided for in the law, in regards to any information gathered during or outside of the Board of Directors' meetings. They commit to keep

strictly confidential any information that has not been publicly disclosed, of which they have been informed or become aware during their mandate, as well as the contents of discussions and votes of the Board of Directors and of its Committees.

## Inside information and trading in the Company's securities

Directors shall strictly refrain from using any privileged information he or she has access to, to his or her personal advantage or to the advantage of anyone else. He or she may not trade in the Company's securities other than in compliance with legal and regulatory provisions. He or she commits to

comply with the "Guide to the prevention of insider trading" approved by the Board of Directors. Board members must inform the Autorité des Marchés Financiers (French Financial Markets Authority), in accordance with applicable rules, of any dealings in the securities of the Company.



## G.7 Common stock evolution and performance

### G.7.1 Basic data

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

#### G.7.1.1 Information on stock

Number of shares:	98,165,446
Sector classification:	Information Technology
Main index:	CAC All Shares
Other indices:	CAC IT, CAC IT20, CAC Next20, Euronext 100, SBF120
Market:	NYSE Euronext Paris Compartiment A
Trading place:	Euronext Paris (France)
Tickers:	ATO (Euronext)
Code ISIN:	FR0000051732
Payability PEA/SRD:	Yes/Yes

The main tickers are:

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

The Euronext sector classification is as follows:

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

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

The shares are also components of the following indices:

Index	Type	Code ISIN	Market Place
Euronext (Compartiment A)	Global Europe		Paris-Amsterdam-Brussels-Lisbon
Euronext CAC 70	Global Europe		Paris-Amsterdam-Brussels-Lisbon
Euronext 100	Global Europe	FR0003502079	Paris-Amsterdam-Brussels-Lisbon
SBF 80	Global	FR0003999473	Paris PX8
SBF 120	Global	FR0003999481	Paris PX4
SBF 250	Global	FR0003999499	Paris PX5
CAC IT20	Sector	QS0010989091	Paris CIT20
CAC IT	Sector	FR0003501980	Paris PXT
DJ Euro Stoxx Techno	Sector	EUR0009658541	Germany-Xetra SX8E
CAC Technology	Sector	QS0011017827	Paris
CAC Software & Computer Services	Sector	FR0000051732	Paris

Sustainable development: ASPI Eurozone, FTSE4Good, Europa EMP 100 Europa CAP 100, ECPI Ethical Index Euro.

## G.7.1.2 Free Float

The free-float of the Group shares exclude stakes held by the reference shareholders, namely the two main shareholders, Financière Daunou 17 (PAI Partners) holding 9.6% of the share capital as at December 31<sup>st</sup>, 2013, and Siemens AG holding a stake of 12.7% of the share capital which it committed to keep until June 30<sup>th</sup>, 2016.

No other reference shareholder has announced its will to maintain a strategic shareholding in the Group's share capital. Stakes owned by the employees and the management, are also excluded from the free float.

As at December 31 <sup>st</sup> , 2013	Shares	% of share capital	% of voting rights
Treasury stock	36,155	0.0%	-
PAI Partners	9,399,376	9.6%	9.6%
Siemens	12,483,153	12.7%	12.7%
Board of Directors	49,024	0.0%	0.0%
Employees	1,688,640	1.7%	1.7%
Free float	74,509,098	75.9%	75.9%
<b>TOTAL</b>	<b>98,165,446</b>	<b>100.0%</b>	<b>100.0%</b>

## G.7.2 Stock ownership

Principal changes in the ownership of the Group's shares in the past three years have been as follows:

	December 31 <sup>st</sup> , 2013		December 31 <sup>st</sup> , 2012		December 31 <sup>st</sup> , 2011	
	Shares	%	Shares	%	Shares	%
PAI Partners	9,399,376	9.6%	18,077,790	21.1%	17,855,541	21.4%
Siemens	12,483,153	12.7%	12,483,153	14.6%	12,483,153	14.9%
FMR Llc (Fidelity)	-	-	-	-	4,121,717	4.9%
Board of Directors	49,024	0.0%	18,042	0.0%	15,640	0.0%
Employees	1,688,640	1.7%	1,762,583	2.1%	1,820,548	2.2%
Treasury stock	36,155	0.0%	137,193	0.2%	202,370	0.2%
Public	74,509,098	75.9%	53,224,669	62.1%	47,067,799	56.3%
<b>TOTAL</b>	<b>98,165,446</b>	<b>100.0%</b>	<b>85,703,430</b>	<b>100.0%</b>	<b>83,566,768</b>	<b>100.0%</b>

The Group's shares which are owned by employees are mainly managed by Group mutual funds. As at December 31<sup>st</sup>, 2013, the shareholding of current and former Atos Group employees into Atos SE (within mutual funds and group savings plan) represented an overall 1.7% of the share capital.

The treasury stock evolution is described below in section G.7.7.6 *Treasury stock and liquidity contract*.

The threshold crossings which took place in 2013 are described in section G.7.7.3 *Threshold crossings*.



### G.7.3 Dividend policy

During its meeting held on February 18<sup>th</sup>, 2014, the Board of Directors decided to propose at the next Ordinary General Meeting of shareholders the payments in 2014 of a dividend of € 0.70 per share on the 2013 results.

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

Fiscal period	Dividend paid per share (in €)
2012	€ 0.60
2011	€ 0.50
2010	€ 0.50

### G.7.4 Shareholder Documentation

In addition to the Registration Document, which is published in English and French, the following information is available to shareholders:

- a half year report;
- quarterly revenue and operational review;

- regular press releases, regulated information and general Group's information, available through the Atos website at [www.atos.net](http://www.atos.net).

### G.7.5 Financial calendar

April 17<sup>th</sup>, 2014 First quarter 2014 Revenue  
May 27<sup>th</sup>, 2014 Annual General Meeting  
July 29<sup>th</sup>, 2014 First half 2014 Results  
October 24<sup>th</sup>, 2014 Third quarter 2014 Revenue

### G.7.6 Contacts

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

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

Tel: +33 (0) 1 73 26 00 66  
[gilles.arditti@atos.net](mailto:gilles.arditti@atos.net)

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

## G.7.7 Common stock

### G.7.7.1 At December 31<sup>st</sup>, 2013

As at December 31<sup>st</sup>, 2013, the Group's issued common stock amounted to € 98.1 million divided into 98,165,446 fully paid-up shares of € 1.00 par value each.

Compared to December 31<sup>st</sup>, 2012 share capital, the share capital was increased by the issuance of 12,462,016 new shares, split as follows:

- 2,509,900 new shares resulting from the exercise of stock options;
- 1,000 new shares resulting from the vesting of performance shares;
- 702,606 new shares resulting from the payments of the 2012 dividend in shares;
- 5,571,852 new shares resulting from the early redemption of 2009 Convertible Bonds (OCEANEs);
- 3,676,658 new shares resulting from the early redemption of 2011 Convertible Bonds (OCEANEs).

### G.7.7.2 Over the 5 last five years

Year	Change in common stock	Date	New shares	Total number of shares	Common stock	Additional paid in capital	New common stock
					(in € million)		
2009	Exercise of stock options	12/31/2009	3,009	69,720,462	0.0	0.1	69.7
2010	Exercise of stock options	03/31/2010	10,250	69,730,712	0.0	0.3	69.7
	Exercise of stock options	06/30/2010	10,526	69,741,238	0.0	0.2	69.7
	Exercise of stock options	09/30/2010	72,870	69,814,108	0.1	1.5	69.8
	Exercise of stock options	12/31/2010	99,969	69,914,077	0.1	2.2	69.9
2011	Exercise of stock options	03/31/2011	62,524	69,976,601	0.1	1.4	70.0
	SIS Acquisition	07/01/2011	12,483,153	82,459,754	12.5	401.7	82.5
	Exercise of stock options	10/04/2011	128,716	82,588,470	0.1	2.9	82.6
	Capital increase for employees	12/14/2011	950,468	82,538,938	1.0	25.9	82.5
	Exercise of stock options	12/30/2011	27,830	83,566,768	0.0	0.7	83.6
2012	Exercise of stock options	04/02/2012	180,732	83,747,500	0.1	4.4	83.7
	Exercise of warrants	05/30/2012	30,093	83,777,593	0.03	1.1	83.8
	Payment of the dividend with shares	06/29/2012	676,014	84,453,607	0.6	26.4	84.5
	Exercise of stock options	06/29/2012	141,347	84,594,954	0.1	3.8	84.5
	Exercise of stock options	10/01/2012	345,060	84,940,014	0.3	11.3	84.9
	Capital increase for employees	12/12/2012	570,510	85,510,524	0.5	22.8	85.5
	Exercise of stock options	12/31/2012	192,906	85,703,430	0.2	6	85.7
	2013	Exercise of stock options	03/31/2013	349,226	86,052,656	0.3	13.2
Vesting of performance shares		03/31/2013	1,000	86,053,656	0.0	0.0	86.0
Payment of the dividend in shares		06/21/2013	702,606	86,756,262	0.7	33.7	86.7
Exercise of stock options		07/01/2013	354,741	87,111,003	0.4	9.8	87.1
Exercise of stock options		09/30/2013	536,902	87,647,322 <sup>1</sup>	0.5	21.9	87.6
Early redemption of 2009 Convertible Bonds (OCEANEs)		09/30/2013	103	87,647,425	0.0	0.004	87.6
Early redemption of 2009 Convertible Bonds (OCEANEs)		10/18/2013	5,571,749	93,219,174	5.6	247.6	93.2
Early redemption of 2011 Convertible Bonds (OCEANEs)		12/18/2013	3,676,658	96,895,832	3.7	166.1	96.9
Exercise of stock options	12/31/2013	1,269,614	98,165,446	1.2	50.6	98.1	

<sup>1</sup> The amount of the common stock pursuant to this exercise of stock options takes into account the acknowledgment of the cancellation of an exercise of 583 stock-options made in February 2013.

A total of 2,509,900 stock options were exercised during the period, representing 33.3% of the total number of stock options at December 31<sup>st</sup>, 2012.

### G.7.7.3 Threshold crossings

During 2013, the Group was informed of:

- on November 21<sup>st</sup>, 2013, the downward threshold crossing by Financière Daunou 17 S.A., of the statutory threshold of 15% of the share capital and voting rights. The crossing resulted from the disposal by Financière Daunou 17 S.A. of a block of 8.9 million shares through an accelerated book building. On November 30<sup>th</sup>, 2013, Financière Daunou 17 S.A. also crossed downwards the statutory threshold of 10% of the share capital and voting rights which was subsequently reported for the purpose of regularization. As of December 31<sup>st</sup>, 2013, Financière Daunou 17 S.A. held 9.58% of the share capital and voting rights of Atos SE;
- on November 21<sup>st</sup>, 2013, the upward threshold crossing by BlackRock Inc., acting on behalf of clients and funds which it manages, of the statutory threshold of 5% of the share capital and voting rights of the Company, resulting from the acquisition of shares on the market;
- on December 16<sup>th</sup>, 2013, an upward shareholding threshold crossing by Siemens Aktiengesellschaft (Siemens group), of the statutory thresholds of 5% and 10%. The crossing resulted from the purchase by Siemens Aktiengesellschaft of the 12,483,153 Atos SE shares from Siemens Beteiligungen pursuant to a reorganization of the holding of Atos SE shares within the Siemens group. As of December 31<sup>st</sup>, 2013, Siemens Aktiengesellschaft held 12.72% of the share capital and voting rights of Atos SE.

Name of entity notifying the threshold crossing	Date of reporting	Shares	% of share <sup>1</sup>	% of voting rights <sup>2</sup>
Financière Daunou 17 S.A.	November 26 <sup>th</sup> , 2013	9,399,376	10.03%	10.03%
BlackRock Inc.	November 26 <sup>th</sup> , 2013	4,794,287	5.12%	5.12%
Financière Daunou 17 S.A.	December 6 <sup>th</sup> , 2013	9,399,376	9.97% <sup>3</sup>	9.97%
Siemens Aktiengesellschaft	December 16 <sup>th</sup> , 2013	12,483,153	13.24%	13.24%

<sup>1</sup> Percentage of the share capital on that date of threshold crossing.

<sup>2</sup> In percentage of the share capital including treasury shares on that date pursuant to article 223-11 al. 2 of the *Règlement Général de l'Autorité des Marchés Financiers* (French Financial Markets Authority General Regulations).

<sup>3</sup> Passive downward threshold crossing on November 30<sup>th</sup>, 2013.

The Company was not informed of any other statutory threshold crossing, in accordance with article L. 233-7 of the Commercial Code, in 2013.

### G.7.7.4 Voting rights

Voting rights are in the same proportion as shares held. No shares carry double voting rights.

### G.7.7.5 Shareholders' agreements

The Group has not received notice of any shareholder agreements for filing with the stock exchange authorities and, to the best knowledge of the Group management, no other "action de concert" (shareholder agreements) or similar agreements exist.

On the occasion of the acquisition by the Company from Siemens of Siemens' former subsidiary SIS, the Siemens group

committed to keep its shareholding in the Company, amounting to 12,483,153 shares, until June 30<sup>th</sup>, 2016.

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

### G.7.7.6 Treasury stock and liquidity contract

#### Treasury Stock

As at December 31<sup>st</sup>, 2013, the Company owned 36,155 shares which amounted to 0.04% of the share capital with a portfolio value of € 2,378,637.45, based on December 31<sup>st</sup>, 2013 market price, and with book value of € 2,281,469.89. These shares were purchased within the frame of a share buyback program initiated in September 2013 and were assigned to the allocation of shares to employees or Executive Officers and Directors of the Company or its group, and correspond to the hedging of its undertakings under the performance shares plans.

The Company proceeded with the following transfers of treasury shares in 2013:

- on October 29<sup>th</sup>, 2013, a transfer of 21,003 shares in connection with a settlement agreement with a former employee;
- on December 10, a transfer of 1,302,422 shares in connection with the settlement of the early redemption of a first block of Convertible Bonds (OCEANE 2011);

- on December 18, a transfer of 469,890 shares in connection with the settlement of the early redemption of a second block of Convertible Bonds (OCEANE 2011);
- on December 23, a transfer of 215,000 shares in connection with the vesting of performance shares granted pursuant to the plan dated December 22<sup>nd</sup>, 2011.

### Liquidity Contract

By Contract dating February 13, 2006, Atos SE entrusted Rothschild & Cie Bank, for a one-year period, renewable by

The transactions carried out in 2013 under the liquidity contract are as follows:

Cumulated gross flows as at December 31 <sup>st</sup> , 2013	Cumulated Purchases	Cumulated Sales
Number of Shares	1,151,909	1,151,909
Average Sale/Purchase price	56.1118	56.1597
Total Amount of Purchases/Sales	64,635,658.28	64,690,857.94

### Legal Framework

The 12<sup>th</sup> resolution of the Combined General Meeting of May 29<sup>th</sup>, 2013, as amended by the second resolution of the General Meeting of December 27<sup>th</sup>, 2013, renewed in favor of the Board of Directors, the authorisation to trade in the Group's shares, in connection with the implementation of a share buyback program. The number of shares purchased may not exceed 10% of the share capital of the Company, at any moment in time, such percentage applying to a capital adjusted in accordance with the operations which shall have an effect on the share capital subsequently to the General Meeting, it being specified that in the case of shares purchased within a liquidity contract, the number of shares taken into account to determine the 10% limit shall correspond to the number of shares purchased from which shall be deducted the number of shares resold during the duration of the authorisation.

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

- to keep them and subsequently use them for payment or exchange in relation to possible external growth operations, in accordance with market practices accepted by the Autorité des Marchés Financiers (French Financial Market Authority), it being specified that the maximum amount of shares acquired by the Company to this end shall not exceed 5% of the share capital;
- to ensure liquidity and an active market of the Company's shares through an investment service provider acting independently pursuant to a liquidity contract, in accordance with the professional conduct charter accepted by the Autorité des Marchés Financiers (French Financial Market Authority);
- to attribute or sell these shares to the Executive Officers and Directors or to the employees of the Company and/or to the current or future affiliated companies, under the conditions and according to the terms set by applicable legal and regulatory provisions in particular in connection with (i) profit-sharing plans, (ii) the share purchase option regime laid down under articles L. 225-177 et seq. of the Commercial

Code, with the implementation of a liquidity contract compliant with the Deontology Charter of the AMAFI. € 15 million were originally allocated for this purpose to the implementation of this contract. On July 1<sup>st</sup>, 2012, an amendment to the liquidity contract dated February 13, 2006 was signed, under which the Company decided to make an additional cash contribution of € 10 million in order to allow Rothschild & Cie Banque to ensure the continuity of the interventions under the contract.

Code, and (iii) the free share issuance regime established by articles L. 225-197-1 et seq. of the Commercial Code and (iv) a company savings plan, as well as to carry out all hedging operations relating to these operations, under the terms and conditions laid down by market authorities and at such times as the Board of Directors or the person acting upon its delegation so decides;

- to remit the shares acquired upon the exercise of rights attached to securities giving the right, whether immediate or deferred, by reimbursement, conversion, exchange, presentation of a warrant or any other way, to the attribution of shares of the Company, as well as to carry out all hedging operations in relation to the issuance of such securities, under the terms and conditions laid down by market authorities and at such times as the Board of Directors or the person acting upon its delegation so decides, or;
- to cancel them as a whole or in part through a reduction of the share capital pursuant to the thirteenth resolution of the Combined General Meeting held on May 29<sup>th</sup>, 2013;
- to transfer the shares acquired to the Dutch employee pension fund called Stichting Pensioenfonds Atos, with registered address located in Utrecht, the Netherlands, in connection with the settlement agreement (Run-off and Settlement Agreement) entered into between the Company and its subsidiary Atos Nederland B.V., either via Atos Nederland B.V. or directly, it being specified that in this latter case, the payment will be made by the Company on behalf of its subsidiary Atos Nederland B.V. pursuant to a delegation of payment or any other mechanism.

The maximum purchase price per share may not exceed € 81.99 (fees excluded).

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

As a result, the maximum amount of funds assigned to the share repurchasing program amounts to € 702,682,422.57 as calculated on the basis of the share capital as at December 31<sup>st</sup>, 2012.

This authorization was granted for a period of eighteen (18) months as from May 29<sup>th</sup>, 2013.

**Description of the share buy-back program submitted to approval of the General Meeting of May 27<sup>th</sup>, 2014:**

In connection with the share buy-back program (and within the limit of 10% of the share capital), it is proposed to renew, during the General Meeting of May 27<sup>th</sup>, 2014, the authorization to repurchase shares which was granted during the General Meeting of May 29<sup>th</sup>, 2013, for 18 months, and which will expire on November 29<sup>th</sup>, 2014.

In accordance with the Règlement Général of the Autorité des Marchés Financiers (General Rules of the French Financial Market Authority) (articles 241-1 to 241-7) and with article L. 451-3 of the French Monetary and Financial Code, this description of program is aimed at detailing the objectives and the terms and conditions of the new share buy-back program by Atos SE (the "Company") which will be subject to authorization by the General Meeting of shareholders of May 27<sup>th</sup>, 2014.

The aims of this program are:

- to keep the shares or subsequently use them for payment or exchange in relation to possible external growth operations, in accordance with the market practices accepted by the Autorité des Marchés Financiers (French Financial Market Authority), it being specified that the maximum amount of shares acquired by the Company to this end shall not exceed 5% of the share capital;
- to ensure liquidity and an active market of the Company's share through an investment service provider acting independently pursuant to a liquidity contract, in accordance with the professional conduct charter accepted by the Autorité des Marchés Financiers (French Financial Market Authority);
- to attribute or sell these shares to the Executive Officers and Directors or to the employees of the Company and/or to the current or future affiliated companies, under the conditions and according to the terms set by applicable legal and regulatory provisions in particular in connection with (i) profit-sharing plans, (ii) the share purchase option regime laid down under articles L. 225-179 to L. 225-197-3. of the Commercial Code, and (iii) the free share issuance regime established by articles L. 225-197-1 to L. 225-197-3 of the Commercial Code and (iv) a company savings plan, as well as to carry out all hedging operations relating to these operations, under the terms and conditions laid down by market authorities and at such times as the Board of Directors or the person acting upon its delegation so decides;
- to remit the shares acquired upon the exercise of rights attached to securities giving the right, whether immediate or deferred, by reimbursement, conversion, exchange, presentation of a warrant or any other way, to the attribution of shares of the Company, as well as to carry out all hedging operations in relation to the issuance of such securities, under the terms and conditions laid down by market authorities and at such times as the Board of Directors or the person acting upon its delegation so decides, or;
- to cancel these shares as a whole or in part through a reduction of the share capital;
- to transfer the shares acquired to the Dutch employee pension fund called Stichting Pensioenfonds Atos, with registered address located in Utrecht, the Netherlands, in connection with the settlement agreement (Run-off and Settlement Agreement) entered into between the Company and its subsidiary Atos Nederland B.V., either via Atos Nederland B.V. or directly, it being specified that in this latter case, the payment will be made by the Company on behalf of its subsidiary Atos Nederland B.V. pursuant to a delegation of payment or any other mechanism.

The acquisitions, sale, transfers or exchange of shares may be done by all means, according to the regulations in force by one or more installments, on a regulated market, on a multilateral trading facility, via a systematic internaliser, or by mutual agreements, in particular by public offer or block transactions (that may amount to the whole of the program), and where required, by using derivative financial instruments (traded on a regulated market, on a multilateral trading facility, a systematic internaliser, or by mutual agreements), or warrants or securities giving right to Company's shares or by the setting up of optional strategies such as purchasing or selling purchase or sale options, or by issuing financial instruments that give rights through conversions, exchange, reimbursement, exercise of a bond of any other way, to the Company's shares owned by the latter, and at such times as the Board of Directors or the person acting upon its delegation, under the conditions provided by law, may determine, in accordance with applicable legal and regulatory provisions.

The maximum purchase price is set at € 97 per share and the number of actions which may be acquired is 10% (theoretically 9,816,544 shares as calculated on the basis of the share capital as at December 31<sup>st</sup>, 2013). This maximum amount can be adjusted to take into account the share capital amount on the day of the General Meeting.

As from its authorization by the General Meeting of May 27<sup>th</sup>, 2014, this program will be in force until the next Annual General Meeting ruling on the 2014 financial year accounts without exceeding a maximum duration of 18 months, i.e. until November 27<sup>th</sup>, 2015.



## G.7.7.7 Potential common stock

### Potential dilution

Based on 98,165,446 shares in issue, the common stock of the Group could be increased by 6,227,543 new shares, representing 6.0% of the common stock after dilution. This dilution could occur with the exercise of all stock subscription options granted to employees or through the acquisition of performance shares as follows:

(in shares)	December 31 <sup>st</sup> , 2013	December 31 <sup>st</sup> , 2012	Change	% dilution
<b>Number of shares outstanding</b>	<b>98,165,446</b>	<b>85,703,430</b>	<b>12,372,016</b>	
From convertible bonds 2009	0	5,533,872	-5,533,872	0.0%
From convertible bonds 2011	0	5,447,078	-5,447,078	0.0%
From stock subscription options	5,015,053	7,542,180	-2,527,127	4.8%
Performance shares	1,212,490	967,300	245,190	1.2%
<b>Potential dilution</b>	<b>6,227,543</b>	<b>19,490,430</b>	<b>-13,262,887</b>	<b>6.0%</b>
<b>TOTAL POTENTIAL COMMON STOCK</b>	<b>104,392,989</b>	<b>105,193,860</b>	<b>800,871</b>	

On the total of 5,015,053 of stock options, no option had a price of exercise higher than € 65.79 (year-end stock price at December 31<sup>st</sup>, 2013).

### Stock options evolution

<b>Number of stock subscription options at December 31<sup>st</sup>, 2012</b>	<b>7,542,180</b>
Stock subscription options granted in 2013	0
Stock subscription options exercised in 2013	-2,509,900
Stock subscription options cancelled in 2013	-7,771
Stock subscription forfeited in 2013	-9,456
<b>Number of stock subscription options at December 31<sup>st</sup>, 2013</b>	<b>5,015,053</b>

The weighted average strike price of the above-mentioned options is summarized in the table below:

	December 31 <sup>st</sup> , 2013	Weighted average strike price (in €)	Value (in € million)	% total stock options
Strike price from € 10 to € 20	345,521	18.40	6.4	7%
Strike price from € 20 to € 30	1,456,112	24.81	36.1	29%
Strike price from € 30 to € 40	515,842	33.34	17.2	10%
Strike price from € 40 to € 50	1,006,836	47.77	48.1	20%
Strike price from € 50 to € 60	1,690,742	57.49	97.2	34%
<b>TOTAL STOCK OPTIONS</b>	<b>5,015,053</b>	<b>40.87</b>	<b>205.0</b>	<b>100%</b>

	December 31 <sup>st</sup> , 2013	Weighted average strike price (in €)	Value (in € million)	% total stock options
Already exercisable end of 2013	4,965,053	40.93	203.2	99%
Exercisable in 2014	50,000	34.73	1.7	1%
<b>TOTAL STOCK OPTIONS</b>	<b>5,015,053</b>	<b>40.87</b>	<b>205.0</b>	<b>100%</b>

At the end of 2013, the weighted average strike price of stock options granted to employees was € 40.87 (+1.6% compared to € 40.22 at the end of December 2012).

**Current authorizations to issue shares and other securities**

Pursuant to the resolutions adopted by the General Meetings of May 30<sup>th</sup>, 2012 and May 29<sup>th</sup>, 2013, the following authorizations to issue shares and other securities are in force:

Authorization (in €)	Authorization amount (par value)	Use of the authorizations (par value)	Unused balance (par value)	Authorization expiration date
E.G.M. 05/30/2012 10 <sup>th</sup> resolution Share capital increase with preferential subscription right*	25,000,000	0	25,000,000	07/30/2014
E.G.M. 05/30/2012 11 <sup>th</sup> resolution Share capital increase without preferential subscription right*	12,500,000	0	12,500,000	07/30/2014
E.G.M. 05/30/2012 13 <sup>th</sup> resolution Share capital increase in the event of a Public Exchange Offer*	12,500,000	0	12,500,000	07/30/2014
E.G.M. 05/30/2012 14 <sup>th</sup> resolution Share capital increase to remunerate contribution in kind*	9,941,372	0	9,941,372	07/30/2014
E.G.M. 05/30/2012 16 <sup>th</sup> resolution Share capital increase through incorporation of reserves, benefits or premiums	Maximum amount which may be converted into share capital		n/a	07/30/2014
E.G.M. 05/30/2012 18 <sup>th</sup> resolution Attribution of performance shares to the employees and Executive Officers and Directors	994,137	723,335	270,802	07/30/2015
E.G.M. 05/29/2013 12 <sup>th</sup> resolution Authorization to buyback the Company shares	10% of the share capital adjusted at any moment	1,907,185 as at 12/31/2013	around 8.08% of the share capital	11/29/2014
E.G.M. 05/29/2013 13 <sup>th</sup> resolution Share capital reduction	10% of the share capital adjusted as at the day of the reduction	0	10% of the share capital adjusted as at the day of the reduction	11/29/2014
E.G.M. 05/29/2013 14 <sup>th</sup> resolution Share capital increase reserved to the employees	1,726,285	0	1,726,285	07/29/2015
E.G.M. 05/29/2013 15 <sup>th</sup> resolution Attribution of performance shares to the employees and Executive Officers and Directors	994,137	0	994,137	07/29/2016

\* Any share capital increase pursuant to this resolution would be deducted from the aggregate € 25 million cap set for the 10<sup>th</sup> to 14<sup>th</sup> resolutions by the 15<sup>th</sup> resolution that was adopted by the General Meeting of May 30<sup>th</sup>, 2012.

The number of new authorized shares that may be issued pursuant to the above mentioned delegation of authority (the sixteenth resolution of the General Meeting of May 30<sup>th</sup>, 2012 being set aside) amounts to 27,991,224 representing 28.16% of the share capital updated on December 31<sup>st</sup>, 2013.

**Bonds convertible into and/or exchangeable for new or existing shares (OCEANE)****OCEANES 2009**

On October 21, 2009, the Company issued 5,414,771 bonds convertible into and/or exchangeable for new or existing shares (OCEANE) with a six-year and two-month term, for an aggregate amount of € 249,999,977.07. These bonds had a nominal share value of € 46.17. The bonds were to be redeemed on January 1<sup>st</sup>, 2016 (or the next working day) and were admitted to trading on NYSE Euronext Paris stock exchange under code ISIN FR0010816280.

The Company announced on September 16<sup>th</sup>, 2013, its decision to proceed with the early redemption of all of the outstanding 2009 Convertible Bonds (OCEANE).

The holders of 2009 Bonds had the option, either to convert their 2009 Bonds into Atos SE shares, at the ratio of 1.03 Atos

SE share per 2009 Bond presented, or to receive a cash amount equal to € 47.08708 per 2009 Bond at the latest on October 9<sup>th</sup>, 2013.

The number of 2009 Bonds presented for conversion amounted to 5,409,571, representing 99.9% of total. Pursuant to the Conversion/Exchange ratio of 1.03 Atos SE shares per 2009 Bond, the Company requested the admission on Euronext Paris, with effect as of October 11<sup>th</sup>, 2013, of a first block representing 3,504,195 new shares. A second block corresponding to 2,067,657 new shares was admitted on Euronext Paris with effect as of October 18<sup>th</sup>, 2013. The remaining 5,200 OCEANES 2009 which were not presented for conversion, were redeemed for cash on October 18<sup>th</sup>, 2013 at € 47.08708 per 2009 Bonds (accrued interest included), representing a total amount of € 244,853.

This early redemption initiated by Atos SE allowed the Group to reinforce its equity and to increase its net cash position by € 234 million.

**OCEANES 2011**

On July 1<sup>st</sup>, 2011, the Company issued 5,382,131 bonds convertible into and/or exchangeable for new or existing shares (OCEANE) with a five-year term, for an aggregate amount of € 249,999,985. These bonds had a nominal value of € 46.45.

The bonds were to be redeemed on July 1<sup>st</sup>, 2016 (or the next working day). The subscription of these bonds was reserved to Siemens Beteiligungen Inland GmbH and were not listed on a stock market.

The Company announced on November 15<sup>th</sup>, 2013, its decision to proceed with the early redemption of all of the outstanding 2011 Convertible Bonds (OCEANE). The holders had the option until December 9<sup>th</sup>, 2013, either to convert their 2011 Bonds into Atos SE shares, at the ratio of 1.02 Atos SE share per 2011 Bond presented, or to receive a cash amount equal to € 47.12003 per 2011 Bond.

The number of 2011 Bonds presented for conversion amounted to 5,342,131, representing 99.3% of total. Pursuant to the Conversion/Exchange ratio of 1.02 Atos SE shares per 2011 Bond, the Company proceeded to the delivery of 5,448,970 Atos SE shares as follows:

- admission on Euronext Paris of 3,676,658 new shares of which:
  - a first block representing 1,733,879 new shares with effect as of December 10 , 2013 for 2011 Bonds presented for conversion before November 30<sup>th</sup>, 2013,

- a second block representing 1,942,779 new shares with effect as of December 18<sup>th</sup>, 2013 for 2011 Bonds presented for conversion after November 30<sup>th</sup>, 2013;
- delivery of 1,772,312 Atos SE treasury shares from the share buy-back program carried out over the period from September 18<sup>th</sup>, 2013 to December 17 , 2013 following the early redemption of the 2011 Convertible Bonds, of which:
  - 1,302,422 shares with effect as of December 10<sup>th</sup>, 2013 for 2011 Bonds presented for conversion before November 30<sup>th</sup>, 2013,
  - 469,890 shares with effect as of December 18<sup>th</sup>, 2013 for 2011 Bonds presented for conversion after November 30<sup>th</sup>, 2013.

The remaining 40,000 2011 Bonds which were not presented for conversion, were redeemed for cash on December 18<sup>th</sup>, 2013 at € 47.12003 per 2011 Bonds (accrued interest included), representing a total amount of € 1,884,801.

## G.7.8 Share trading performance

### G.7.8.1 Key figures

	2013	2012	2011	2010	2009
Highest (in €)	67.78	55.90	43.50	40.72	38.46
Lowest (in €)	49.81	34.54	30.24	29.82	16.51
Closing as of December 31 <sup>st</sup> (in €)	65.79	52.81	33.91	39.84	32.09
Average daily volume processed on Euronext platform (in number of shares)	347,532	280,353	294,530	296,552	182,398
Free-float	75.89%	62.1%	61.3%	71.1%	99.1%
Market capitalization as of December 31 <sup>st</sup> (in € million)	6,458	4,426	2,911	2,785	2,237
Enterprise Value as of December 31 <sup>st</sup> * (in € million)	5,553	4,294	3,053	2,925	2,376
EV/revenue	0.64	0.47	0.44	0.58	0.46
EV/OMDA	6.42	5.41	4.71	5.5	4.7
EV/OM	8.61	7.40	7.04	8.7	8.2
P/E (year-end stock price ÷ normalized basic EPS)	13.9	12.5	15.6	12.7	6.9

\* Assuming that (Enterprise Value) = (Net Debt) + (Market Capitalization).



## G.7.8.2 Market capitalization

Based on a closing share price of € 65.79 on December 31<sup>st</sup>, 2013 and 98,165,446 shares in issue, the market capitalization of the Group at December 31<sup>st</sup>, 2013 was € 6,458 million up by +45.91% compared to € 4,526 million at the end of December 2012.

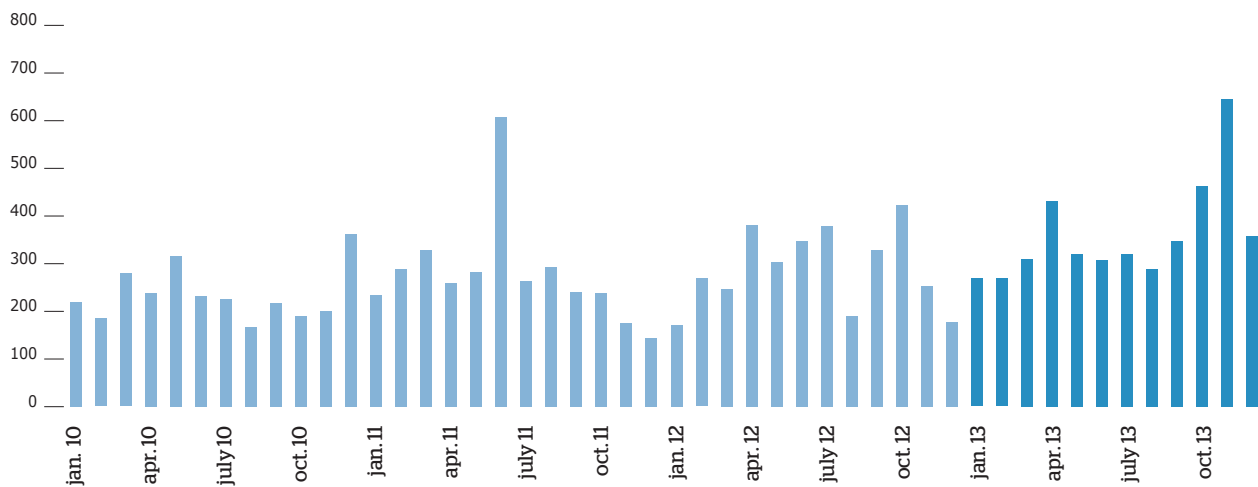
In terms of market capitalization as of December 31<sup>st</sup>, 2013, Atos was ranked 51<sup>st</sup> (vs. 64<sup>th</sup> in 2012) within the SBF 120 index, which includes the largest companies by market capitalization on the Paris exchange.

## G.7.8.3 Traded volumes

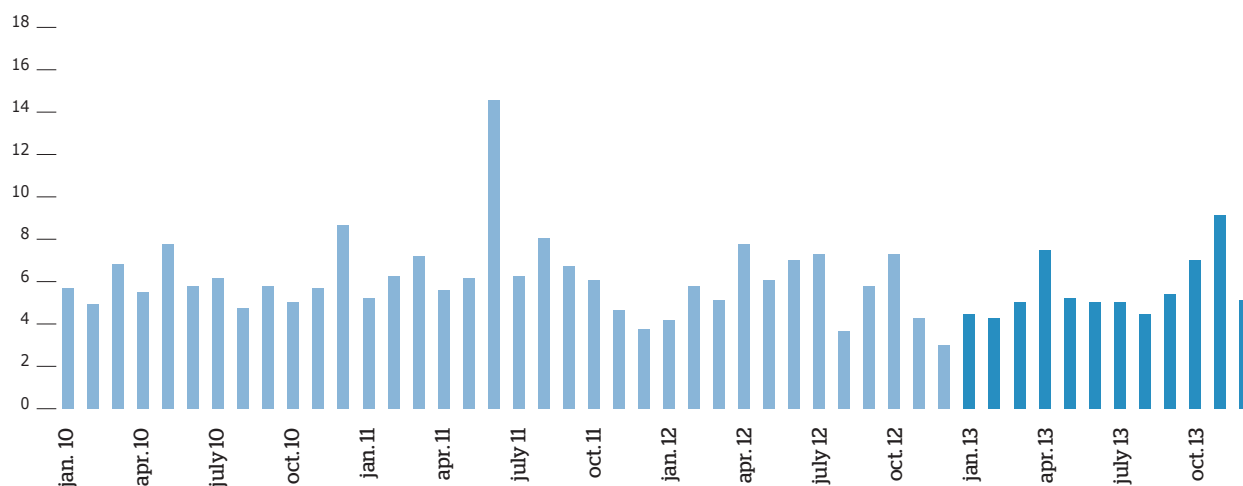
	Trading Volume (including non NSC platform)	
	(in thousands of shares)	(in € million)
1 <sup>st</sup> Quarter 2013	14,800	817
2 <sup>nd</sup> Quarter 2013	18,900	1,019
3 <sup>rd</sup> Quarter 2013	16,000	922
4 <sup>th</sup> Quarter 2013	22,800	1,413
<b>TOTAL</b>	<b>72,500</b>	<b>4,170</b>

In 2013, the average daily number of shares traded reached 348 thousand on all electronic platform (of which 284 thousand on Euronext), compared to 439 thousand in 2012 (of which 280 thousand on Euronext).

MONTHLY TRADING VOLUME (in € million)



**MONTHLY TRADING VOLUME** (millions of shares)



**G.7.8.4 2013 and subsequent key trading dates**

On **February 21<sup>st</sup>, 2013**, Atos announced its 2012 annual results. Revenue was € 8,844 million, representing +0.8% organic growth compared to 2011 revenue at constant scope and exchange rates. Book-to-bill ratio was 113% in 2012 thanks to major bookings in Managed Services and in BPO, and at the end of the year in Systems Integration. Operating margin was € 580.0 million, representing 6.6% of revenue compared to 4.8% in 2011 at constant scope and exchange rates. The Group generated in 2012 € 259 million of free cash flow, leading to a net cash position of € 232 million at the end of 2012. Net income Group share stood at € 224 million compared to € 182 million in 2011 statutory. The Group announces the decision to carve-out Atos payment and merchant transactional activities.

On **April 25<sup>th</sup>, 2013**, Atos reported revenue for the first quarter of 2013. The Group reported revenue of € 2,117 million, representing an organic evolution of -1.2% compared to the same period last year, at same scope and exchange rates. The Group confirmed its objectives for 2013 as communicated on February 21<sup>st</sup>, 2013. Order entry was € 1,987 million leading to a book to bill ratio of 94%. Net cash stood at € 258 million at the end of March 2013.

On **May 29<sup>th</sup>, 2013**, Atos held its Annual Shareholders' Meeting. All resolutions submitted by the Board of Directors have been approved by a large majority. The dividend payment of € 0.60 per share and the option for payment of the dividend in either shares or cash were also approved. The Shareholders' Meeting appointed new Director Ms. Lynn Paine (American citizen), and proceeded with the election of Ms. Jean Fleming (British citizen) as Director representing the employee shareholders.

On **July 24<sup>th</sup>, 2013**, Atos announced its results for the first half of 2013. Operating margin was € 279.0 million, representing 6.5% of revenue compared to 5.6% in the first semester of 2012. Free cash flow stood at EUR 158.0 million at the end of the first semester. Revenue was € 4,290 million, representing a limited organic decline of -0.6%. Net cash position was € 359 million at the end of June 2013. Book to bill ratio reached 106% thanks to a strong commercial activity in the second quarter of year at 118%. Net income Group share stood at € 116 million compared to € 102 million in the first half of 2012.

On **October 25<sup>th</sup>, 2013**, Atos announced its revenue for the third quarter of 2013. Revenue was € 2,086 million, representing an organic evolution of -1.8% compared to the third quarter of 2012. With revenue expected nearly stable, 2013 objectives confirmed with an operating margin around 7.5% (vs. 6.6% in 2012), free cash flow above € 350 million (vs. € 259 million in 2012), and EPS up +50% compared to 2011. Order entry was € 1,780 million leading to a book to bill ratio of 85%. Net cash stood at € 353 million at the end of September 2013.

On **November 21<sup>st</sup>, 2014**, PAI Partners announced the sale to other investors of circa half of its stake in Atos. Following this transaction, PAI Partners retains more than 10% of the share capital of Atos, demonstrating its full support of and conviction in Atos' strategy and notably in the 2016 Ambition.



On **February 19<sup>th</sup>, 2014**, Atos announced its 2013 annual results. With revenue at € 8,615 million, nearly stable compared to 2012 at constant scope and exchange rates, the Group strongly improved its operating margin to € 645.2 million, an increase of € 78.3 million to reach 7.5% of revenue, completely in line with the 7% to 8% target announced in December 2010 as part of the three-year plan.

Net cash position was € 905 million at the end of 2013. The Group generated in 2013 € 365 million of free cash flow also

in line with the € 350 to € 400 million target of the three-year plan 2011-2013.

Net income Group share stood at € 262 million, up +17% compared to 2012 statutory figure. Earnings per share<sup>1</sup> was € 4.80 in 2013, up +50% compared to 2011 statutory.

Order entry was € 8.8 billion. Book to bill ratio was 105%<sup>2</sup>.

The Group announced to plan increase of operating margin and free cash flow and ambition to complete IPO<sup>3</sup> of Worldline.

### G.7.8.5 Share value for “ISF” purposes

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The closing share price on December 31<sup>st</sup>, 2013 was € 65.79. The average closing share price over the last 30 stock market trading days of 2013 was € 63.00 compared to € 53.75 for the same period in 2012.

### G.7.8.6 Purchase or sale by the Group of its own shares

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The Group purchased or sold its own shares in 2013 as described within the section *G.7.7.6 Treasury stock and liquidity contract*. At December 31<sup>st</sup>, 2013, the Group held 36,155 shares as treasury stock, but none related to the liquidity contact.

<sup>1</sup> EPS adjusted, non-diluted and based on December 2011 number of shares.

<sup>2</sup> Excluding Siemens.

<sup>3</sup> Depending on market conditions and after consultation of the appropriate employee representative organizations.



# H

## Appendix

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## H.1 Definitions

### Financial terms and Key Performance Indicators

- Operational Capital Employed
- Current and non-current
- DSO
- Net debt
- Gross margin and indirect costs
- Operating margin
- EBITDA
- Gearing
- Interest cover ratio
- Leverage ratio
- Operating income
- Normalized net income
- ROCE (Return On Capital Employed)
- EPS
- Cash flow from operations
- Free Cash Flow
- Change in net debt
- Attrition rate

### Business Key Performance Indicators

- External revenue
- Organic growth
- Book-to-bill
- TCV (Total Contract Value)
- Backlog/Order cover
- Order entry/bookings
- Pipeline
- Legal staff
- Full Time Equivalent (FTE)
- Subcontractors
- Interims
- Direct staff
- Indirect staff
- Permanent staff
- Temporary staff
- Ratio S
- Turnover
- Utilization rate and non-utilization rate

### Business terms

- BPO
- CMM
- CRM
- ERP
- LAN
- MMS
- TCO
- SCM
- WAN
- SEPA

### Market terms

- Consensus
- Dilutive instruments
- Dividends
- Enterprise Value (EV)
- Free float
- Free float capitalization
- Market capitalization
- PEG (Price Earnings Growth)
- PER (Price Earnings Ratio)
- Volatility

### H.1.1 Financial terms

**Operational capital employed:** operational capital employed comprises net fixed assets and net working capital, but excludes goodwill and net assets held for sale.

**Current and non-current assets or liabilities:** a current and non-current distinction is made between assets and liabilities on the balance sheet. Atos has classified as current assets and liabilities those that Atos expects to realize, use or settle during its normal cycle of operations, which can extend beyond 12 months following the period-end. Current assets and liabilities, excluding the current portion of borrowings and financial receivables, represent the Group's working capital requirement.

**DSO:** (Days' Sales Outstanding). DSO is the amount of trade accounts receivables (including work in progress) expressed in days' revenue (on a last-in, first-out basis). The number of days is calculated in accordance with the Gregorian calendar.

**Net debt:** net debt comprises total borrowings (bonds, finance leases, short and long-term bank loans, securitization and other borrowings), short-term financial assets and liabilities bearing interest with a maturity of less than 12 months, less cash and cash equivalents (transferable securities, cash at bank and in hand).

**Gross margin and indirect costs:** gross margin is composed of revenue less the direct costs of goods sold. Direct costs relate to the generation of products and/or services delivered to customers, while indirect costs include all costs related to indirect staff (defined hereafter), which are not directly linked to the realization of the revenue. The operating margin comprises gross margin less indirect costs.



**Operating margin:** operating margin comprises operating income before major capital gains or losses on the disposal of assets, major reorganization and rationalization costs, impairment losses on long-term assets, net charge to provisions for major litigations and the release of opening balance sheet provisions no longer needed.

**EBITDA:** (Earnings Before Interest, Tax, Depreciation and Amortization). For Atos, EBITDA is based on Operating margin less non-cash items and is referred to as **OMDA** (Operating Margin before Depreciation and Amortization).

**OMDA** (Operating Margin before Depreciation and Amortization) is calculated as follows:

Operating margin:

- Less – Depreciation of fixed assets (as disclosed in the “Financial Report”);
- Less – Operating net charge of provisions (composed of net charge of provisions for current assets and net charge of provisions for contingencies and losses, both disclosed in the “Financial Report”);
- Less – Net charge of provisions for pensions (as disclosed in the “Financial Report”);
- Less – Equity-based compensation.

**Gearing:** the proportion, expressed as a percentage of net debt to total shareholders’ equity (Group share and minority interests).

**Interest cover ratio:** operating margin divided by the net cost of financial debt, expressed as a multiple.

**Leverage ratio:** net debt divided by OMDA.

**Operating income:** operating income comprises net income before deferred and income taxes, net financial expenses, share of net income from associates and the results of discontinued operations.

**Normalized net income:** net income (Group share) before unusual, abnormal and infrequent items, net of tax.

**ROCE** (return on capital employed): ROCE is net income (Group share), before the net cost of financial debt (net of tax) and the depreciation of goodwill, divided by capital employed.

**EPS** (earnings per share): basic EPS is the net income divided by the weighted-average number of common shares outstanding during the period. Diluted EPS is the net income divided by the diluted weighted-average number of common shares for the period (number of shares outstanding + dilutive instruments with dilutive effect). **Normalized EPS** is based on normalized net income.

**Cash flow from operations:** cash flow coming from the operations and calculated as a difference between the OMDA (Operating Margin DA), the net capital expenditures and the change in working capital.

**Free cash flow:** represents the change in net cash or net debt, excluding equity changes, dividends paid to shareholders, net acquisitions/disposals.

**Change in net debt** (cash): change in net debt or net cash.

## H.1.2 Business KPI's (Key Performance Indicators)

### Revenue

**External Revenue:** external Revenue related to Atos’ sales to third parties (excluding VAT and pass-through sales with low margin).

**Organic growth:** organic growth represents the percent growth of a unit based on a constant scope and exchange rates basis of which is excluded revenue from acquisitions and cessions of the year.

**Book-to-bill:** a ratio expressed in percentage terms based on order entry in the period divided by revenue of the same period.

**TCV** (Total Contract Value): the total value of a contract at signature (prevision or estimation) over its duration. It represents the firm order and contractual part of the contract

excluding any clause on the decision of the client, as anticipated withdrawal clause, additional option or renewal.

**Order entry/bookings:** the TCV, orders or amendments signed during a defined period. When an offer is won (contract signed), the total contract value is added to the backlog and the order entry is recognized.

**Backlog/Order cover:** the value of signed contracts, orders and amendments that remain to be recognized over their contract lives.

**Pipeline:** the value of revenues that may be earned from outstanding commercial proposals issued to clients. Qualified pipeline applies an estimated percentage likelihood of proposal success.

## Human Resources

**Legal staff:** the total number of employees under Atos employment contracts at the end of the period. Legal staff includes those on long sickness or long absence, apprentices, trainees, and employees on maternity leave, but excludes subcontractors and interims.

**FTE (Full-time equivalent staff):** the total number of staff calculated using information from time sheets on the basis of working time divided by standard contractual workable time per employee. In general, a person working on a full time contract is considered as one FTE, whereas a person working on a part time contract would be less considered than one FTE.

Calculations are based on contractual working time (excluding overtime and unpaid holidays) with potential workable time (in hours or days) = nominal time + overtime balance – unpaid vacation. For subcontractors and interim staff, potential workable hours are based on the number of hours billed by the supplier to Atos.

**Subcontractors:** external subcontractors are third-party suppliers. Outsourced activities (e.g. printing or call center activities) and fixed price subcontracting are excluded from the recorded number of subcontractors or interims.

**Interims:** staff from an agency for temporary personnel. Interims are usually used to cover seasonal peaks or for situations requiring staff for a short period of time.

**Direct Staff:** direct staff includes permanent staff and subcontractors, whose work is billable to a third party.

**Indirect staff:** indirect staff includes permanent staff or subcontractors, who are not billable to clients. Indirect staff is not directly involved in the generation of products and/or services delivered to clients.

**Permanent staff:** permanent staff members have a contract for an unspecified period of time.

**Temporary staff:** temporary staff has a contract for a fixed or limited period of time.

**Ratio S:** measures the number of indirect staff as a percentage of total FTE staff, including both the Company's own staff and subcontractors.

**Staff turnover and attrition rate (for legal staff):** turnover and attrition rates indicate the proportion of legal staff that has left the Group (voluntary and/or involuntary) in a defined period:

- turnover measures the percentage of legal staff that has left the business in a defined period;
- attrition measures the percentage of legal permanent staff that has voluntarily left the business in a defined period. Attrition rate is a ratio based on total voluntary leavers in the period on an annual basis divided by the average number of permanent staff in the period.

**Utilization rate and non-utilization rate:** utilization rate + non-utilization rate = 100% of workable time for direct FTE, which excludes legal vacations, long-term sickness, long-term sabbaticals and parental leave. Workable time is composed of billed time, inactivity that is billable but not billed (exceptional holidays, sickness, on the bench which is between two assignments, other inactivity as delegation), and non-billable time (pre-sales, training, management meetings, research and development and travel). Utilization rate measures the proportion of workable time (hours or days) of direct FTE (own staff excluding subcontractors) that is billed to customer. The ratio is expressed in percentage terms based on billed hours divided by workable hours excluding vacations. Non-utilization rate measures the workable time (hours or days) of direct FTE (own staff excluding subcontractors) that is not billed or is non-billable to clients.

### H.1.3 Business terms

**BPO (Business Process Outsourcing):** outsourcing of a business function or process. e.g. administrative functions such as accounting, HR management, call centers, etc.

**CMM (Capability Maturity Model):** CMM is a method for evaluating and measuring the competence of the software development process in an organization on a scale of 1 to 5. CMMI, is the CMM Integration.

**CRM (Customer Relationship management):** managing customer relationships (after-sales service, purchasing advice,

utilization advice, customer loyalty) has become a strategic component of a company's successful operation. Not only does CRM facilitate efficiency, it also leads to higher sales by building customer loyalty.

**ERP (Enterprise Resource Planning):** an ERP system is an integrated management software system built in modules, which is capable of integrating sales, manufacturing, purchasing, accounting and human resources systems into an enterprise-wide management information system.

**LAN** (Local Area Network): a local network that connects a number of computers within a single building or unit.

**MMS** (Multimedia Message Service): a message capable of carrying text, sounds, fixed or animated color images, generally sent to a mobile phone.

**TCO** (Total Cost of Ownership): total cost of ownership is quantification of the financial impact of deploying an information technology product over its life cycle.

**SCM** (Supply Chain management): a system designed to optimize the logistics chain, aimed at improving cost management and flexibility.

**WAN** (Wide Area Network): a long-distance network that generally comprises several local networks and covers a large geographical area.

**SEPA** (Single Euro Payments Area): regulating initiative from European countries involving the creation of a specific zone where all transactions will be considered as domestic in terms of billing (no longer cross-border electronic payments surcharge).

## H.1.4 Market terms

**Consensus:** opinion that emerges from the financial community, in which financial analysts play a prominent role. Consensus can relate to earnings outlook (individual stock consensus) or to a group of companies in the same sector (market consensus).

**Dilutive instruments:** financial instruments such as bonds, warrants, stock subscription options, free shares, which could be converted into shares and have therefore a potential dilutive impact on common stock.

**Dividends:** cash or stock payments from a company's profits that are distributed to stockholders.

**Enterprise Value (EV):** market capitalization + debt.

**Free float:** free float is the proportion of a Company's share capital that is regularly traded on the stock exchange. It excludes shares in the six categories listed below (source Euronext):

- shares held by Group companies: Shares of the listed company held by companies that it controls within the meaning of article 233/3 of the French Commercial Code;
- shares held by founders: shares held directly or indirectly by the founders (individuals or family group) when these founders have managerial or supervisory influence (management positions, control by voting rights, influence that is a matter of public knowledge, etc.);
- shares held by the State: Interests held directly by the State, or by public sector or other companies which are themselves controlled by the State;

- shares within the scope of a shareholders' agreement: Shares subject to a shareholders' agreement within the meaning of article 233/10 and 11 of the French Commercial Code, and other than those held by founders or the State;
- controlling interest: Shares held by juridical persons (other than founders or the State) exercising control within the meaning of article 233/3 of the French Commercial Code;
- interests considered stable: Interests exceeding 5%, which have not declined by one percentage point or more, excluding the impact of dilution, in the three preceding years. This category also includes shareholders that, in addition to or in association with the link represented by share ownership, have recently entered into significant industrial or strategic agreements with the Group.

**Free-float capitalization:** the share price of a company multiplied by the number of free-float shares as defined above.

**Market capitalization:** the share price of a company multiplied by the number of its shares in issue.

**PER** (Price Earnings Ratio): market capitalization divided by net income for a trailing (or forward) 12-month period.

**PEG** (Price Earnings Growth): price-earnings ratio divided by year-on-year earnings growth.

**Volatility:** the variability of movements in a share price, measured by the standard deviation of the ratio of two successive prices.

## H.2 AMF cross-reference table

### H.2.1 Cross reference table for the Reference Document

This document is a full free translation of the original French text. The original document has been filed with the Autorité des Marchés Financiers (AMF) on April 2<sup>nd</sup>, 2014, in accordance with article 212-13 of the AMF's General Regulations. After filing, this document as a Reference Document could be used to support a financial operation if accompanied by a prospectus duly approved by the AMF.

The cross-reference table identifies the main information required by Regulation no. 809/2004 of the European Commission dated April 29, 2004 (the "Regulation"). The table indicates the pages of this Reference Document where is presented the information related to each item.

No.	Items of the Annex I of the regulation	Sections
<b>1.</b>	<b>PERSONS RESPONSIBLE</b>	
<b>1.1.</b>	<b>Indication of persons responsible</b>	<b>A.4.1</b>
<b>1.2.</b>	<b>Declaration by persons responsible</b>	<b>A.4.2</b>
<b>2.</b>	<b>STATUTORY AUDITORS</b>	
<b>2.1.</b>	<b>Names and addresses of the auditors</b>	<b>A.4.3</b>
<b>2.2.</b>	<b>Indication of the removal or resignation of auditors Information regarding changes of statutory auditors during the period</b>	<b>N/A</b>
<b>3.</b>	<b>SELECTED FINANCIAL INFORMATION</b>	
<b>3.1.</b>	<b>Historical financial information</b>	<b>A.5.1; E.3</b>
<b>3.2.</b>	<b>Financial information for interim periods</b>	<b>N/A</b>
<b>4.</b>	<b>RISK FACTORS</b>	<b>F.</b>
<b>5.</b>	<b>INFORMATION ABOUT THE ISSUER</b>	
<b>5.1.</b>	<b>History and Development of the issuer</b>	
5.1.1.	The legal and commercial name of the issuer	G.2.2
5.1.2.	The place and the number of registration	G.2.2
5.1.3.	The date of incorporation and the length of life of the issuer	G.2.2
5.1.4.	The domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office	G.2.2
5.1.5.	The important events in the development of the issuer's business	A.5.2; A.6.1
<b>5.2.</b>	<b>Investments</b>	
5.2.1.	Principal investments realised	N/A
5.2.2.	Principal investments in progress	N/A
5.2.3.	Principal future investments on which the management bodies have already made firm commitments	N/A
<b>6.</b>	<b>BUSINESS OVERVIEW</b>	
<b>6.1.</b>	<b>Principal Activities</b>	
6.1.1.	Nature of the issuer's operations and its principal activities	A.1; A.2; C.2; C.3; C.4
6.1.2.	New products or services developed	B.3.3; C.2; C.3; C.4
<b>6.2.</b>	<b>Principal Markets</b>	<b>A.1; A.2; B.2; C.2; E.1</b>
<b>6.3.</b>	<b>Exceptional factors</b>	<b>N/A</b>
<b>6.4.</b>	<b>Dependence on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes</b>	<b>B.3.2.3; F.1; F.3.3</b>
<b>6.5.</b>	<b>Basis for statements made by the issuer regarding its competitive position</b>	<b>B.2</b>
<b>7.</b>	<b>ORGANIZATIONAL STRUCTURE</b>	
<b>7.1.</b>	<b>Brief description of the Group</b>	<b>E.5.3</b>
<b>7.2.</b>	<b>List of significant subsidiaries</b>	<b>E.4.7.4; Note 29</b>
<b>8.</b>	<b>PROPERTY, PLANTS AND EQUIPMENT</b>	
<b>8.1.</b>	<b>Material tangible fixed assets</b>	<b>E.4.7.4 – Note 13</b>
<b>8.2.</b>	<b>Environmental issues that may affect the utilization of the tangible fixed assets</b>	<b>D.5</b>

No.	Items of the Annex I of the regulation	Sections
<b>9.</b>	<b>OPERATING AND FINANCIAL REVIEW</b>	
<b>9.1.</b>	<b>Financial Condition</b>	<b>E.1; E.3</b>
<b>9.2.</b>	<b>Operating Results</b>	
9.2.1.	Significant factors materially affecting the issuer's income from operations	E.1; E.3
9.2.2.	Disclosure of material changes in net sales or revenues	E.1; E.3
9.2.3.	Information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations	E.1; E.3
<b>10.</b>	<b>CAPITAL RESOURCES</b>	
<b>10.1.</b>	<b>Issuer's capital resources</b>	<b>E.3; G.7</b>
<b>10.2.</b>	<b>Sources and amounts of the issuer's cash flows</b>	<b>E.3.2</b>
<b>10.3.</b>	<b>Information on the borrowing requirements and funding structure</b>	<b>E.3.3</b>
<b>10.4.</b>	<b>Restrictions on the use of capital resources</b>	<b>N/A</b>
<b>10.5.</b>	<b>Anticipated sources of funds to fulfill commitments</b>	<b>E.3.3</b>
<b>11.</b>	<b>RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES</b>	<b>B.3.3</b>
<b>12.</b>	<b>TREND INFORMATION</b>	
<b>12.1.</b>	<b>The most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year</b>	<b>B.1; B.2; B.3; C.3; C.4; E.1</b>
<b>12.2.</b>	<b>Known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects</b>	<b>B.1; B.2; B.3; C.3; C.4; E.1</b>
<b>13.</b>	<b>PROFIT FORECASTS OR ESTIMATES</b>	
<b>13.1.</b>	<b>Statement setting out the principal assumptions upon which the issuer has based its forecast or estimate</b>	<b>N/A</b>
<b>13.2.</b>	<b>Report prepared by independent accountants or auditors</b>	<b>N/A</b>
<b>13.3.</b>	<b>Preparation of the forecast or estimate</b>	<b>N/A</b>
<b>13.4.</b>	<b>Statement on the correctness of a forecast included in the prospectus</b>	
<b>14.</b>	<b>ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES AND SENIOR MANAGEMENT</b>	
<b>14.1.</b>	<b>Composition – statements</b>	<b>A.6.2; G.2.4; G.3.1.3</b>
<b>14.2.</b>	<b>Conflicts of interests</b>	<b>G.2.4</b>
<b>15.</b>	<b>REMUNERATION AND BENEFITS</b>	
<b>15.1.</b>	<b>Remuneration and benefits in kind</b>	<b>G.4</b>
<b>15.2.</b>	<b>Pension, retirement or similar benefits</b>	<b>G.4</b>
<b>16.</b>	<b>BOARD PRACTICES</b>	
<b>16.1.</b>	<b>Current term office</b>	<b>G.2.4</b>
<b>16.2.</b>	<b>Contracts providing benefits upon termination of employment</b>	<b>G.2.4</b>
<b>16.3.</b>	<b>Information about Audit and Remuneration Committee</b>	<b>G.3.1</b>
<b>16.4.</b>	<b>Statement related to corporate governance</b>	<b>G.3.1; G.4.4</b>
<b>17.</b>	<b>EMPLOYEES</b>	
<b>17.1.</b>	<b>Number of employees</b>	<b>D.4; E.1.7</b>
<b>17.2.</b>	<b>Shareholdings and stock options</b>	<b>D.4.2.3; G.4; G.7.1; G.7.2</b>
<b>17.3.</b>	<b>Arrangements involving the employees in the capital of the issuer</b>	<b>D.4.2.3</b>
<b>18.</b>	<b>MAJOR SHAREHOLDERS</b>	
<b>18.1.</b>	<b>Identification of the main shareholders</b>	<b>G.7.1; G.7.2; G.7.7</b>
<b>18.2.</b>	<b>Voting rights</b>	<b>G.7.1.2</b>
<b>18.3.</b>	<b>Ownership and control</b>	<b>G.7.1; G.7.2; G.7.7</b>
<b>18.4.</b>	<b>Arrangements which may result in a change in control of the issuer</b>	<b>G.7</b>
<b>19.</b>	<b>RELATED PARTY TRANSACTIONS</b>	<b>E.4.7.4 – NOTE 27</b>

No.	Items of the Annex I of the regulation	Sections
<b>20.</b>	<b>FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES</b>	
<b>20.1.</b>	<b>Historical Financial Information</b>	<b>A.5; E.2; E.3; E.4; H.2.2</b>
<b>20.2.</b>	<b>Pro forma financial information</b>	<b>N/A</b>
<b>20.3.</b>	<b>Financial statements</b>	<b>E.4</b>
<b>20.4.</b>	<b>Auditing of historical annual financial information</b>	
20.4.1.	Statement indicating that the historical financial information has been audited	E.4.1
20.4.2.	Indication of other information which has been audited	N/A
20.4.3.	Source of the data when financial data in the Registration Document is not extracted from the issuer's audited financial statements	N/A
<b>20.5.</b>	<b>Age of latest financial information</b>	<b>December 31<sup>st</sup>, 2013</b>
<b>20.6.</b>	<b>Interim and other financial information</b>	
20.6.1.	Quarterly or half yearly financial information	N/A
20.6.2.	Interim financial information	N/A
<b>20.7.</b>	<b>Dividend policy</b>	<b>G.2.3; G.7.3</b>
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## H.2.2 Cross reference table for the Financial Report

In order to facilitate the reading of this document, the cross-reference table, hereafter, allows identifying in this Reference Document, the information which constitutes the Annual Financial Report having to be published by the listed companies

in accordance with article L. 451-1-2 of the French Monetary and Financial Code and article 222-3 of the French Market Authorities' General Regulations.

Information	Sections
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Consolidated financial statements	E.4
Annual Report	A.4.3; B.3; D; E; F; G
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In accordance with the requirements of article 28 of EC regulation no. 809-2004 dated April 29, 2004 relating to documents issued by issuers listed on markets of states members of the European Union ("Prospectus Directive"), the following elements are enclosed by reference:

- the consolidated accounts for the year ended December 31<sup>st</sup>, 2012 under IFRS, the related statutory auditors' reports and the Group management report presented within the Registration Document ("document de reference") no. D.13-0271 filed with the Autorité des Marchés Financiers (AMF) on April 3<sup>rd</sup>, 2013;
- the consolidated accounts for the year ended December 31<sup>st</sup>, 2011 under IFRS, the related statutory auditors' reports and the Group management report presented within the Registration Document ("document de reference") no. D.12-0288 filed with the Autorité des Marchés Financiers (AMF) on April 5<sup>th</sup>, 2012.







# I

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## Locations and contacts

### I.1 Headquarters

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 [www.atos.net](http://www.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.

---

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---

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### **2013 Registration Document**

This document is a full free translation of the original French text. In case of discrepancies, the French version shall prevail. The original document has been filed with the Autorité des Marchés Financiers (AMF) on April 2<sup>nd</sup>, 2014, in accordance with Article 212-13 of the AMF's general regulations. This document can be used for a specific financial operation, if completed by a prospectus approved by the AMF. This document has been issued by the Company and commits its signatories.

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