Atos

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Transcript

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Introduction

Gilles Arditti, ***Head of Investor Relations & Financial Communication***

It is a great pleasure for me to welcome you in Bezons. The last Investor Day we held here two years ago coincided with the acquisition of SIS. We moved to Bezons and to these headquarters. I would like, as an employee, to tell you how wonderful this site is, as a place and technological campus; we are proud to work here.

It is my duty to specify that today all presentations are being delivered under the following disclaimer:

This presentation contains further forward-looking statements that involve risks and uncertainties concerning the Group's expected growth and profitability in the future. Actual events or results may differ from those described in this document due to a number of risks and uncertainties that are described within the 2012 Reference Document filed with the Autorité des Marches Financiers (AMF) on April 3rd, 2013 under the registration number: D13-0271 and its update filed with the Autorité des Marchés Financiers (AMF) on July 31th, 2013 under the registration number: D13-0271-A01.

The ambition to complete the IPO of Worldline in 2014 corresponds to specific hypotheses subject to changes. At this stage, this ambition is under consideration by the Group but other options remain open. It depends on a combination of internal and external factors and no decision is made. The Group reserves its right to pursue, change, suspend or abandon this ambition at any moment depending on the circumstances. Should this ambition give rise at a later stage to a project, such a project would be then prepared, detailed, planned and finally put in place in compliance with all applicable laws and regulations. In particular, the Group would proceed in due time and in an appropriate manner with all the applicable processes with the employee representatives bodies, the processes with the relevant authorities and any other applicable process and the project could be amended or terminated in consequence.

Let's move to the agenda of the day. This morning will be divided into 4 sessions: a presentation of the Vision, Strategy and the 2016 Ambition, by Thierry Breton, our Chairman and CEO; a presentation of the Financial Strategy, by Michel-Alain Proch, our Group CFO; one session on ATOS' positioning to support topline growth by Gilles Grapinet, Senior Executive Vice-President in charge of Global Functions and his team; and, to conclude the morning, a presentation on the Plan to Reach our 2016 Targets in IT Services, by Charles Dehelly, Senior Executive Vice-President in charge of operations and his team.

After a brief lunch, there will be a 90-minute session on Worldline, by Gilles Grapinet, CEO of Worldline, dealing with the Company's vision, strategy and execution roadmap for the next three years.

There will be two Question and Answer sessions, each concluding a half-day, dedicated respectively to ATOS Group, and the other to Worldline.

It is now my pleasure to introduce you our Chairman and CEO, Thierry Breton.

Vision, Strategy and 2016 Ambition

Thierry Breton, *Chairman and CEO*

Good morning, before beginning, I would like to point out that Gilles Arditti, whom you all know so well, was also nominated as the best Investor Relations in Europe this year and the last past three years.

I am delighted to have you here. I am aware that most of you came from far away and this is perhaps the first time you have been able to visit our campus. I am delighted for three reasons: I and my Executive Team will be able to present you what we have achieved over the past five years; we have an extremely attractive and exciting plan to share with you for the next three years; and lastly, today is my Atos Birthday, as five years ago exactly I joined Atos, making this an excellent time to spend a few minutes with you and share what we have achieved together.

Atos journey over the last 5 years

Our Company has changed deeply in the last five years: we have enhanced our revenues by more than 50%, improved our operating margin by 280 basis points and increased the number of our employees by more than 50%. This is clearly not the same company anymore. Today, we enjoy a cash-positive situation, when five years ago, we posted €304 million in debt; in other words, we have experienced a tremendous increase, amounting to more than €650 million.

We expect to post free cash flow of more than €350 million, after having been cash negative five years ago. We multiplied our market capitalization by a factor of five, clearly a very significant value creation. This is the result of everything we have done; we have achieved all of this together. You remember that we like to have large ambition. We like to have ambitious targets, and we reach the commitments of the company.

Concretely, over the past five years, we have carried out actions in three phases:

- **from 2009 to 2011:** at this time, Atos was not yet a global company and had to be integrated and transformed before we could catch up with main competitors and aspire to global status;
- **the second period began in 2011**: this period was aimed at reaching critical mass, and the acquisition of SIS was naturally a fantastic opportunity for us to meet our goals. We had to turn around and I know the tremendous amount of work which this requires, and we did it successfully. Today, of course, we are playing in the Premier League and our ambition is definitely to be a Tier One company. We have everything in hand to do so. Our goal over the next three years is to become the preferred European brand in global IT Services and payment solutions. Thanks to the successful acquisition of SIS and our

results, we moved from ranking Number 5 in Europe to ranking Number 2.

- **the present:** our next major transformation will be grounded in Cloud Computing. We will multiple our footprint by two, and increase our revenues in Managed Services, which represent now more than 50% of the revenue of our company. We have significantly enhanced our SI practice and have developed our payment business. Today, Worldline is probably the leading European player in payment; we will have many opportunities to discuss this today.

A Group deeply transformed

Five years ago, we were focused on three geographies in Europe: France, while was our main country, Benelux and the UK. We were extremely small in North America and relatively small in Northern Europe and Eastern Europe. Today, we have repositioned extensively in Northern Europe: looking at our active services alone, 80% of the revenues in IT Services in Europe are now in Northern Europe. This is extremely important with respect to the macro-economy, which we will discuss shortly. We have multiplied our position in North America by five, enhanced our position in Asia and derive roughly 20% of our revenues in IT Services from Southern Europe.

It is extremely important to understand that the campus you are visiting today was designed by a team of specially-selected leaders from Atos, all under age 30. We gave them free rein to shape the site, telling them that they should imagine the place where they would most want to work in ten years' time. I hope that you will take the time to see what they have done. In any case, this is the way we manage the company. We spend a great deal of time managing our human capital, which is absolutely key for us. Our objective is to attract the best people, retain them and develop them. My personal ambition is to develop every single employee who joins our company.

After five years of very hard work, we are happy to see that this is starting to pay off. Many countries have been selected for further development, and Atos now offers wonderful workplaces in Poland, Austria and France. In the annual survey taken this year by news magazine *L'Express* and the polling agency BVA, it was our pleasure to see that Atos had been elected the second preferred employer, just behind Airbus, by employees and graduates in France.

Our objective is to be the global employer of choice. This is absolutely critical: we are a "people organization" and a "people business" and our objective is first to identify and attract the talent, then deploy and develop it. This is what we have done over the past five years and we continue to enhance this. We have furthermore created something we are extremely pleased: our "Olympics of IT", in conjunction with most of the European universities and numerous other institutions. Every year, we hold this competition for university teams, for instance consisting of students with Master's Degrees in Computer Science, etc. It is indescribably refreshing to see these young talents. This year's theme is mobility, after last year's competition on connected cars. Young people come up with unbelievable ideas, on which they work for one full year. We select the winners and promote the team with their ideas. That is just part of what we do in talent recognition. Naturally, our brand in turn also receives recognition in these universities.

Our company makes tremendous efforts in corporate social responsibility. We have been recognized for three years in a row, by the GRI Global Report Initiative, earning an A+, the best mark, this year. We were extremely proud as great efforts were required. Last week, we joined the DJ Sustainability Index. Having a global reach, it welcomes only 10% of the largest 2,500 companies worldwide for their Corporate Social Responsibility. We were the only organization in France to have been accepted, and of course you can see this as one culmination of our efforts. However, we continue. In each of our countries, we now have the "Great Place to Work" initiative, including France where we were honored months ago as an employer of choice.

People in the organization made our success for the last ten years, bearing in mind that a year by Atos is six months. We have always achieved our commitment, revenues, operating margin and free cash flow targets, and have the ambition to continue this over the next six Atos years, or next calendar three years.

When a company works on its operating margin, net profit, operational excellence and people management, this is often most reflected in its share price. This has been come true for Atos, which multiplied its market capitalization by five, over the past five years. We are pleased to see that if you decided to invest in our company when we joined the Group, it would have been a smart decision, as Atos performances were better than most of our competitors, in France, as in the US and India. This performance is in our DNA and I would like to be very clear about this: we do not intend to stop here. The journey continues and we want to share this with you.

The 2016 Ambition

The macroeconomic context

Before explaining our ambition for 2016, I would like to mention that it is our general policy to anticipate our developments, growth and macro-economic trends, even when this cannot happen scientifically. This is critically important because we deal with large companies and our prospects impact both our customers and ourselves.

In a very shaky environment, probably one of the most complex that a CEO has had to face for the past 30 years, we attempted to do this, thought it was extremely difficult to predict and anticipate. It is for this reason that we decided to build a robust company to try to meet our objective and keep our commitments even though it was extremely difficult to anticipate the market trends. It was during this period, incidentally, that we achieved what we have presented.

The last five years we saw a decrease in the macro-economic trends, i.e., growth in GDP in Europe and a CAGR that fell by 0.4%. It is not easy to manage in a declining environment. However, if we lay faith in the IMF's predictions, and focus on Europe, where we do the bulk of our business today, we anticipate returning to growth in the next three years. While a CAGR increase of 1.3 % is not astonishingly high, it will be better than -0.4%, and this will change our environment.

We have always been very transparent with you, never over-selling a situation and always being very cautious in our announcements. Though some our competitors did not like our saying this, we always told you that 2013 would be extremely difficult, and that we were not expecting a recovery of the economy in the second half. This was precisely in line with what happened, as the figures released yesterday showed it.

We do not expect growth in the major geographies where we operate in the second half. However, we do see smooth recovery starting next year. In other words, H1 2014 will continue to be difficult, but we may anticipate H2 to be better, both in terms of growth of macro-economic trends. As we always experience a time lapse of 6 to 8 months compared to the macro environment, we expect to see H2 2014, 2015 and 2016 to be better than what we had to cope with over the past 5 years.

Europe with the highest differential GDP growth rate

To the non-European investors present here today, I would like to say that the time has come to return to Europe. I believe what you are still under-evaluating most of our stocks. The next three years in Europe will see an increase of 1.2% in 2014-15. The past two years in Europe, in contrast, showed a decrease of -0.5%. The differential increase of 1.7% is a change in paradigm. In order to create jobs again in Europe we should need probably above 1.3-1.4%. In other words, this is not yet a miracle but still a clear improvement. An increase of 170 bps is something that is clearly felt. The gap will be only 80 basis points in the US, and only 50 basis points in Asia and the emerging countries.

Once again, I do believe that the time to invest in Europe is now. Unfortunately we no longer have one single Europe, but more likely two. The latest ratings from S&P show us as having a Southern Europe and a Northern Europe, and are echoed by the change in GDP anticipated in 2014-15. In France next year, we would probably reach a maximum of 0.9%, compared to 0.2% in Spain and 0.7% in Italy. The UK would probably grow by approximately 1.8%, Germany would improve by 1.4%, Central and Eastern Europe would progress by 2.7%, and the Nordic countries would improve by 2.1%. Thus overall, while Southern Europe may grow at an average of 0.7%, Northern Europe may grow between 1.5 to 3.0%. We believe consequently, the companies most likely to progress in Europe will be those more focused on the Northern part rather than the Southern part, if the region's GDP has any impact on our business.

Five years ago, Atos generated 40% of its revenue in Southern Europe and 60% in Northern Europe. Today, faring far better than most of our European competitors, we are generating only 20% of our IT Services revenue in Southern Europe and 80% in Northern Europe. Adding our payment services, we generate 76% of our revenues in Northern Europe and 24% in Southern Europe. Once again, we do hope, in the next three years, to experience a better macro-environment than we had in the past.

Ambition for 2016

Our ambition, as approved by our Board two days ago, is to achieve: 2-3% CAGR organic growth over the period; operating margin improvement of 100 and 200 basis points compared to 2013; and a free cash flow between €450-500 million in 2016. These figures apply to the Group as a whole.

In IT Services, our ambition is to grow revenue by approximately 5% over the period, more than half of which is expected to come from external growth. We also expect to enhance our operating margin by 100 to 200 basis points compared to 2013.

As to Worldline, we expect revenue organic growth between 5-7% CAGR over the period. We expect to post an increase of 200 basis points in 2016 OMDA compared to 2013. We target some strategic acquisitions in this segment and have some opportunities. We wish to announce you officially today we prepare a partial IPO of Worldline, and will carry it out as soon as market conditions allow, hopefully by mid-year 2014. We will provide more details on this in the afternoon. This would naturally also take place following consultation with our European Works Council. This should not come as a surprise to you; we did tell you earlier that we want to do this.

Let's look now how we wish to achieve the ambition. I believe that there are six key levers in this process, and these will be addressed more in detail today.

Anchor Atos global leadership in Managed Services

We have a fantastic footprint, we are the unquestionable leaders in Europe, we are involved in all major deals, enjoy an outstanding set of Data Centres, we are widely-recognized in the industry, and have increased our operating margin.

However, we can do even better and more in term of customer focus, customer satisfaction, security, higher value services in the revenue mix. We have launched very exciting new end-to-end Programs, Lean and Automation, which should allow us to be best-in-class in terms of delivery and to enhance our profitability. We are not at the end of the journey; we have a new exciting one ahead in the next three years both in terms of organization, delivery and profitability.

Reinforce growth and profitability in Systems Integration

In SI, we already enjoy a strong organization. We successfully achieved our integration. We have 23,000 engineers working in business technologies. Today, 33% of these engineers are working offshore. We target to be more global. Our ambition over the next three years is thus to increase this figure from 33% to 50%. We know that we have a gap here, we will do well over the next three years and we can enhance significantly the profitability of our SI practice. We will explain you later how our end-to end process will help us optimize this point.

Bring to market disruptive and innovative offerings and pursue strategic partnerships with technology leaders

The third lever is becoming extremely attractive. We have already invested a great deal in fast-growing and new applications that will pave the way of our industry. There are many very exciting categories of services, old and new, growing quickly in the industry: Merchant Services, IT Consolidation, Digital Security, Big Data, Cloud, etc. We already generated around 40% in IT Services. This helps us to develop our business, and also to offset the price reduction we have in other businesses. However, we have already invested in a lot and our mission is to enhance our position in all of the aforementioned disruptive and innovative solutions. We wish also to enhance our position, in Cloud Services, Application Management, IT Consolidation and Digital Security. You will see how we intend to do this in these fast-growing segments.

Pursue global strategic partnerships with technology leaders

We have developed a very strong culture of alliance in the Company and we believe this is critical: we are engineers, need to work with engineers and need to have access to our shared capital. We naturally do have R&D, but need access to many companies spending a great deal on R&D. We have thus decided to unveil a very ambitious alliance and partnership strategy in the company, including:

- strategic alliances (as with Siemens, with which we work extremely well, opening up access to many technologies, R&D Centres and innovations;
- Cloud-based alliances, i.e., with EMC and VMware, thanks to the outstanding work of Charles Dehelly and Jacques Pommeraud, who have made us the leader in Europe, generating more €280 million today within Canopy;
- other global strategic alliances like Microsoft, Oracle, Samsung, SAP, Yonyou in China.

This culture of partnership is something that we have built months after months over the past five years and will be maintained.

Siemens Strategic Alliance: a growth contributor

Siemens is probably the most exciting strategic alliance we have signed with a large industrial player. We conduct numerous developments together that have generated more than €500 million over the last two years. We work in many areas together, from healthcare to energy, automation, smart cities, etc., in fact extending to all Siemens Divisions.

We maintain a large-scale joint investment project and we have a specific go-to-market taskforce which is attracting new countries and developing new businesses. The shared aspiration with Siemens CEO, Joe Kaeser is to leverage and to enhance our sales cooperation. We have many new projects in the pipeline, and we are confident that together, we can win a lot. We have this energy together to focus our investment ever more on Big Data and Cloud. We had a progression of €100 million to co-invest together, specifically in these areas. We have furthermore decided to double what we do in specific countries like China, Turkey and Brazil and many other countries, including Middle-East, where Siemens is quite strong and where we could well double the revenue of what we do in these emerging countries. Let us listen to what Joe Kaeser say about our partnership.

Joe Kaeser, *CEO Siemens AG (Video)*

"Dear analysts and friends, greetings to all of you from Munich. I am very happy to be with you today as Siemens is a partner, a customer and a shareholder of Atos. Two and a half years ago, Siemens and Atos engaged in strategic partnership. This partnership formed one of the largest strategic relationships ever between a global customer company and a global IT Services provider. I am supportive of our business alliance and how this has grown.

Today, Atos is partnering with each of the Siemens sectors generating a significant train order that is above what we originally expected. We have invested in a solution that integrates the customer design process to reduce time-to-market. Most importantly, our partnership provides the opportunity to our shared customers to take advantage of our combined strengths. Our cooperation is also significant for us as a customer.

Atos is Siemens priority IT Services provider. Today, the amount of IT Services we rely on from Atos is far above what we originally planned. As a shareholder, we are of course pleased with the development of Atos' share price performance over the last three years. In all three aspects as a partner, as a customer and as a shareholder, we like the new three years plan that Atos is presenting today. I am confident that Thierry and his management team will continually use performance and innovation to bring efficient solutions to customers and even greater value to shareholders. Thank you very much and all the best for the future."

Thierry Breton, *Chairman and CEO*

As you know, Siemens is represented at our Board. Roland Busch seats on our Board, and of course Siemens, through Roland Bush, can endorse the three-year plan that we present to you today.

Strategic Alliances to enhance #1 position in Cloud services in Europe

Let us look again at the other very strong alliance we have initiated over the past three years, namely with EMC² and VMware. VMware is a subsidiary of EMC². This agreement is outstanding.

Thanks to this partnership, we are probably in a leading position in Europe in terms of Cloud. We have access to a huge gathered portfolio of R&D with EMC² and VMware, of more than €3.5 billion of annual R&D. We believe that, compared with our competitors, we have positioned ourselves precisely where we anticipated the needs of our European customers. Internationally, we now have, in addition to our platforms in Europe, platforms in the US and Asia to serve globally our customers through Canopy.

Under our plan, we expect to achieve in Cloud more than 10% of our IT Services revenue at the end of the plan, over €700 million. This would make the platform definitely the leading one in Europe. This is a very important business. We take this extremely seriously.

Let us listen to Joe Tucci, Chairman and CEO of EMC², on this unique partnership for both of us.

Joe Tucci, *Chairman and CEO of EMC² (Video)*

"Hello everyone, I would like to begin by thanking Atos for giving me the opportunity to speak to you and tell you about the close partnership between Atos and EMC². I have had the personal pleasure of knowing Thierry Breton for a long time. In fact, we have been friends for more than 20 years. That spirit of friendship and mutual trust shows itself in the close strategic alliance we have built between our two companies.

We, at the EMC² family of companies, are delighted to be a valued partner of Atos, and from our perspective, and based on what we hear from mutual customers, Atos is one of the very best providers of Managed Services in Europe and one of the best in the entire world. Atos is a terrific partner for us for a number of reasons including the strength in their market position, their strategy and for their innovative Cloud computing capabilities.

Both of our companies are committed to leading customers on the Cloud transformation journey, and both of our companies understand that the journey to Cloud must be paved on trust, security and reliability. Both of our companies have strong engineering cultures with a strong emphasis on the value of innovation, and we share a common dedication to giving our customers the very best experience in the industry. We work very collaboratively with Atos as they have standardized their Cloud infrastructure and VC technologies.

Our two companies also come together through our partnership in Canopy. We are grateful to see that Canopy has experienced such tremendous growth. We are committed to Canopy's strategy and future as an investor, as a partner and as an infrastructure provider. Before I close, I would like to salute Thierry and the entire Atos team for their outstanding work as the worldwide IT partner to the Olympics.

Atos impressed everyone around the world by their achievements last year at the London Olympics, and we are looking forward to what they have in store for next year's winter games in Russia. From our perspective, Atos wins the gold medal. In closing, I surely believe that Atos has an exciting growth journey ahead, and all of us at EMC² are thrilled to be their partner. Thank you."

Thierry Breton, *Chairman and CEO*

Alliances like these are something I wanted to build all my life and they are probably keys to success in a company like ours. Today, it is part of our DNA. You have seen two of our best global partners but we have many others and my ambition for the next three years is to develop other partnerships, which are extremely important in an IT Services company.

Further expand our foothold in the US and accelerate growth in emerging markets

Let us return to our key levers. The fifth lever is the enhancement of our position in the US. We believe that we have a good position today; however, it is not strong enough. We expect to grow both organically and externally and our ambition is to grow the size of our US operations in the next three years. We have a great deal of leverage thanks to some of the very large contracts we have just won, including McGraw-Hill or Morgan Stanley. Both organically and externally, the financial ambition of this company is to double our position in the US however our ambition is to always be extremely cautious and careful financially in the acquisition we may complete.

We wish also to enhance our position in Asia-Pacific and the Middle-East. In Asia-Pacific, we have already a professional partnership with Yonyou, and will combine our strengths. We believe we could grow at least by 10% in the next three years. In India, Middle-East and Africa, we believe that we have everything in place, with a good position in India, a stronger position in industry, and with the great demand in these areas in Cloud, we believe the business can grow by 15-20% CAGR. This is also our plan including the help of Siemens in this region.

Provide strategic flexibility to Worldline to anchor its leadership in Payments

This brings us to the sixth lever. We are probably today one of the leader, if not the European leader and that we are extremely well positioned to capitalize on what we have built in Europe. We have great opportunities to industrialize the platforms and technical operations, and definitely to increase the partnerships. This is also a business of partnerships. The Group wants to offer the opportunity to Worldline to enhance its leadership position, if market conditions allow us, to make a successful partial IPO by mid-year in 2014.

The Atos journey will be paved by these six levers including growth through customer-focus, European-level partnerships, acquisitions with financial discipline and in specific geographies, global leadership growth in Managed Services. We believe also there is a very strong opportunity to significantly accelerate our position in Cloud and of course everything we have positioned in Worldline.

Conclusion

As a conclusion, I would like to tell you where I am probably the most proud of over the past five years and which gave me very strong confidence to achieve our ambitious mind for the next three years: I mean our company's DNA. That DNA is made of shared awareness of the need for: commitment, progress, entrepreneurship, customer-focus and innovation. We have many extremely exciting innovations on which we are working, and more importantly, we are a service company based on people. We do this thanks to our employees, engineers, business technologists. This is in our DNA. I would like also to insist on the DNA of Atos, a company deeply involved in Corporate and Social Responsibility. These are not words, they represent something extremely important to us.

You will see also that we are a zero-carbon company. We were amongst the first in France to have electric cars. We get Atos cars for our commercial engineers, which you can see in the parking here in Bezons. This is something really important for our young engineers joining the Group every year.

Lastly, as part of our DNA, we are definitely a Tier One company with sustainable benefits for all our stakeholders. If we serve all of our stakeholders well in the end, like we did over the past five years, there is no reason why we should not achieve the targets we have set for the next three years. Thanks to this DNA, thanks to the tremendous team that we have put together, Charles, Gilles, Michel-Alain and their teams, I can tell you that I am extremely confident to achieve together, and hopefully with you, the next three years journey. Thank you.

Financial Strategy to Support 2016 Ambition

Michel-Alain Proch, Group CFO

Good morning and welcome to our Group Headquarters in Bezons.

Financial Achievements over the Past Five Years

We completed two "journeys" over the past five years.

The first took place between 2008 and 2010, during which we caught up with our competitors, raising margin from 4.7% to 6.7%, or 200 basis points. We achieved this through three main initiatives: improved integration, shifting from a holding company identity to a truly integrated worldwide group, general streamlining, and the launch of lean management financial services.

In 2011, we bought SIS, starting the second journey that would last up to 2013. During that time, we raised our margin from 6.2% to 7.5% *(estimated)*. We are now a European leader with competitive margin. This, too, has been achieved through actions on three lines. All of the workstreams that existed under the first plan have been re-deployed across a larger footprint, thus enabling optimal leverage, the materialization of our SIS synergies following the acquisition and the launch of global procurement, which has availed the Company with substantial savings.

Our free cash flow and cash performance are overall strong. While we stood at €-50 million in 2008, we expect to reach estimated €350 million in 2013. It is important to bear in mind five points before we head into the next plan:

- Behind our improved cash flow lies work to improve our OMDA, by estimated €350 million over the period;

- Working capital has been optimized over the last six years, with change in working capital improving from €-70 million in 2008, to a positive €90 million in 2013, or a total improvement of €160 million;
- CAPEX was maintained or limited at 3.7%, despite the acquisition of a very large Managed Services asset;
- We spent 1.5% per year of our external revenues on restructuring of teams and rationalization of offices;
- Lastly, to emphasize a point which you may not have considered, we spent €260 million in pension deficit recovery payments.

I will not spend much time on the net debt and free cash flow positions; you are already very familiar with these figures: we have improved the net debt level, which previously amounted to €-300 million, and turned it into a 350 million net cash situation, as at end-September this year. We achieved this despite the acquisition of the Indian payment solutions leader (€86 million) and SIS (€850 million, including €176 million in cash), while Siemens funded loss-making contracts for a total of €300 million.

Ambition 2016

To cross the "bridge" we have in sight now, we must increase our operating margin to 8.5%/9.5%. We would achieve this through a combination of: offsetting at most price concessions (through savings on purchasing) and salary increase (through workforce management). The Top Tier One Program which is a continual productivity improvement plan, will round out these efforts.

In addition to this, I am glad to announce the launch of three additional Programs: META, dedicated to Systems Integration, as Francis Meston will explain you later; End-to-End processes, as some of you may have heard at previous meetings, encompassing both Managed Services and Systems Integration; and TEAM, dedicated to industrialization and portfolio development in Worldline.

The combination of these Programs, traditional to our industry, are expected to generate additional contribution to operating margin of at least 35 basis points from Systems Integration, 35 basis points from Managed Services and BPO (in a 15/20 ratio), 20 basis points from Worldline, and 10 basis points from Consulting and Energy Services. These would bring us to the lower end of our ambition, at around 8.5%. We will be launching the first two Programs today and the speed will determine how much further we can deliver.

Lastly, we are changing our business mix, investing in Cloud, Big Data and business initiatives. The three new Programs carry EBIT that is relatively large with respect to the Group and ultimately would take us to the higher end of our ambition, namely 9.5%.

We have a very strong principle: One Manager, One P&L. In other words, any person at the Group, from the local to the global level, is connected with a P&L and is accountable. Secondly, we have the Rainbow process, which is our commercial control mechanism, entailing intensive interaction between all parties before deals are concluded. Thirdly, we have a network of risk managers reporting to Global Finance everywhere in the Group.

Fourthly, we carry out monthly deep-analysis of our performance and make actions and decisions to correct the situation when necessary. Last but not least, these action plans are embedded into our performance reviews each month.

When we announce 100 to 200 basis points, we are referring to gross margin improvement by 20 to 80 basis points and indirect cost contributions between 80 to 100 basis points.

We have the tools in hand to achieve our €450 to 500 million ambition in free cash flow and the bridge from 2013 to 2016 can be summarized as follows: €100 to 200 million in operating margin improvement; a €30 million reduction in cash-out for pensions, following a landmark agreement reached with our Dutch employee pension fund; the termination of the loss-making contracts funded by Siemens; our investments in Cloud, Worldline, Managed Services, taking our CAPEX level to 4%.

Our working capital in the balance sheet as at end 2013 is almost optimized. In the future, our annual change in working capital will go from +90 to 0. If we achieve the upper end of our organic growth goal, or 3% CAGR, we will need to access some of that working capital creating requirement. This explains the range indicated in your documents, between, €-90 to -140 million compared to 2013.

As to restructuring and rationalization, we believe that subject to macro-economic conditions, we can decrease them by €20 to 40 million. Our interest expenses will fade out fully. Last but not least, more EBIT implies more tax. The cash tax rate is approximately 28%. I see this dropping to 24% by 2016.

Consolidated equity and shares and expected net cash and shares

Regarding capital structure, I will focus on four points.

I refer here to our position as of 30 September 2013. Gross cash amounted to €1.2 billion, gross debt to €855 million (€234 million in convertible loans from 2009, €235 million in convertible loans in 2011, €280 million in syndicated loans, and €100 million in loans in different countries), making a net cash position of €353 million, before conversion of the convertible bonds issued in 2009.

We have 87.6 million shares in circulation. The 2009 convertible bonds carry an underlying 5.6 million shares were created. The 2011 convertible carry 5.4 million shares. In addition to these will come stock options and performance shares, approved by the Annual General Meetings. In total, fully diluted shares would amount to 106.6 million.

On 18 October, we converted bonds to shares by 234 million in net cash improvement and 5.6 million shares were created. Now, the Group has decided to launch a share buy-back Program, called Share Buy-Back I, covering €115 million. We have completed €15 million as of September 30th, the remaining €100 million will lead to a total 1.8 million shares on the market.

I am pleased to announce that on November 13th, 2013, the Board decided to exercise a soft call, creating a potential conversion on December 18th, 2013 for the second convertible ("2011 OCEANE"), bringing about an improvement in net cash of €235 million and potential number of shares created of 5.4 million. As we would have bought 1.8 million shares, we decided to use them to serve the bond holders in convertibles, creating only 3.6 million new shares. With €350 million target for the year, this will bring us to almost €900 million in net cash for the Company before share buy-back and 96.8 million shares in circulation.

Rationale for NL pension agreement

Yesterday, November 14th, we reached a new agreement with the pension fund of our employee in the Netherlands.

In 2012, the last year for which we published complete pension information, pension liability amounted to €4.2 billion, covered by €3.8 billion in pension assets. The deficit was thus €0.4 billion. In terms of impact on cash out, it amounted to €134 million, composed of ongoing contributions and deficit coverage. Over a period of six years, we spent €260 million on the said deficit coverage. The P&L effect was €80 million in charges, €73 million in operating margin and €7 million in financial result. I referred to the €260 million previously; over the years, the deficit recovery payment has been relatively consistent.

When it comes to pension plan, we had to take different factors into account: defined-benefit (liability born by the sponsor) versus defined-contribution (sponsor's liability limited); funding obligation (the percentage varies by country, based on law or contract, and is most stringent in the Netherlands); the deficit income period (also variable, 10-15 years in the UK, 7 years in Switzerland and 5 years in Netherlands).

Our Dutch pension plan was the last open plan we have in the Group, and in the conditions described above, our decision to address this plan was a priority. The Agreement now states that the Group must make a one-time exceptional, final settlement of €155 million, divided into two parts: €115 million will be funded in Atos shares, which we may transfer any time between April 1st and June 30th, 2014; and a cash payment, to be made between December 2013 and January 2014.

The benefits for Atos are clear: we will be converting the defined benefit to a defined contribution plan; we will be eliminating all past obligations, when liability had increased by 160 million previously; we will automatically reduce Group pension deficit by €155 million to €250 million; we will settle all disputes; we will eliminate all future debt recovery payments.

2011 OCEANE and share buy-back II to be completed in 2014

Share Buy-Back II was approved by the Board on November 14th 2013, for an amount of €230 million. This figure was determined to enable two tranches: €115 million, consistent with our treatment of the 2009 convertible, making for an additional 108 million shares, to be cancelled or be used as management performance shares; a tranche limited to €115 million, under which , we will transfer to the Dutch pension fund.

Thierry Breton, *Chairman and CEO*

We are proud of the outcome of this negotiation process. We will convene an Annual General Meeting, based on the decision of the Board meeting, to ask our shareholders' approval to use the second tranche to pay our pension funds. Both the Dutch pension fund and the trustees believe in the strength of our shares. The decisions will be incorporated into the plan for the next three years.

Michel-Alain Proch, *Group CFO*

The shares will be locked up for a period of three years and the pensions have been committed with a resell option in three thirds.

You understand our position as of end-December, in shares and net cash. We are carrying out the second share buy-back, for an amount of €230 million, and we will use 1.8 million shares out of this to channel it to the pension fund. An additional €40 million will come in one-off payment, bringing us to 95 million shares in circulation and €600 million in net cash.

In total, we have 12% potential dilution and would have deleted 4%, transferred 2% to the Dutch pension fund and 6% new shares will be created in total.

Financial agility to support 2016 Ambition

Therefore, we have €600 million in net cash years-end. Our banking covenants show a maximum of 2.5 in EBITDA, giving us total headroom of €2.5 billion for financial capabilities for acquisition with very stringent financial discipline, an assessment of any assets we are considering, and the existence of potential synergies, including alignment with our financial capacity.

Thierry Breton, *Chairman and CEO*

I will take care to ensure that the €2.5 billion headroom in 2014 will not be used in full!

Michel-Alain Proch, *Group CFO*

Finally, my takeaways are the following. Our financial structure is fully committed. We are very integrated with the operation, from bid management to risk management. We are committed to financial discipline, in everyday operations and in M&A, focused on free cash flow and aiming to continually improve our balance sheet.

Atos sales ambition 2016

Gilles Grapinet, *Senior Executive VP Global Functions*

I will be sharing information with you to help you understand the CAGR growth ambition announced. A pro forma combination of Atos and SIS shows three distinct time periods: 2009-2010, shaped by a -3.5% annual decrease, including SIS which faced significant challenges; 2011-2013, during which we turned around SIS applied our own strategic aims; the present period, which we are enjoying for the outcomes achieved.

The macroeconomic conditions will no longer be the same in Europe, such as we will see the GDP growing to the same extent as in the past. At the same time, we have completed a great groundwork and have been developing the company so that it can chase the segments with the highest potential and the most promising contracts.

Sales Platform has been redesigned

Our sales and marketing organization today operates as a truly global entity and bears little resemblance to what existed five years ago. Concretely, we have transferred our account management principles from local to global, centralized policies and execution. You will be impressed by the figures you will see later. Customer intimacy, technological activities and the pursuit of small contracts have all been kept local, as it is more appropriate.

The eXpand Program, the master scheme for changing and improving the sales organization is focused on five topics: offerings and offer management, sales and pre-sales qualification, workforce management, win rate improvement, optimization of the sales process, and hunting for new territories. We have launched, in particular, initiatives in sales, marketing support and pre-sales and are, today, much more product-driven, capable of launching with the confidence that we can respond to all subsequent demands. We have been attracting new blood and fresh talent, reallocating responsibilities and asking low-performers to leave the Company.

You have here a snapshot from the end of December 30th, 2013 new logos above €10 million. The number is actually 80 if we take into consideration new logos with whom we already do at least €3 million of new revenue per year. As an order of magnitude, we are managing 800 accounts at Atos. 10 percent more has been captured over the last two years. We are also developing new kinds of partnerships, and of course we have all of the traditional partnerships. I mean by that Oracle, SAP, and Microsoft, which are very important partners for us. It is much more important to also draw your attention to the new ones, like Samsung, Siemens and of course EMC² and VMware, which are game changers in terms of the growth market and the ability to engage in new territory.

In terms of KPIs and business impact, on the next slide there are KPIs to which we measure ourselves. These are managed through action plans and through stringent discipline in the execution of these action plans. Every year we define a target and sales level for each of these 800 accounts, and we measure the execution of the plan, taking corrective actions if we do not deliver on the targets of the action plans. Concerning sales, we have been delivering more than 2,400 training qualifications/certifications. Most of them being already within the sales community. We have been changing the way that we see market innovation, and we have changed the Atos brand. The main tool for that has been what we call the innovation workshops. Half of them are happening in Bezons in the BTIC which was created in late 2011. This has been a game changer for us in the way that the Atos brand is perceived. It creates of course phenomenal leads for us to follow up depending on the budget and the types of customers. I have been involved in one out of three of these innovation workshops, and it is a game changer to position the brand as a tier one brand, which is going to bring in much more than community business.

In terms of financial KPI, the sales platform will have evolved by the closure of 2013 to have brought to the company close to €20 billion of order entry in 2 years. In terms of productivity and improvement of the sales performance, we improved the win rate by six points, and we have been able to improve the productivity of the sales organization by 20% to 25%.

Sales Organization: Atos champions offerings

We have more than 20 champions offerings which are two-fold. Half of them are offerings relevant for any sector even if we will fine-tune them of course. They include long-established offerings like ERP consolidation, testing Data Center services and future workplace that we have been pushing in the market for more than ten years but that we re-vamp constantly bringing state-of-the-art expertise to make sure that we have the price points and the competitive edge that they are looking for. There are also many new ones that will be centered around Cloud, Big Data and smart mobility, which are major vehicles of growth for us. We are already scoring high, and we are extremely motivated as a sales organization to continue to market them.

As you can guess, the market organization of Atos that was shaped at the time of the acquisition of SIS is particularly powerful to bring again as a game changer a vertical approach to IT changes. With a very strong offerings, we don't want to do everything for every vertical market. Definitely in some domains, however, we have industry recognition. We would like to thank many of the industry analysts who have been crucial in helping the customers to see where Atos is making a difference. Most of our offerings have been recognized by Industry analysts and help customers to navigate in the rich portfolio of IT Services providers.

To conclude, Atos has a phenomenal chance with 75%+ of recurring revenues per year based on multi-year contracts. We will be with customers for five, seven and ten years keeping our customer base through excellent quality of services and an aggressive renewal strategy. We will help transformation within our customers that have trusted us for years, as we need to guide them to the Cloud. It is the first territory of Canopy, which is to support their Cloud journey. We are already in their infrastructure, and there is no one more prepared than us to drive that journey because we know where they started from. I have had the privilege of working five years in a row for customers through long-term Managed Services contracts, and the depth of relationship is a phenomenal tool to fertilize further the rest of the portfolio. An additional part is the 25% of revenue that Atos has to gain and win every year. We will do this by adding new logos and new territories, particularly with large organizations, which is making a step change in the way we engage in some geographies. We will develop champion offerings because it is a phenomenal door opener. Lastly, we will diversify the way we go to market using a new approach to market that we have generated from working with Samsung and working with Siemens as they have a different approach to the market.

The Plan to Reach 2016 Targets in IT Services

Charles Dehelly, *Senior Executive VP Global Operations*

Tier One Program: a focus on continuous improvement

Having successfully delivered our Top² Program, we are now on the third step of our journey and we are engaged in a Top Tier Program focused on customer satisfaction, business needs improvement and productivity. Financially, our ambition for 2016 is to achieve, without Worldline, the same Revenue, Operating margin and Cash generation that we achieved this year with Worldline. To do this, on the revenue slide, the IT Services part of Atos will generate about €7,550 million this year. Over the next three years, there will be price concessions and we are assuming that the global economic situation will continue to limit our clients' capability to generate productivity through their own organic growth, thus leading them to be more demanding in terms of price reduction. However, we anticipate that we will be able to sustain the average book-to-bill that we had for this year and last year and that will help us offset the impact on our top line.

We will also reap the benefits of a number of strategic transformations and investments that we have been able to achieve over the past two years. Firstly, there has been our investment in Cloud with Canopy, which we believe puts us in a good position to gain market share, and we expect there to see some cannibalization of our existing traditional business. Secondly, in Systems Integration, thanks to our new advanced offerings, particularly in Big Data/Analytics, we will now have many more opportunities and Francis Meston will talk about the META Program later. We also aim to reinforce our position in the Americas and Asia through acquisitions and so reach revenue for Atos of about €8.7 billion, giving us a 5% CAGR over the period.

Revenue Evolution 2013-2016

The operating margin for the IT Services part of the company started out at 6.3% in 2013 and then we have to consider the effect of salary increases over the period. However, as we will be moving our percentage of offshore in SI from 33% to 50%, we are confident that we can fully offset the effect of these salary increases. Then, we have the aforementioned price concessions, which will be more than offset by a number of actions. We will be implementing a new purchasing strategy and we still have the effect of the Top Program, with some very experienced Top leaders in the Company who have many new ideas. For example, in Real Estate, we launched a desk sharing initiative which was very successful, and office utilization can be improved further for additional savings. There is scope for further optimization of our Selling, General & Administrative expenses (SG&A) because of being able to handle bids more efficiently. Now, we have more shared services and could also implement Cloud transformations in internal IT and capture associated savings there.

We will also achieve the benefits of our improved volume/mix of business thanks to the Cloud and the META Program as well as through replacing some former Siemens IT Solutions (SIS) zero margin contracts by normal gross margin contracts. In addition, we mentioned at the beginning of the year that we would be launching our new End-to-End initiative and this has now been fully ramped up.

All of this will lead us to an operating margin of 8.3% in 2016, which is an increase of 200 basis points. However, we need to take into account some element of execution risk and bearing that in mind we come to a margin of 7.3%. Therefore, we have a commitment to deliver an operating margin improvement of between 100 bp and 200 bp over the period, depending on our capability to implement these entire programs flawlessly.

End-to-End is the catalyst of Atos Continuous improvement

I am hugely excited by the End-to-End Program, which will generate many improvements. We have been deploying our Lean Program since 2009, with more than 33,000 people now having gone through the Program, and we can now move to the next step of optimizing team activities through Lean and sharpening global processes involving multiple teams. This is what we call End-to-End. The key benefits here are that, as well as removing inefficiencies, we can also get rid of any unnecessary steps in a given process. As a result, we will deliver customer requests more quickly and will get things right first time as we will have removed the source of mistakes in multi-sequential work. This will lead to greater customer satisfaction and growth as well as a significant increase in productivity.

Questions and Answers

From the Floor

Your comments suggest that the first part of next year will be quite weak. Your procurement savings will more likely come into effect in 2015 and 2016 than in 2014. Should we assume that this progression is quite linear or will 2014 be a transition period?

Thierry Breton, *Chairman and CEO*

We expect the first half of next year to be difficult and then the situation will improve.

From the Floor

Is it fair to say that you do not anticipate any dilution of acquisitions?

Thierry Breton, *Chairman and CEO*

We expect to be smart with our acquisitions. We make careful decisions.

From the Floor

Can we have more data on profitability and price pressures? Why did you force a conversion given that there is very little impact from acquisitions on IT Services? Why do you not use your cash flow to fund the pension deficit or buy back shares?

Michel-Alain Proch, *Group CFO*

Europe is beginning to initiate share buy-back. We forced the conversion because we because these IT acquisitions are part of our plans. We created Worldline as a subsidiary and would place it on the market to give us agility in consolidating the payment sector in Europe. We need to have a strong balance sheet and the conversion will help us achieve this consolidation and apply consistent methods. Half of the €230 million in net cash improvement is returned to shareholders.

We are addressing this pension fund because it was stringent and short-term and it was the last significant one regarding defined benefits. We have dealt with the pension plans in the other countries already. After completing this plan in the Netherlands, we would have almost no deficit. In the three years to come, we expect an increase in interest rates, and then the pensions liabilities should decrease.

Gilles Grapinet, *Senior Executive VP Global Functions*

The margins for our activities are much higher relative to other IT Service providers. CIOs of companies expect savings but still want a high level of service and security and we provide this.

From the floor

We seem to be signaling that Managed Services will grow by 1-2% and that less than half the growth in this area will be organic. Why is the growth so low for such a large part of the group? Are there large contracts which will become significant in the next 2-3 years?

Michel-Alain Proch, *Group CFO*

We have made €50 million from the CMT unit in Siemens. This is in our revenue for 2013 and will not feature in 2014. That represents 0.5% for the entire group and 1% for Managed Services because the entire amount was included in it. In 2013, we renegotiated or stopped the former systems-related contracts. These represented €400 million when we bought the company. The figure still represents €300 million in revenue in 2013 and in 2014 it will represent €250 million. The remaining €250 will remain stable because we have renegotiated a contract. Most of these contracts were Managed Services contracts. We will still be at 1% in 2014 but will accelerate for 2015 and 2016.

Charles Dehelly, *Senior Executive VP Global Operations*

We did not make aggressive assumptions on the conversion rates of important deals. The guidance given is extracting a specific measured outcome and we will aim for that aggressively.

Prasad Bora, Goldman Sachs

What gives you confidence regarding operating margins in the newer offerings, that you will have better margins than your peer group? The growth estimate of 5-7% for the Worldline business still looks conservative, especially given the investments you made and the broad scale of your presence.

Thierry Breton, *Chairman and CEO*

We are very confident about the relative character of these new offers, in Cloud, the transformation of Worldline and Big Data. We are checking all commercial deals and the new offerings are more relutive than traditional deals. I know what the margins are at signature, so I want to see the margins developing through delivery and then we will go back to the market. Our new deals are above our traditional margins at group level.

Gilles Grapinet, *Senior Executive VP Global Functions*

The ambition for Worldline is not conservative and the growth should come from the increased development of some platforms, but it will take time for the effect of these transactions to be there. The overall profile is of acceleration.

Michel-Alain Proch, *Group CFO*

We have a clear value from a technological point of view. Our systems are complex. We cannot provide enterprise-grade SLAs without a technological team. We are building systems with the EMC group because we need to leverage on their €2.5 billion annual investment in Cloud technology.

Antonin Baudry, HSBC

You have €2.5-3 billion to spend on acquisitions. Are you targeting the US, where there are very few companies available and the demand to acquire them is very strong, with high prices. The situation is the same in Europe. What is your position on acquisitions in advance of the Initial Public Offering (IPO) for Worldline?

Thierry Breton, *Chairman and CEO*

We know it is hard to find acquisitions and we need to demonstrate that we can afford to buy in order to be credible. We are able to achieve this, internally and externally. We cannot tell you if we will acquire companies before or after the IPO. We plan to achieve our IPO during the middle of next year, if there are no obstacles. We continue to investigate, make proposal and be part of bids. In IT Services, we started at €600 million in the US and we are already achieving growth. Our vision at the end of the plan is to double our revenue. We may achieve 5% revenue from new acquisitions in IT Services. We could capture €300-400 in revenue organically. Financial discipline is important to us.

Adam Wood, Morgan Stanley

How much do you need to achieve your sales targets and margins? How much will come from internal improvements you have made? A lot of US companies have had weak results in Asia for data protection. As a European company, do you feel that is a big benefit for you in the Managed Services area? Are we starting to see benefits already?

Thierry Breton, *Chairman and CEO*

Sometimes what we forecast regarding the macro environment does not happen. I try to teach the teams not to be dependent from the macro environment. I feel that we will see two Europe. Northern Europe will start to grow at a steady rate and I will be cautious about Southern Europe.

We need to be prepared for a lot of social impact in Southern Europe. With a growth forecast of 1% for Europe, new jobs will not be created. We will develop more in Northern Europe where we feel quite comfortable with the level of growth in the next three years. The level of applications was at 7% in Europe, which is extremely low.

Regarding data protection, Europe is not positioned where it could be to benefit from the Cloud. We fear that the regulations are still local. Some countries like Germany were extremely productive. We decided to be proactive at EU level. I am a member of a European body which designs guidelines that we could introduce in Europe to help us protect ourselves.

I am leading this initiative with the CEO of SAP, who is based in Berlin. We presented our views to the Heads of State on October 24-25th and they have agreed to work on concepts. If countries accept the agreement, we will have shared data which we can process in the Cloud model, as long as SLAs are accepted. All European companies are included in this. It will be an opt-in approach.

The barriers of entry are extremely high. It took us three years to design the strategy that we are presenting to you today. We decided on a model and selected the partners that our customers would approve. We decided to be transparent and create a platform with partners. We wanted to attract the best people quickly, because it takes time to train them. The platform is very costly to develop in the Cloud. Customers need a local company which can offer cross-border services. We believe we are extremely well-positioned as a European leader to serve our European customers.

Jean Beaubois, Berenberg

In your 2016 plan, you target €1.5 billion in extra revenues. €800 million will come from Mergers and Acquisitions (M&A) and €400 million from Canopy, which leaves very little for the rest of the business. Is that right? You said Canopy was already generating €300 million in revenues and this would increase to €700 million, so that is an incremental figure of €400.

Charles Dehelly, *Senior Executive VP Global Operations*

Part of that is the capitalization of the business, so the net figure for Cloud is smaller than that.

Jean BEAUBOIS, Berenberg

€1.2 billion comes from M&A and Canopy and only €300 million is left, over three years.

Michel-Alain Proch, *Group CFO*

Canopy does not represent net additional growth. Part of it is directed towards transforming legacy infrastructure and driving our existing customers to the next stage of the Cloud. Part of this is offensive and part of it is defensive, because we would be in danger of losing these customers if we did not have Canopy. That is why the €400 million cannot be taken as net and part of the growth will come from traditional activities.

Worldline: Vision, Strategy and Ambition

Gilles Grapinet, *Senior Executive VP Global Functions*

This is an exciting time for the payment industry and a particularly exciting moment for the Worldline team. Much change is underway not only in our business with customers but also for us as an entity within the Atos Group. In addition, we will potentially be welcoming new shareholders in 2014.

Vision

We will now focus on our vision for this booming business – the payment business at large – and on why we are confident about the value brought by the Worldline business in the past and in the future.

Today, Worldline is a leading player in the payment space with a very large position in the payment value chain. Historically, we have served the traditional payment services customers: (a) banks, and (b) merchants (small and large retailers). For banks, we deliver a very large range of payment processing capabilities covering card payments to non-card payments, mobile and internet based payments, etc. For merchants, we have a very large range of payment services covering their end to end needs regardless of the type of business they operate in.

Strategy

These are the first two pillars of Worldline's payment business. We are differentiated by the fact that we have been managing, for over ten years, to serve and bring payment technologies and payment platform capabilities of the Group to the new digital businesses. These are non-traditional payment customers such as central and local governments who are shifting from paper based processes to electronic based processes for the payment, for example, tolls, taxes, fines, etc. We also work with transportation companies replacing paper tickets. The list of these new digital businesses is long and growing even further due to the machine to machine revolution which is bringing every organization on earth to the business.

Our first differentiator is therefore that we serve traditional payment customers and the new digital customers.

Our second differentiator is that we deliver very robust core payment services – everything that is needed to have a payment transaction accepted, authorized, cleared, and settled. However, we also do more. We cover the early stage of business capture with our business enabling platform. That enables the capture of business transactions and ensures that any business opportunity can be converted into a payment via a flawless architecture. After the transaction payment has been executed, we provide value added services that allow corporate organizations to obtain additional understanding of their customers' behavior by leveraging the payment data captured at the time of payment. It also includes real time loyalty systems. Tomorrow, it will involve Big Data and analytics to allow fast conversion of the next opportunity into actual business.

For Worldline, this is not something that will happen tomorrow but something that is already here today. This is what we are today and it is what makes this company very different from many other players.

Differentiation tomorrow

Moving forward, after the carve-out, the new Worldline is already a European leader gaining position outside of Europe. We already have leading positions in North Continental Europe (France, Benelux and Germany). We have very strong footprints in these three main countries, which are the richest and most developed in Continental Europe in terms of their acceptance of electronic payment means. We also have strong positions in the UK and Spain, and we are developing positions in emerging markets such as India, Asia-Pacific and Latin America. We have 7,200 payment experts who are recognized as experts in the many domains in which we work.

Worldline is a company that has been in existence for several decades. It has been growing organically, and via mergers and acquisitions. We have been particularly successful in extracting value while keeping the former owners (the banks) pleased to work with us after the transaction was completed. This has made Worldline what it is today: an established, leading player in many areas in Europe. It is the first internet payment player in Europe; the first commercial acquirer in Belgium; the first issuing processor in Germany; and one of the major payment processors in India.

We are starting from that very specific value added positioning, extended coverage of the payment value chain, and a footprint serving traditional payment customers like banks and merchants but also the new digital businesses.

Going forward, where do we want to bring the company? I would now like to share with you our very strong vision for the future. We have crafted the new Worldline to be more than another payment company. We want Worldline to be the company for a connected world. We want Worldline to be an electronic payment company to support today's – and tomorrow's – digital experience. That is what is putting passion into our lives. We are playing a role in an area where the digital revolution is truly happening.

Four Main Directions

To make that a reality, we are working in four directions: Be Focused, Be Global, Be Innovative, Be Open.

- Be Focused: we want to be focused on the next generation of B2C services where the digital revolution will re-shape the world around us. That has already started and is the reality of today; it will be massive in the decades to come.
- Be Global: Worldline has a lot to do in order to extract its new scale and realize the economies of scale in its bottom line. We also want to ensure that we can transfer this power to all our customers around the world.
- Be Innovative: the payment industry is at a very specific moment in its history. After 30 years of stability in the card industry, we are part of an explosion of new technologies. Innovation at the very heart of the Worldline company's DNA. We have invested millions per quarter over the past two years to ready the company for this moment in time. I believe we have the right offer at the right time to take advantage of that.
- Be Open: to fully exploit the new flexibility that our parent company, Atos, is providing. We want to be open to welcome new partners. We want to be open to welcome new assets and new companies within the perimeter of Worldline at a time when the industry is undergoing consolidation. We want to take advantage of the upcoming IPO in order to be in a position to go after any significant strategic move that we want to make.

That is our ambition, and it can be summarized in one sentence: we want Worldline to capture the full growth of the payment markets. Due to the digital revolution, the payment market is actually expanding in many, many directions.

A recent quotation from Peter Sondergaard at the Gartner 2013 meeting in Barcelona puts into words a reality in which we already operate: "The digital world is upon us; digital is the business, and the business is digital". Electronic payments have to become more than the step you take at the end of your customer process in a store. They have to become an enabler of new business opportunities. They can bring an extension of your business models. They can bring companies into new territories. Payments are the business.

Three growth trends of the payment market

This is where we want to put Worldline. We want to deliver that vision by playing on the three main trends that are our main levers to enable the company to grow even faster in the future. First, we want to exploit the full potential of the payment market itself. In terms of volumes, the payment market is growing three times faster than the total consumer spend. We have a connection to GDP growth. Even in Europe when GDP growth was going down, payment transactions (in volumes and in value) were still growing. We anticipate that volumes on existing payment platforms should improve in the coming years, thanks to the overall GDP momentum that everyone is anticipating, particularly in Northern Europe – that is where Worldline is the strongest.

Second, we want to take full advantage of the payment market's digital transformation. This will be the main part of the Worldline business in the coming years. We want to capture a fair market share of this expansion of the payment industry. The payment industry will not only serve traditional banks and retailers. We will supply banks and merchants with the tools and platforms they need for their businesses to be ready for the digital transformation. With the explosion of alternative payment needs, we also need to supply these technologies to a brand new set of customers. Such as shift in the technology and such a challenge in the regulations will re-shape the payment industry itself.

Third, there will be different players and there will be a fewer insourced activities. We anticipate greater outsourcing opportunities for payment processing and payment solutions. We anticipate that the traditional dilemma of large retailers between "make or buy" will change dramatically. There are so many technology trends that should be followed that it is difficult for them to make the right choice. As they are looking for economies of scale and a higher level of adoption by their customers, they need to trust the solutions that will work rather than re-inventing the wheel each time. This is where Worldline, a European leader, can make a difference.

Volume Growth in the Payment Industry

These are our three main directions and I would like to go into further detail about each of them. The first lever is volume growth in the payment industry. An extract from a recent study shows the perspectives for non-cash transactions in Europe to 2015 and 2020. The anticipated growth rates are considerable and they relate to all types of payments: non card payments, debit and credit card payments, alternative payment methods (which will explode). Worldline has the technology and solutions for all of these areas.

Digital Transformation of Payment Solutions

The second lever is the digital transformation of the payment solutions themselves. So many businesses around us will be transformed by the need to become digital businesses. That is being driven by an explosion of new technologies that are impacting on retailers. It is anticipated that the addressable market of European retailers will go from €128 billion to €200 billion by 2017. There are no large retail brands that are not investing today to re-invent the way we do business with them, in-store and outside the store.

Of course, the machine to machine revolution will have an impact in many sectors – in manufacturing, in banks, in healthcare, in industry. For example the connected car market is expected to explode in the next five years. I believe that, by the end of this decade, every car from any manufacturer will be connected. Worldline is present in that area as well.

Mobile payments are expected to become a huge sector by all analysts as this is such a convenient tool. It is totally transforming the way that all businesses, including retailers, are delivering their services and being paid for them. A real change in business processes is at stake here. The smartphone is basically a small computer that everyone has in their pockets. It will totally change the value chain and perfectly illustrates the value of payment technology in supporting a radical re-positioning of brands in their business processes. In addition, smart houses, smart parking stations, smart trains, etc. will create data that can be captured and transformed into business opportunities. This is a field of play that is absolutely central to Worldline. This is an untapped growth potential for the payment industry.

How many times have you paid from your vehicle by touching the screen of your car? I would assume, not that often. It will become a standard gesture in the next five years. This represents pure growth for the payment industry.

I will now share with you some concrete examples of what this all means, based on actual contracts delivered by Worldline. These are actual examples that you can use, feel and touch yourselves.

First, food retailers, which are moving to drive-in food retail. The overall business value proposition of these retailers is quite simple and seductive, both for the retailer and for the customer. Rather than wasting a few hours each weekend buying more or less the same items, you will be able to order online, prepay for the items, and pick them up at a time that is convenient for you. All of your shopping is ready to be put into your car. If the items are not available or you change your mind in between, the payment solution has to be flexible enough to change your bill at the pick-up time. That is Worldline is able to deliver to 50% of drive-in food retailers in France. We are also pioneering that in Spain, Luxembourg and Italy.

Second, banks are particularly interested in moving in that direction to prevent the traditional payment systems ending up in someone else's hands. Banks are therefore moving into the mobile payment space, notably through the mobile wallet. The mobile wallet allows you to pay without having to queue at the cashier's desk. We have been delivering this solution for three very large French banks (Société Générale, BNP Paribas, and Banque Postale) and it already enjoys a high level of adoption by end users.

Third, transportation companies where there is a move away from ticket payments to payments by payment cards which are simply swiped to allow entry. You swipe your card to get onto the train, and you swipe it again once you get off. Worldline is delivering that for Manchester and worldwide.

Fourth, car manufacturers are expected to become a huge market for payment players that are able to address their needs.

All of these are examples of what we mean by taking full advantage of the second lever, the digital payment transformation. Our aim is to make Worldline a leading player here. These are all projects that we have won in the last three years and are truly live today.

Changing Regulations and Technologies

The third lever refers to the dual impact of the change in regulations and the change in technologies on the structure of the payment industry itself. The change in regulations has been occurring for some time already, starting with the SEPA regulations some years ago, which created a single, euro payment area. It is accelerating with the adoption of the new Payment Service Directive, which will lead to a major transformation of the economics of the industry. This will, first, develop the acceptance by merchants of electronic payments by making them cheaper. Second, it will lead to a more open market at the European level. This is driving the re-thinking by banks as to their existing payment platforms. As well as facing a change in the economics of their old business models, they are having to invest in the technology that is driving this reshuffling of the cards.

We anticipate that, by being a payment company within a technology company, the two trends will play in favour of Worldline in terms of development. We should see more payment outsourcing opportunities, and we should see more divestment by the banks of payment assets. This is a real game changer, and we can only guess at the real impacts of that today.

Conclusion

Worldline already covers the full payment value chain. We support issuing banks on a very wide scale in all the functionalities they need. We can support them in any of the payment means they want to provide their customers with: mobile, internet, NFC, etc. We can support all merchants, whatever their size or scope, in accepting more and more diversified payment means. We have all the platforms and technologies necessary for that and can support them in-store, on the web, and on the go. We do that for traditional retailers and for the growing category of new customers: the new digital businesses.

How will all this be translated in financial terms? After a very solid 5% rate of growth in 2012, that will be replicated this year, we want to further accelerate our organic growth in the next three years by leveraging on all of our investments. Depending on the speed of adoption of these technologies, we expect 5-7% organic growth CAGR. We have strong plans to deliver on that. In terms of profitability, we had an 80 bp improvement in OMDA 2013 versus 2012. We plan to improve by 200+ bp over the next three years.

I will now hand over the floor to Marc-Henri Desportes, Worldline General Manager, and the rest of his team. They will explain the operational plans that we have in place to ensure that all of this occurs.

From Vision to Execution

Marc-Henri Desportes, Worldline General Manager

Thank you, Gilles, for sharing our vision and our ambition. It is a vision that the Worldline management team has spent much time developing by listening to our clients and partners. They are very conscious of the fact that the payments industry is going through a critical time in terms of the digital transformation of their businesses. We have received excellent feedback on our vision. It is a vision in which I truly believe. I also believe that we have what it takes to execute this, to make it happen, and to create shareholder value, developing Worldline on a very promising market.

Achieving the Vision

The vision will be achieved through the levers mentioned above and through our assets. We will benefit from the growth in volumes in the payment market partly offset by some price competition and scope changes. In addition, we will gain scale by capturing the structural transformation of the payment market. We will push innovation to become partners in the digital transformation of our clients. We will extend our footprint by pushing all our businesses in all our geographies much more than we have in the past. This is how we intend to achieve the 5-7% CAGR by 2016.

When it comes to margin, benefits of growth are already paying an essential role. Payment volume growth benefits our margin both in absolute terms and in percentage terms. This is slightly offset by price pressure, salary increases and the impact of changes in scope. However, we are able to add the three growth levers to that, and they can make a significant contribution to the improvement in margins if we manage to put them on scalable platforms, massively re-using assets from one project to another and from one country to another. Here, having the right organization and the right momentum are extremely important.

To reach the full 200 bp target, we have launched an additional efficiency Program tailored to the specificities of Worldline's business: the TEAM Program. This aims to provide more integration to our business.

Two strong assets for our top line Technology and Business know-how

Our strategy is simple and its execution is demanding. To succeed we can count on our assets, in particular, the dual profile of the company and its teams. We have a, unmatched combination of payment services, merchant services, and systems that are highly scalable and secured. We have people who are very strong in managing these solutions. Combined with that, we have a business know-how and market neutrality that is due to our people who have spent years studying and operating our customer processes. They know about and have a passion for our customers' businesses. We are not a B2C company but we serve the B2C businesses of our clients.

There is no doubt that we also have a robust industrial base. Security is very important to our customers. The fact that we have our own Data

Centre is an important point for our customers. More importantly, this Data Centre meets the highest security and quality of service standards. We manage our own infrastructure to the highest quality of service levels, and we are known on the market for that.

The Worldline new organization is bringing the Global Drive we need

To deliver growth with margin improvement, we need a global drive. We need more industrialization and we need to build on platforms that are scalable. We need re-usable assets. At the same time, we need to maintain the excellent client intimacy we have accumulated over the years. These are the challenges that our organization must address.

We have therefore designed our organization to address those challenges around three main axes. First, the worldwide business lines which bear the P&L, drive the strategy and manage investments and partnerships. They play a key role in the global drive of the business.

We want to maintain and leverage the long lasting trust relationship we have with our clients. This is done through the geographical units that manage local sales, local delivery, and local joint ventures. They are essential in maintaining the client facing relationships that have been key to our success to date.

Finally, we want to have one integrated global factory to manage global operations in order to achieve the highest level of industrialization. Our former organization was more local, which helped us to reach our strong results today. The global drive was, however, too soft to allow us to reach the level of industrialization we are targeting today.

Three Business lines as strategic Pillars

The business lines are the strategic pillars of our business. Each of our business lines will be presenting their own businesses. They are vertically focused targeting a specific type of client and challenge. First, we have Merchant Services and Terminals, which is clearly to help merchants gain client intimacy and generate more opportunities while optimizing their payment operations. Second, we have Financial Processing Services and software licensing which is focused on financial institutions, providing them with the payment solutions they need to face the changing regulatory environment and changing B2C behavior. Third, Mobility and E-Transactional Services, which are concerned with new clients facing new digital transformations and new digital business models. In this area, we can provide a combination of transactional and payment businesses that can go much further into the business scope of the client.

TEAM Program: a transformation program delivering a second level of efficiency

We have a TEAM Program for further efficiency and integration. We feel that we have seen a significant upside at Worldline in improving cooperation. The TEAM Program was therefore launched and it goes beyond the Program that already existed. It is more focused on the specificities of our business. It begins with infrastructure and the Global Factory. However, it is also focused on selectivity, platform innovation, and market offers that are targeted for scale effects. As a result, some local or less promising businesses will be ramped down if necessary. It also aims at optimization through tighter control and more shared service centres for local delivery.

Putting in place the right effort and global drive on this initiative is a core Program for further integration of the business.

I will now focus on infrastructure as a core topic of this Program. We have a strong base here of highly scalable platforms and a strong intensity of open source solutions as well as our own IPR solutions. In order to be scalable without adding more and more cost, it is important to have control of your solutions. That is a key driver of Worldline's profitability. In the past, this did not cover the full perimeter of the business. Putting the new geographies into the new environment will lead to a first level of benefits. A second level of benefits will be gained through an improved management of the infrastructure. That requires more shared service centres, more offshore, and more infrastructure optimization (through the consolidation of Data Centres and platforms). All of that will lead to additional benefits gained through this Program.

Growth engines: the footprint extension, digital transformation supported by innovation and structural transformation through the right Go-to-market

The first growth lever is quite simple. It is concerned with bringing all business lines to all geographies. Today, the business line distribution is heterogeneous with, for example, only one business line in Argentina and one in China. The lever is also concerned with innovation. A very important part of the digital transformation is investment and maintaining a strong investment approach. We have done this in the past and will continue to do so with clear priorities including new payments, wallet technologies, online and mobile security, and fraud management.

We do not pursue awards as part of our policy. However, we are pleased to see that our partners, clients and analysts recognize our efforts on a regular basis by giving us innovation awards.

The payment market is going through a structural transformation. This involves increasing scale by adding more big clients and their momentum. A specific effort is required in this area and we are therefore combining three levers in terms of sales. First, local sales that can help build up a long lasting relationship of trust. Second, global business lines with their global solutions and global power can pursue additional business. Third, the Atos Group can extend our coverage to the 25 countries in which the Atos Group is present but in which we are not physically present. We have identified 69 major accounts in which Atos is doing business and which have a B2C profile that is promising for our solutions. If we move together on these accounts we have a further possibility of development.

Conclusion

We have current assets. We can benefit from the growth in payment markets. Through the global drive, we can perform the growth levers efficiently: structural transformation, digital transformation, and footprint expansion. This will require team work through the TEAM Program.

I will now introduce the first line of Worldline management with the three global business leaders: Christophe Duquenne, who is also the Chief Operating Officer of Worldline, for Merchant Services, Frédéric Launoy, for Financial Processing and Software Licensing; and Olivier Stuckens, for Mobility and E-Transactional Services. We also have the six heads of the geographical regions. They all share the same passion about extending the payment value chain. They all have a mix of technological and business backgrounds, and a passion for innovation and for our company. I am very proud to work with this team and I am very pleased to pass them the floor.

Global Service Lines Presentation

Merchant Services and Terminals

Christophe Duquenne, COO & Head of Merchant Services & Terminals

A profitable market with new hot trends

This business provides support to the merchants at each step of their relationship with their customers – before, during and after sales. For years, this has been a very robust and profitable activity for Worldline. This business features a high level of innovation, mainly coming from new mobile usage. As a specialist in payments and online services, Worldline is unique in reaping benefits from this solution.

In H1, we generated revenues of €178 million with a margin rate of 18.3%. We currently provide services to a strong base of more than 150,000 merchants, ranging from individuals to large international accounts. We obtain commission fees to acquire and settle 103 billion card transactions in the year. In the field of e-commerce, we capture a sizeable number of 300 million transactions per year, using a wide range of over 100 online payment methods.

To support our development, we have built an ecosystem of over 300 partners. On the one hand, we have partners who enrich our portfolio of products. On the other hand, we have partners that support the distribution of our services, from single and independent sales partners to international alliances.

A set of solutions designed for large or small merchants

The portfolio of services is built on five families of products. As such, we have the ability to provide end to end solutions to merchants, before, during and after sales. The core of our product portfolio covers the provision of commercial acquiring services where we manage the risk for the merchants, and the provision of terminals and multi-channel payment acceptance, enabling us to capture our merchants' transactions wherever they are initiated (in the point of sale, in vending machines, or online). We build and run online purchasing websites and mobile applications that smoothly integrate the payment and digital purchase experience.

Thanks to the customer and transaction data collected through payments and orders, we also cover pre-sale and host sale marketing activity.

Market Trends: new opportunities are coming from digital and structural transformations

The market is currently going through a number of changes due to evolutions in consumer habits, the universal development of e-commerce, and the regulations. We believe that these changes offer excellent opportunities to take advantage of the unique positioning of Worldline. Mobile phones are triggering dramatic evolutions in the way consumers behave. Merchants now face customers that are able to prepare their purchases at home online, are able to compare prices on the spot, and able to buy and pay online anywhere at any time.

Some merchants need to escape the showroom effect – consumers visit the point of sale only to browse through goods but order online back at home. Worldline has therefore set up a sales skills unit to help merchants to re-invent the way they engage with customers.

Small merchants face multiplication of payment methods and the rise of online e-commerce. In light of these trends, they are looking for simplification. They appreciate our ability to provide packages that encompass payment and value added services, making lives easier.

Large merchants want to leverage their European footprints and benefit from extended payment services across the different geographies in which they operate. Worldline is strongly positioned in Europe to serve their needs.

Recent announcements made by regulators with respect to cross-border acquiring will stimulate the markets. By decreasing the level of interchange fees and reinforcing the unique payment area, the European Commission's ambition is to promote the development of electronic non-cash payments. Worldline is ready to capture the new volumes of transactions that this will generate.

Action Plan & Operational objectives

First, we want to take advantage of these changes in regulation to boost our cross border acquiring business. Our platform and services currently support merchants operating in over 30 countries (physically or online). Our distribution partnerships can leverage local presence in new geographies. Our ambition is to double the size of our partner network and to build strategic alliances with banks in all the geographical where we operate.

Second, we want to develop vertical solutions for merchants. Mobility demands the re-invention of the way merchants interact with their customers. When we pursue vertical solutions (such as the drive model in the food retail business) we are very efficient in meeting new consumer expectations. We plan to extend our offer with at least two new vertical solutions each year for commercial segments.

Third, some of these verticals are natural targets for mobile payments and mobile commerce. We will replicate our first successes in fields such as movie theatres or fast food restaurants to size the full potential of these fast growing markets. Our ambition is to reach 10% of mobile commerce revenues out of our total merchant business in two years' time.

Fourth, we invest in new payment methods. In terms of virtual wallets, we are actively participating in their development. In terms of merchants, our objective is to be the open leader in providing merchants with access to all relevant wallet based payments introduced to the market. On top of our core payment business, we also want to provide merchants with at least five new value added services each year.

I will now give the floor to Virginie Waroquier, Head of Commercial Acquiring, to elaborate further on the development of these values added services.

Focus on some of our advanced services at point of Sales

Virginie Waroquier, *General Manager Sales, Marketing & Strategy Benelux*

I would like to provide you with three practical examples of new products that we have launched this year.

Instant Survey on POS terminal

This is one of the five value added services we have launched this year. It enables merchants to measure and increase their customer loyalty on an online basis. When the customer pays for an item, their attention is concentrated on the terminal screen. A Visitors' Book service exploits this opportunity by asking a very simple question to the consumer immediately after payment is made. Questions change after each transaction so that we are able to cover all of the subjects required by the merchant. The merchant receives a report on a periodic basis and can easily find the results of the survey.

This value added service generates a monthly revenue fee that is billed to the merchant. This type of revenue comes on top of the basic core commercial acquiring revenues.

MPOS secure pinpads & apps

Worldline recently launched its MPOS solution in the market. This small device is a card reader that is connected, via Bluetooth, with an app that we have developed for the majority of smartphones on the market. This solution was launched in a first geography where over 2,000 devices were deployed in several weeks. This solution is very suited to micro merchants, to service delivery at home, and to starting businesses.

Worldline really believes that this type of solution will expand the addressable market for payment devices by over 40% in two years' time.

ECR tablets and pinpads solutions

These solutions include cash register software in the Cloud which runs on a tablet. It also includes some traditional hardware such as printers or cash drawers. These elements are connected to an MPOS device or a traditional payment terminal. This solution is very suited to fight against the showroom effect. Sales staff can follow the consumers around the shop and have all the necessary material to provoke an instant sale and a payment. This is a very promising project. It is not only a mobile solution in the shop but a new way of installing new merchants and a standard equipment for merchants who want to renew their infrastructure.

These three examples are linked to the merchant business. We will now turn to the other side of the business – issuing – with Frédéric Launoy.

Financial Processing Services and Software Licensing

Frédéric Launoy, *Head of Financial Processing & Software Licencing*

This is clearly the brick and mortar part of our business. It is much sexier than one might think as it is at the heart of Worldline's business and ambitions. We deliver close to €400 million per year with a good level of profitability thanks to more than 2,000 dedicated persons, primarily engineers. Our activities are growing at almost 3% despite market conditions, and we are a leading actor with solid volumes: 2.2 billion acquiring transactions, over 50 million cards processed, and 120 big banks using our software solutions across the globe. We are number 1 in such activities in Asia.

All in all, we serve an impressive list of over 200 customers including all major banks in Belgium, most major banks in France and Germany, and the top banks in China and Asia.

A vertical portfolio that combines assets with a strong market know how

I will now turn to the content of our portfolio, which combines solid assets with strong market expertise. Our processing offers benefit from 40 years of expertise. Our processing capabilities have now been extended to new forms of payment (online, virtual, credit/debit transfers) and to online services that support banks in their digital journey. Our value added services provide a clear differentiation on the market and already represent over 30% of our issuing revenues.

We are one of the few companies that cover the full payment value chain: issuing, acquiring, processing, servicing and value added services.

Covering the full payment value chain

I will illustrate this with three cases. The first case is very typical of our card issuing processing business. With our customer, IBB Berlin, we process 1.7 million cards for the German Automotive Club and we have a strong potential for growth: this organization has 17 million members. We plan to extend the services to emergency cards to transform the card into a wallet and to deliver services that will be based on the data we collect.

The second case demonstrates our ability to move beyond card payments. iDeal, launched in 2005, is the number 1 payment method in the Netherlands and the most successful online banking e-payment scheme in Europe. Our expertise in that domain places us in an unrivalled position for the development of such payments.

The third case illustrates that Worldline is already in tomorrow's world of payment. In September, Paylib was launched to deliver easy and secure payment methods for electronic and mobile commerce. Worldwide is the central operator, providing our expertise in wallets and identification, clearly an innovation that emerged from our labs several years ago. Paylib had tens of thousands of subscribers in the first weeks after its launch, and our plan is to reach over €2 million by 2015. In the future, this will be extended to payment at delivery time and to payments on the merchant's smartphone. We will also extend to person to person payments. Such schemes are open to any other European actors as they wish.

Structural transformation of the payment market generates opportunities

Nevertheless, we all know that the banks are operating in a very challenging context today. They are highly impacted by three main factors. First, regulatory pressure, where banks are negotiating and getting prepared. Second, banks have to react to new entrants that are driving to gain critical size. Third, they have to address new usages that are strongly demanded by customers. Such a challenging situation creates many opportunities for us. For example regulatory pressure will clearly drive more outsourcing. We can capture these opportunities by helping the banks to invent alternative pricing models. With respect to new entrants, our solid track record sets at the right level of ambition to be the operating partner of such newly created alliances. Regarding new usages, we are ideally positioned thanks to our long-term investment in mobility and security.

Action Plan & Operational objectives

We are well prepared in this market. Now, I would turn to our operational plan.

First, in terms of cost optimization, our ambition is to be best in class and permanently at market price while improving, globalizing and permanently renewing our platforms.

Second, in terms of our ability to deliver new values and services, we plan to provide issuers with two to three new value added services per year. Our aim is to become European leader on the banking side as a wallet based player and in online banking e-payment schemes, leveraging the iDeal case presented above.

Third, we have strong go to market actions to extend our geographical presence, first in European countries where we are present and in neighboring countries such as Austria, then in Latin America and Asia and finally, in East and North Europe.

Financial Processing in Germany

Wolf Kunisch, *Managing Director Germany & CEE*

In Germany we have reached a very strong position in the issuing and processing market, with a continuous growth in cards, in transactions and revenues. We have reached the position of a market leader with an almost 50% market share in a highly competitive market.

We have a strong client base across all pillars of the German banking market: savings banks, cooperative banks, and internet banks. Our key success factors have been a very strong customer focus and a high level of intimacy with our clients. We are also very agile in responding to their demands. We provide innovative solutions to support our customers' top line growth, and we have a high level of quality and compliance which is a prerequisite to being successful in the market.

From a success story in Germany to a strong international potential

Today we are using our position in Germany as a platform for international expansion to countries neighboring in the north and in the east. We have two main approaches here. First, we can provide stand-alone value added services (such as fraud services) in which we have a proven track record in mature countries. Second, we also have full issuing-processing service contracts in countries such as Poland and Austria.

The compliance and revenues-cost pressure mentioned above has forced banks to reconsider their historical relationships with their local processing companies. Worldline's strong points are its scale and rich functionalities that support the changes in the banks' business models. Our platform is multi-language and multi-currency. We also have a proven trackrecord of successful migrations, which creates trust in banks that are often quite shy regarding the risks related to migration.

Change is also being driven in these markets by changes in the former inter-banking processing entities that are divested by the banks. This creates new opportunities and movements in the market.

In addition, we are ideally positioned for European consolidation efforts by banks with multi-country retail footprints that are looking for a single partner to address all of their issuing-processing needs across Continental Europe.

Beyond issuing-processing, the new Worldline provides many opportunities for us in Germany. We have a strong vision of the full payment value chain from acceptance to POS terminals and e-commerce. We also have acquiring and merchant centric value added services that allow us to capture redistributed revenues across the value chain. Beyond that, we can also expand into new areas based on our strong payment credentials and Worldline's sector expertise (e-health, ticketing, prepaid electricity, tolling, etc.).

Mobility and E-Transactional Services

Olivier Stuckens, *Head of Mobility & e-Transactional Services*

The usual payment system is made up of merchants and banks. My mission is to capture these new booming payment types. Thanks to strong synergies with payment software and payment architecture, we are contributing to strategic transformations powered by digital services. This is the beginning of the story.

This is a fast-growing market based on expanding usage. The key figures for the first semester amount to €182 million, representing double-digit growth, and an operating margin of 11.4%. This is a good level of profitability especially given that our platforms are still in a ramp up phase. It is a business where we manage many innovations and huge volumes. I will illustrate this through three examples.

Portfolio of selected verticals enabling to capture promising new digital businesses

First, we have to consider the usages of connected services in the car. The customer experience is key for engagement here and this is very important for our business. Second, large volumes are also part of our daily business. Thanks to very strong expertise in security and privacy management, we are managing huge amounts of consumers' personal data. We already serve many customers in many geographies. Behind those models you will recognize cities, transport companies, manufacturers, telco's and publishers. To address such a diverse customer base, we need to be focused. We are addressing new markets and we are using our expertise in architecture and technology. However, we also organize the portfolio in a segmented approach. This segment should be considered as a new, growing ecosystem where payments are adapted to new type of usage. Third, new business models also have to be considered. Machine-to-machines mobility solutions – that we used to call Connected Living Solutions – are part of the new context of mobility for consumers and citizens. E-government collection platforms are providing paperless, secure processing for better public services. Telemedicine is a further illustration of that.

E-ticketing systems are a combination of intelligent passenger ecosystems that are delivered in innovative, robust and cost effective technologies that include various payment means. Public and private companies are involved in this. Through contact on e-consumer Cloud platforms, we try to manage a better engagement of the consumer by delivering an improved customer experience and an improved way of managing their personal data.

This portfolio is served by three additional factors. First, we have a strong track record in delivering as a global integrator. Second, we also have a strong ability to customise tools for our customers using the global power of the company. Third, we have a pay as you go business model that secures a quick and effective ramp up of services with low Capex needs for customers.

Market trends: new Digital Businesses enable by contextual mobility revolution

I will now explain why I am so confident with respect to the growth of this sector. Our market serves the new digital businesses. It is always motivating to launch new services. We work for governments who need to collect money in a dematerialized manner from millions of payers (fines, taxes, etc.). When a vehicle exceeds the speed limit, the driver automatically receives a fine and will be able to choose from several means of payment. Worldline manages the overall safety in France and Spain.

Car manufacturers are trying to extend the way they interact with drivers beyond their usual distribution chain. Drivers are able to choose the service they want and buy it when they want.

Transportation companies also need to accept mobile payments and also need to move to electronic ticketing systems. Finally, telcos want to raise the value generated from the metro. They face fierce competition from other players such as Google or Apple, and they propose services that can be reached from any device to allow their customers to use their content on the move: images, music, documents, messaging, etc. Worldline is delivering solutions for millions of consumers of the major telcos.

These are digital businesses with which we engage and all of these clients need for their services to be paid for by consumers. The first of these digital services is fuelled by the explosion in a new type of needs. We predict that this type of example will become more and more mainstream. That acceleration is due to three factors. First, we have more and more connected devices. These are not just mobile phones but also cars, trucks, buildings etc. Second, we have more and more data that is captured from processing, digitization, and many usage contexts. This is the Big Data revolution. Out of this data we can bring much value added to the customers. Third, we have users that are more and more mature. They are also more and more active and very demanding of new digital experiences.

Action plans & Operational objectives

Worldline is converting this digital revolution into benefits for our clients. To that end, we have launched action plans and operational objectives. First, we have an exciting and booming market with many assets that cover the digital revolution. My key action as a manager is to take part of Worldline's new global scope and to push the portfolio widely while also extending the footprint. Second, we want to increase the value of our digital services by the development of data market places. We have two main operational objectives here:

- To have at least one additional country for every segment of the portfolio next year.
- To double the size of revenues in the next two years.

For our platforms and solutions, we will first pursue investment in digital innovations, mobility and Big Data. These are genuine growth engines. We will also increase our differentiation through security and privacy management. Here our two main operational objectives are:

- To extend the connectivity solution.
- To unify our e-ticketing platforms and optimize the line.

With a value chain covering the full journey of the passenger, we are already managing close to €100 million of revenues per year with our e-ticketing platforms.

I will now leave the floor to Tony Lacy for a focus on e-ticketing.

Focus on e-Ticketing

Tony Lacy, *General Manager UK Transportation*

I am very focused on the global transport market. This is a key moment for the transport market – a transformational moment for journey management solutions. We are seeing the introduction and rapid adoption of the deployment of digital media in transport. We are also seeing an increasing reliance on mobile technology both for passengers and operational staff.

Worldline is ready for that new challenge. We are moving to a world where passengers have an insatiable appetite to absorb personalised and contextually relevant content. Passengers are rapidly turning into vigilante consumers determined to find the optimal tariffs and travel offers for their journey. They want to be able to pay for multi-modal services and demand easy access to transportation networks.

The Journey Management Market

In 2012 the global journey management market was valued at €3.5 billion and it is set to grow even in the most challenging national economies. Worldline intends to grow faster than the market. Our experience and deep in focus will ensure that we can deliver intelligent connected travel to our clients. This will ultimately improve the transport user experience, increasing revenues and playing a vital role in future capacity management within transport networks. Transport is the perfect market for Worldline's service.

Transport ticketing is a complex world. Today, we provide and support retail solutions that must be able to sell millions of different types of products. These products generate millions of transactions every day across the world. Those sales generate billions of separate revenue portions. Ultimately, they feed the very complex world of settlement clearing for those transport undertakings. The future world will be much easier for the passenger but the back office complexity will increase as we go forward.

Five Key Interaction Points

I will now take you through the Worldline journey of the future, which has five key interaction points between the passenger and the transit authority or transport operator.

First, the point where true multi-modal journey planning takes place – the origin and destination that people are travelling from and to. This is where people are looking for the best value for their trips. It is where payment takes place and where ticket fulfilment takes place, in a way that suits the passenger.

Second, the point that is all about ease of access to transport networks. Our solutions embrace the latest technology trends, in particular on the latest mobile devices where bar codes and virtual ticketing are rapidly becoming commonplace. Contactless payment cards are paving the way for NFC technology. We are already dealing with these technology challenges today in Manchester and in Latin America.

Third, the point where the real time back office operates. This is where we personalized offers and push messages to the passenger. We also deliver travel alternatives where things do not go according to plan. Our control room solutions support national transport brands including the whole of the UK rail system where we support 25,000 train services every day.

Fourth, the exit touch point, which is vitally important. This is where actual travel is recorded and best value is often calculated. This is key data for the transport operator in preparing its daily submissions for payments to and from the banks.

Fifth, the real value added services point where additional revenues and additional loyalty can be generated through contextual subscriber services. This is where we see partnerships and strategic alliances being developed. We are very focused on this area in our internet retailing services.

A Transformational Moment

In summary, this is a transformational moment for Worldline and for the transport market. We will focus our energy on delivering intelligent, connected travel at local, national and international levels. Increasingly, this world is more and more focused on three key themes: content, payment and access. The ability to offer seamless, multi-modal travel is essential. Passengers have increased demands and higher expectations thanks to the very easy to use technology we are all carrying today. This will increase the pressure on transport operators globally, challenging the existing commercial operations and practices. New technologies will also enable operators and infrastructure providers to collaborate in delivering new ways of managing capacity as demand for public transport increases.

Worldline is ready for these challenges and is ready to take this new and exciting journey with our clients.

Conclusion

Gilles Grapinet, *Senior Executive VP Global Functions*

Thank you all for sharing in this session on Worldline with us. On behalf of Marc-Henri and Christophe, I would like to thank the team for their presentations on what we are doing within the company today.

Next Steps

Delivering on Commitments

First of all, Worldline wants to deliver on its commitments, which are as follows. We want to grow the company over the next three years by 5-7% in organic growth CAGR. We also want to deliver over 200 basis points of improvement in the OMDA between 2014 and 2016. To that end, we have many actions underway in the global business and in the overarching TEAM Program which will be absolutely critical in the next three years. We are already actively delivering on those actions today.

Leveraging Leadership

Second, we want to take advantage of the company's leading position today. Worldline is already seen as the number 1 payment company in the European landscape today. That provides us with some strong credentials. Given our history and where we are today, we can be an active player in the consolidation of the industry. We are currently devoting a significant level of attention to any opportunities that are in line with our strategy and value creation ambition.

On that point, we are currently exploring two types of M&A transactions that could fit into the overall strategy of Worldline and Atos.

- First, focus-led M&A: these are opportunities to accelerate the growth of the company primarily through top line related synergies. They would allow us to open a new geography or expand our development on a given technology, which could then be leveraged on the wider Worldline scope.
- Second, transformational M&A opportunities: these are cost-based optimization projects that would lead to economies of scale by combining existing platforms and replacing existing technologies by own proprietary technologies. Most of Worldline's technologies are in fact proprietary technologies. We own many IPs and patents, and we have already been developing a significant area of new devices based on our existing payment terminal manufacturing capabilities.

IPO Readiness

Third, we want to ready the company for the upcoming Worldline IPO. This massively important move is already mobilizing all our attention and energy today. We want it to be a full and resounding success for the team, the shareholders and our partners. We have many actions underway to find the right financial structure for the IPO and to identify the right window of time.

That will depend on market conditions. We also want to have the right level of social dialogue and consultation of the European Works Council, and will communicate extensively with our partners and customers. We will, hopefully, deliver a great IPO next year.

Conclusion

I will close by saying that the team you have seen today is a great one. We have a long history but have retained the excitement of a start-up – so much is going on in so many different directions. We are contributing to improving the experience of millions of users. That makes working in Worldline a very motivational experience. We are able to feel and touch the things that we deliver in our everyday lives. That makes Worldline a very special company, and I feel very privileged to be driving Worldline on this journey.

All of this will require much energy and I hope you stay tuned on all that is going to be happening in the coming months and years.

Thank you for your attention. I would like to give special thanks to the team who have been working hard to prepare this meeting.

Thierry Breton, *Chairman and CEO*

We can all see your passion and dedication, Gilles. To run this business, it is necessary to have many qualities: it is necessary to understand the technology and to understand partnerships, and it is also necessary to be credible in the area of finance – Gilles has all of these qualities.

We are certain that with everything we have in Worldline, we will have a very successful IPO. The sooner we can do that the better.

I will now wrap up the day's session. We have put together an ambitious plan but one that we are confident we can deliver. We hope that we will meet our commitments. If GDP levels do in fact rise, we may indeed outdo those commitments. For all the matters that are in our hands, we are definitely convinced that we will be able to deliver on the targets that were presented today.

I will now open the floor to our second Question and Answer Session.

Q&A Session

Derric Marcon, *Société Générale*

I have two questions. First, can you explain why you believe that the cross-selling opportunities between Worldline business lines will be greater than they were in the past? In Germany, for example, you have a 44% share in the issuing market but you are quite small on the acquiring side. Second, regarding SIPS, the online payment processing platform, how will you export this platform outside of France? How do you plan to grow market share in markets that are already addressed by your competitors?

Gilles Grapinet, *Senior Executive VP Global Functions*

In the past, the global business lines did not exist prior to the carve-out. We were not a fully-fledged company and were very locally driven. In the beginning, Atos Worldline was present in only three countries. We launched the HTTS initiative in order to export part of this offering into new geographies. After the carve-out of SIS we were able to set up the HTTS division but this was not originally geared as a global organization. The big change brought by the carve-out is that we now have a global structure that will drive global expansion and leverage. You have seen three leaders who are responsible for the worldwide P&L of their three divisions.

This is a major change that is as important as the change we undertook in Atos when we globalized the overall way of writing the global MS and the global SI four years ago. Doing this in the payment area was a more complex process as it was much more locally organized when we arrived in 2008.

Marc-Henri Desportes, *Worldline General Manager*

We are seeing this on a day to day basis. Wolf spends his time on terminal certification in Germany, while he was focused more on the issuing business in the past. The issuing platform is now the global centre for the development of the business internationally.

Regarding your question on online payments we are working to make this more international – in the past it was a very strong French flagship. The first step was to go with our clients at the international level. That has already been done. The second step has now been started: to develop in targeted geographies. In some geographies, there are up to 80 different payment methods and it is similar to operating an international business. Our recent efforts have been focused on the UK, where we are already growing volumes, in particular with pubic clients. We are also pushing significantly in Benelux and are launching in India, Germany, and Spain.

In developing this business, we work in partnership with the banks. However, we also have direct sales for large and medium sized clients and we work on partnerships with web agencies e-commerce sites. We therefore have an entire set of strategic actions to generate new volumes in this area.

Laurent Daure, ***Kepler Cheuvreux***

I have a question on the management of Atos ex-Worldline. At the time of the IPO do you plan to take some shares in Worldline and stock options on Atos?

Gilles Grapinet, ***Senior Executive VP Global Functions***

We like to have an entrepreneurial spirit in our company and I suspect that the chairman of Worldline will offer employees an opportunity to be incentivized within the company. We will, however, let you know the details.

Milan Radia, ***Jeffries***

What are the relevant merits of the de-merger of Worldline versus an IPO?

Thierry Breton, ***Chairman and CEO***

We intend to use the IPO primarily to deliver the industrial project outlined above which will give us greater flexibility: we will go to the market to raise cash and, with that cash, we will support the development of the company. We will be able to carry out acquisitions or deleverage a company after an acquisition should it take place prior to the IPO. We will also be able to support accelerated organic development in some domains. However, the primary target is concerned with inorganic growth for the company. A de-merger would be based on a totally different approach and that is not in the spirit of today's Board of Directors.

Gilles Grapinet, ***Senior Executive VP Global Functions***

Worldline was part of Atos for many years, and we created a high level of synergies between the two in many areas, including in the Cloud, in Consulting, etc. We will continue that in the future. In many offers, Worldline is part of our solution. That is why we have clearly stated that our objective is to enhance the entity within Atos as it is extremely important for our global offering to address all our customers' needs. Worldline employees are Atos employees. We therefore do things step by step in particular when it comes to managing our stakeholders.

Michel-Alain Proch, ***Group CFO***

To be perfectly clear, we are talking about a partial IPO. We have not yet decided the exact percentage that will be put on the market. Nor have we decided how we will split the proceeds. A partial IPO means that we will continue to have control of the company and will continue consolidating Worldline within Atos accounts.

Charles Brennan, ***Crédit Suisse***

I have two questions. First, you spent the morning talking about EBIT targets and the afternoon talking about OMDA. Is there something on the depreciation line we should be aware of? Second, regarding growth, the opening slide referred to 7-8% volume growth on the market. You then said you wanted to grow faster than the market, but you referred to 5-7% revenues growth. Is that difference the result of price pressure?

Gilles Grapinet, ***Senior Executive VP Global Functions***

In terms of EBIT and EBITDA, we spent much time determining the KPI we want to have for our ambition and guidance. We ultimately chose EBITDA as this is the KPI on which payment companies are measured.

We forecast growth of 5-7% CAGR over the next three years. Regarding the anticipation of accelerated development in many directions, we have been quite clear on the actions we are pursuing. We also anticipate that the competition on the market will remain as it is. This is a competitive market and we anticipate that we will face potential price pressure in the years to come.

It may be that we were too conservative in those forecasts but that is appropriate for times of transformation. We want to wait and see how settlements will be after the new EU regulations will be put in place. This company has been very successful in the past by setting up platforms, capturing customers, and embarking the customers at a very early stage of their digital transformation. We can then grow with our customers. It might take three to five years for a platform to become a cash generator for the company. We will pursue that approach in the future. One of the reasons for Worldline's success is its ability to attract very long-term flows of business by making early stage bets with our customers. This requires certain assumptions as to the speed of adoption by end users.

Thierry Breton, ***Chairman and CEO***

This is a new and long journey that we are embarking on. Starting with an assumption of 5-7% CAGR growth is a good start.

Neil Steer, ***Redburn***

Regarding the structure of the Worldline IPO, you will clearly start off with a figure in excess of 50%. However, you also mentioned that Worldline could be an industry consolidator. Will you always maintain a shareholding of over 50%? Will you, in the future, put cash back into the Worldline business to maintain your 50%+ shareholding?

Thierry Breton, ***Chairman and CEO***

When I was Chairman of France Telecom, it was owned to the level of 57% by the French government. I was often asked that question, and during my chairmanship of the business I privatized France Telecom. There is no magic figure here. We believe that it is critical to maintain this. However, as I said, it is a long journey. At the starting point this is clearly what we want to do: a partial IPO. Our long-term goal is to maintain a strong link with Atos as it is absolutely critical to have a global offering and the synergies we have created together. At the same time, we also want Worldline to be a consolidator.

Adam Wood, ***Morgan Stanley***

Regarding the data question, how easy is it for you to monetise the huge amount of data you have? Is that relatively straightforward? Is it possible to do that from a regulatory standpoint? Second, you talked about M&A in the payment sector. However, in recent years, there has only been one deal in

India. Is that due to the lack of targets? If so, what has now changed in the market that makes you confident about achieving M&A?

Thierry Breton, ***Chairman and CEO***

Thanks to the new structure we are putting in place, it will be much easier to take up any opportunities that arise in the market. The structure will enable Worldline to be much more agile than it was in the past.

Gilles Grapinet, ***Senior Executive VP Global Functions***

Regarding data ownership, the data directly related to their business are owned by the customer by default. Data protection is clearly an issue that can no longer be ignored. What can we do with that data in terms of data analytics and additional value added services? This will depend on the contracts and on the context of the customer relationship. For example, when we carry out data context brokerage activities for a car manufacturer, we have a device embedded in the machine that communicates to a central system. Certain data captured by the vehicle belongs to the car manufacturer. In our contract, we may be requested to create a value proposition and to capture some of that data ourselves (weather and traffic conditions, third party services, etc.). If we capture that data ourselves, it becomes our data. We can re-sell that generic data, and that is the magic of this value proposition.

Worldline therefore has its own data capture and data processing capacity. This is a strong focus for us. Ultimately the value of the data will be one of the main drivers in the evolution of the value chain in the future. In the digital revolution, everyone is looking at how to capture and monetise data by combining it with data from another source. We will be able to generate significant revenues in this way, even without full ownership of the data.

Alexandre Faure, ***Exane-BNP Paribas***

I have a question on your online business. You referred to expanding outside of France into other countries in Europe. What is your plan here? Will you go directly to large retailers and add value through collection and acquiring services?

Gilles Grapinet, ***Senior Executive VP Global Functions***

We will follow the same approach as in France. We know that some merchants are keen to come to us directly. Others are keen on partnering in other parts of the market. We have agreements with banks that cover acceptance activities in other geographies.

Michael Briest, ***UBS***

What will be the cash flow generation of Worldline assets in 2016? Second, are there any plans to raise the dividends paid?

Thierry Breton, ***Chairman and CEO***

The Board has not yet had a discussion on dividends as we have been extremely busy with the share buy-back. We will have that discussion in due time and should be able to comment on this point next year.

Gilles Grapinet, ***Senior Executive VP Global Functions***

Regarding the free cash flow, I will be able to comment on this at the time of the IPO. I cannot provide more detail today.

Gregor Petri, ***Gartner***

Regarding your IP services business, you provided some targets. Over the next three years, do you think that is the maximum you can achieve based on demand? In other words, will you exhaust the low cost architecture and the associated margin improvement in the next three years?

Thierry Breton, ***Chairman and CEO***

Experience shows that you can never exhaust any improvement as new ideas always emerge. The more you do, the more you do! That is the beauty of management.

Charles Dehelly, ***Senior Executive VP Global Operations***

You question relates to our capacity to shift to low cost? In SI we answer very clearly that we move to 50-55% which is the level of other players such as Accenture and Capgemini. We therefore believe we will be in the ball park of our competition. For MS, we speak more on low cost countries. We have significantly increased Romania, Poland, and so on. We do that on a regular basis and we cannot say that it is exhausted at the end. We seize all opportunities and we leverage natural attrition, departures, etc. We manage our workforce in order to increase our low cost country base.

Question from the floor

If the automatic clearing house industry is consolidated, are you interested by this segment? Second, regarding the €1.3 billion merchant acquiring transactions you manage today, how much comes from Belgium?

Christophe Duquenne, ***COO& Head of Merchant Services & Terminals***

The ACH market is one in which we have assets. We are following the development of this market with great interest, either in organic terms or in terms of consolidation. Regarding the €1.3 billion transactions on the merchant side, this is mainly Benelux. In terms of the share between Belgium, Luxembourg and the Netherlands, it is mostly Belgium but I do not have the exact figures here today. In terms of the mix, it includes e-commerce transactions where we operate in 30 countries.

Thierry Breton, ***Chairman and CEO***

I would like to thank you all for coming to spend a full day with us. We will continue to see you in the future. I would like to thank Gilles Arditti for being the master mind behind all of this. As you have seen, we are fully suited to this new 3-year plan. I understand that there are many shareholders present here today. Hopefully, we will be able to have a General Assembly meeting in late December, and this will be finalized early next week.

I wish you all a good year end and a happy new year. I hope you will be with us on this fantastic and very exciting journey with both parts of Atos.