

- » BOOST PERFORMANCE
- » REDUCE COST
- » INCREASE AGILITY
- » ENHANCE CRM
- » SHORTEN TIME TO MARKET
- » DRIVE INNOVATION
- » IMPROVE EFFICIENCY
- » INCREASE ADAPTIVITY
- » ENABLE BUSINESS TRANSPARENCY
- » ENSURE REGULATORY COMPLIANCE

Atos   
Origin

WORLDWIDE IT PARTNER



## Conference Cheuvreux

Paris, 28 September 2007

# Disclaimers



- » This presentation contains further forward-looking statements that involve risks and uncertainties concerning the Group's expected growth and profitability for 2007. Actual events or results may differ from those described in this presentation due to a number of risks and uncertainties that are described within the 2006 annual report filed with the Autorités des Marchés Financiers (AMF) on 6 April 2007 as a Document de Référence under the registration number : D07-302

# Atos Origin strategy (1/2)



## A FOCUS ON CORE IT SERVICES

- » Complementary & complete Consulting, Systems Integration & Managed Services capabilities portfolio
- » Industrial approach and operational efficiency on our core business processes
- » Specialized end to end services :
  - Payments
  - E-services
  - CRM

## A FOCUS ON SOLID CLIENT BASE

- » Selected client portfolio, investing on wide & long term relations
- » Selected vertical markets allowing us to demonstrate deep industry expertise, spearheaded by Consulting

## A FOCUS ON INNOVATION AND BUSINESS OUTCOME FOR OUR CUSTOMERS

- » Tightened offering & partner portfolio enabling scale on chosen segments
- » Innovation effort on content & business delivery
- » Focus on business outcome for our customers

## Atos Origin strategy (2/2)



- » The foundation of Atos Origin strength is its globalization effort and drive towards operational excellence, driven under the umbrella of 3o3 plan
  - Systems Integration Industrialization
  - Global delivery of Managed Operations through MO Global Factory, leading to increasing access to global markets with global and focused sales
  - Creation of 3 offshore (Mumbai, Kuala Lumpur and Sao Paulo) 2 near-shore and 4 close-shore delivery centres, on top of on-site and on-shore centres, with a target to reach 6 500 staff offshore and 1 500 staff near-shore in 2009
  - Stringent optimization of support functions and purchasing
  
- » Atos Origin has clear differentiating value proposition on very specific offers, with a strategy to replicate across countries or “Europeanize”. Examples are:
  - Payment, where a new scale game is being player in the SEPA context, with Atos Origin playing well positioned
  - E-services and speed control
  - Specific solutions in Public services, such as I&C solution
  - End to end solutions in ECM in The Netherlands

## Financial highlights of H1 2007



- » Revenue in line with our expectations at EUR 2 890 M with top line growth at +7.2% and organic growth at +2.7%.
- » Excluding purchase for reselling, organic growth at +6.0% for IT services
- » Operating margin at EUR 118 M at 4.1% margin rate (3.5% margin in Q1 07 and 4.6% in Q2 07) after EUR 12 M as operating costs transformation plan.
- » Operating income at EUR 108 M and net income Group share at EUR 57 M
- » Net debt at EUR 509 M at the end of June including EUR 169 M of CAPEX compared to EUR 326 M end of June last year
- » Specific action plans in the UK and Italy underway

## Business highlights in H1 2007



- » Group's Transformation Plan well on track with good progress and clear vision on the next major milestones
- » Order entry at EUR 2.5 billion with a book to bill ratio at 88%. On a 12 months period (July 06 to June 07), the book to bill ratio is 114% with an order entry of EUR 6.3 billion
- » The main signatures in renewals and new business in H1 were clients such as : LCH Clearnet, ADP GSI, Draka, E-Plus, Equens, ING.
- » Full backlog at EUR 8.1 billion up compared to June 06 level by EUR +0.9 billion and representing 1.4 years of revenues
- » Banksys integration well on track and contribution to Group operating margin as expected
- » Group Management Board structure renewed to efficiently drive the company

## 2007 OUTLOOK



- » **Generate +8.5% of top line growth ; +4.0% organic growth**
- » **Improvement of operating margin in the UK and in Italy**
- » **Improvement of operating margin rate before Transformation costs, and slight improvement in absolute value after Transformation costs**

**Focus on core activities and Transformation Plan execution**

# New Management as of October 1st, 2007



**Philippe Germond**



**CEO**  
*303 Plan, Risk Management*

**Eric Guilhou**



**Global Functions**  
*Finance, HR, Processes & IT,  
Internal Audit, Purchasing, Legal*



**Wilbert Kieboom**

**Operations**  
*All country operations,  
Service lines (C, SI, MS), Sales, Offshore*

## EXECUTIVE COMMITTEE

Main countries CEOs  
Global Service lines  
Global Functions



# Key Challenges for the Group

## *Service Lines and Specialised activities*

<b>CONSULTING</b>	<ul style="list-style-type: none"> <li>» Consistent approach in Europe</li> <li>» Leverage Consulting activity with other service lines</li> <li>» France and UK</li> </ul>
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<b>ATOS WORLDLINE</b>	<ul style="list-style-type: none"> <li>» SEPA consolidation</li> <li>» International development</li> </ul>
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<b>SYSTEMS INTEGRATION</b>	<ul style="list-style-type: none"> <li>» Industrialisation and offshoring</li> <li>» Productivity and quality</li> <li>» Innovation</li> <li>» Increase profitability</li> </ul>
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<b>ATOS EURONEXT MARKET SOLUTIONS</b>	<ul style="list-style-type: none"> <li>» NYSE Euronext</li> <li>» Stock Exchange Consolidation</li> </ul>
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<b>MANAGED SERVICES</b>	<ul style="list-style-type: none"> <li>» Global Delivery and offshoring</li> <li>» Increase global sales capabilities</li> <li>» Value-added service and balanced portfolio</li> <li>» Increase profitability</li> </ul>
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<b>MEDICAL BPO</b>	<ul style="list-style-type: none"> <li>» Strategy review following NHS Diagnostics termination</li> </ul>
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## The Transformation Plan is mandatory

- To improve competitiveness and efficiency
- To come back to 8% of Operating Margin in 2009
- To generate strong recurring free cash flow

**Operational  
Performance**

**Portfolio  
Management**

**Growth**

**Human  
resources**

- A measurable operational change with strong commitments
- A cultural change which has really started

**To create value for stakeholders**

# The 303 Plan changes the way we operate our company



## **303 PLAN**

3 objectives over 3 years

**Accelerate organic growth capabilities**

**Improve operational efficiency**

**Operate as a Global Company**

- **7 Major Initiatives**
- **More than 70 projects**
- **All countries are involved**
- **EUR 45 M net cost for 2007**
- **Restructuring and adaptation plans for more than 1,000 staff**

## First achievements of the 303 Plan in H1 2007



- 1. Opening of the Atos University Sales & Markets with the objective to train the whole sales force each year**
- 2. Choice of common Industrialization tools, processes and organization for all countries**
- 3. Implementation of a new governance model in India with margin in the demand countries**
- 4. Start of an aggressive recruitment campaign in India doubling net joiners from January to June 2007**
- 5. Launch of a staff adaptation plan for 700 FTEs in France**
- 6. Acceleration of consolidation of mainframe activities into one centre in Germany with Italy closed**
- 7. Closing of 2 data centers, 3 others under closing**
- 8. Purchasing specific projects on 5 priority categories to provide quick wins**

# Targets in Offshore / Nearshore



Staff	Total Group			
	2006	June 2007	2009	
Total offshore	1 487	2 015	6 500	→ 5 600 in India
Total nearshore	98	273	1 500	
Total offshore / nearshore	1 585	2 288	8 000	↓ Of which » 6 100 in Systems Integration » 1 900 in Managed Operations

## 2009 Objectives



**Double our operating margin in absolute value from 2006 to 2009**

**Generate corresponding free cash flow in 2009**

**To increase shareholder value**



## Operating Margin improvement from 2006 to 2009

- » Recovery in the UK and in Italy
- » Effect from Transformation Plan
- » Banksys' contribution
- » Operating margin from organic growth

**Objective : doubling Operating Margin from 2006 to 2009 :  
from EUR 250 M to EUR 500 M**

# Financing



- » Net debt end of 2006 EUR 360 M
- » Net debt end of 2007 Stable vs end of 2006
- » Credit lines available EUR 1.2 Bn
- » Covenants in line
- » Strong recurring free cash flow as of 2009



## REAL CAPABILITY TO INVEST



### Acquisition targeted:

- » Payments
- » Small and medium sized offshore
- » Targeted small acquisitions, SAP, Consulting...



## DIVIDENDS DISTRIBUTION



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Questions

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