

Atos Origin

Year 2001 1st Half Results



Atos Origin



- ➔ • 1st HALF 2001 SUMMARY OF OPERATIONS
- MERGER IMPLEMENTATION
- VISION
- APPENDICES



Atos Origin achievements

Delivering merger benefits

- Merger completed in record time
- EUR130 million revenues disposed
 - Disposal of contact center business to SNT
 - Other disposals in Brazil, Nordic, Germany
- Significant commercial wins
- Financial results on track

Atos Origin delivers its commitments to the market

<i>In Euro Million</i>	1H 2001	1H 2000	% <i>Change</i>
Revenue	1.518	1.402	+8.3%
Income from Operations	128.9	82.2	+56.8%
<i>Income from Operations %</i>	8.5%	5.9%	+2.6 <i>pts</i>
Net Income after Goodwill	67.3	28.5	+136%
Average Shares # Outstanding (mn)	43.8	43.7	
EPS before Goodwill (Euros)	1.80	0.84	+115%
EPS after Goodwill (Euros)	1.54	0.65	+136%

Proforma, on-going basis

**Restructuring compensated by operational cash flow**

- Net debt of EUR113 million at the end of June 2001, stable from end 2000
- Strong underlying cash flow from operations (EUR169 M in 1H 2001)
- Working capital reduced to 8% of revenue (annualized)
- Commitment to pay EUR163 million for KPN datacenter
- Higher gearing but interest cover remains very high (Net debt < 1x EBITDA 2001)

Revenue per region

<i>In Euro Million</i>	1H 2001	1H 2000	% Change	% of total
France	540	455	18.6%	36%
Netherlands	381	337	13.2%	25%
Other EMEA	442	433	2.0%	29%
Americas	118	138	-14.5%	8%
Asia / Pacific	37	39	-4.1%	2%
Total	1.518	1.402	8.3%	100%

** Proforma, on-going basis*

- Strong growth in France and The Netherlands
- Focus on reorganization in UK, Germany, Italy and the US
- Impact of the US economic slowdown in Americas and Asia Pacific



Criteria for Success

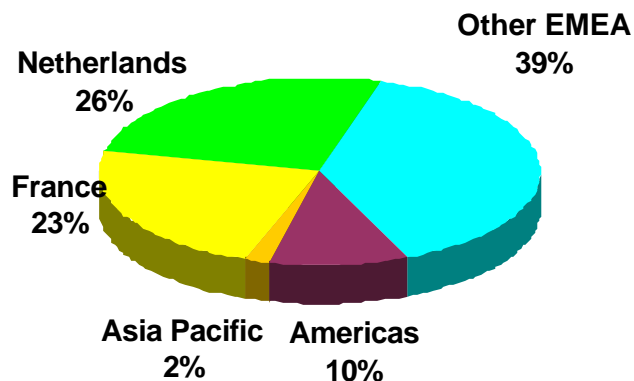
- There must be strong complementarity / fit
- Clear strategic intent / clear disposal strategy
- Management structure must be clear (no compromises)
- Communication (internally and externally)
- Speed of implementation



Successful restructuring in Systems Integration

<i>In Euro Million</i>	1H 2000	1H 2001	% change
Revenue	742.1	775.5	+4.5%
Income from operations	48.6	66.3	+36.2%
Income from operations %	6.5%	8.5%	+2.0 pts

Proforma, on-going basis



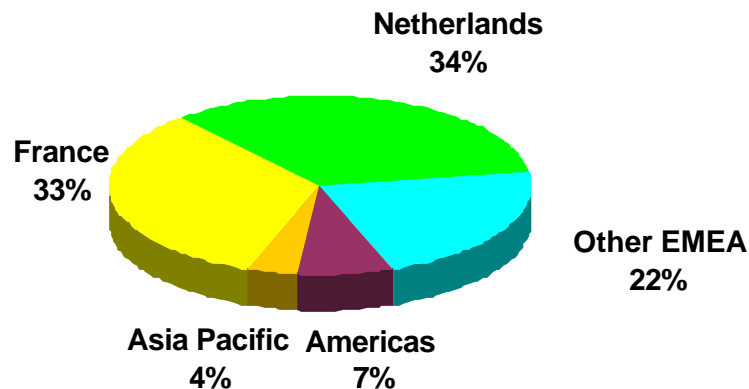
- Growth in Q2 up to +8% from +1% in Q1
- Strong growth in France (+19%) and The Netherlands (+12%)
- Strong increase in profitability due to better utilization and restructuring actions



Surge in Managed Services performance

<i>In Euro Million</i>	1H 2000	1H 2001	% change
Revenue	463.7	528.0	+13.9%
Income from operations	42.2	60.8	+44.1%
Income from operations %	9.1%	11.5%	+2.4 pts

Proforma, on-going basis



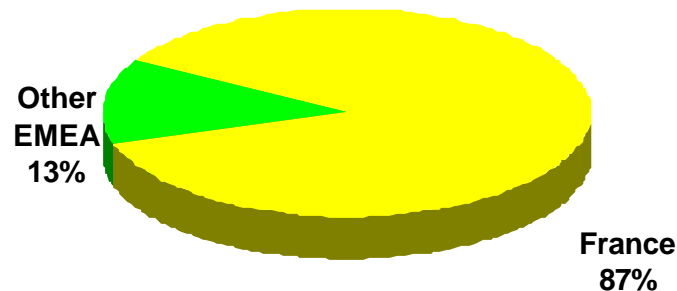
- Accelerating trend toward outsourcing by large European firms
- Economies of scale and datacenter rationalization produced increased margin
- Closer monitoring of profitability by client

On-line Services affected by telecoms and internet slowdown

<i>In Euro Million</i>	1H 2000	1H 2001	% change
Revenue	196.3	214.5	+9.3%
Income from operations	22.5	23.4	+4.0%
Income from operations %	11.4%	10.9%	-0.5 pts

Proforma, on-going basis

- 10%+ growth in payment and CRM services
- 21% growth in internet services (+6% including pass-through)
- Profitability impacted by the Contact Center activity



One of the largest European outsourcing contracts

- Minimum revenues of EUR 1.1 billion over 6 years
- Taking control of 7 data centers
- More than 1,000 employees to transfer to Atos Origin
- Contract will increase Managed Services revenues by over 20%
- KPN end user services and KPN software house
- Building up commercial relationship with KPN
- Revenues in the Netherlands could increase to over EUR 1 billion



Successful large account program

- Large accounts grew by 14% in 1H 2001
- Philips revenues lower but remaining ahead of budget
- Remaining 26 accounts grew by more than 25%



Recent wins in Managed Services lift backlog

- Significant strengthening of Managed Services backlog
- Systems integration building up order book
- Cover for the remaining of year at 85% as of June 30



Key financial targets

Outlook for 2001

<i>Proforma. on aoina basis</i>	2001 E
Annual revenue growth	10%
Operating margin	>8%



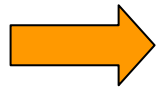
1st half 2001 wins

<u>Region</u>	<u>Customer</u>	<u>Description</u>
Australia	Capral Aluminium	E-mail Hosting
Austria	Chemson	WAN Services
Belgium	Tabacofina	SAP, Archiving
Europe	Philips	C&SI and Managed Services contracts
France	André	Global outsourcing
France	Intermarché	Loyalty scheme roll out
France	Renault	Web site hosting
Germany	RS Components	Desktop Services
Germany	Schering PG	Mainframe Outsourcing

1st half 2001 wins

<u>Region</u>	<u>Customer</u>	<u>Description</u>
Netherlands / Belgium	Euronext	Partnership extension
Netherlands	KPN	Datacenter outsourcing
Netherlands	Shell	SAP Management
Netherlands	CAN	Outsourcing
Spain	Repsol YPF	Systems integration
Singapore	MOOG	QAD implementation
UK	United Biscuits	SAP Support
UK	Uniq	ISIS Outsourcing
USA	Medquist	CRM - Organisation and IT Consulting

- 1H 2001 SUMMARY OF OPERATIONS



- **MERGER IMPLEMENTATION**

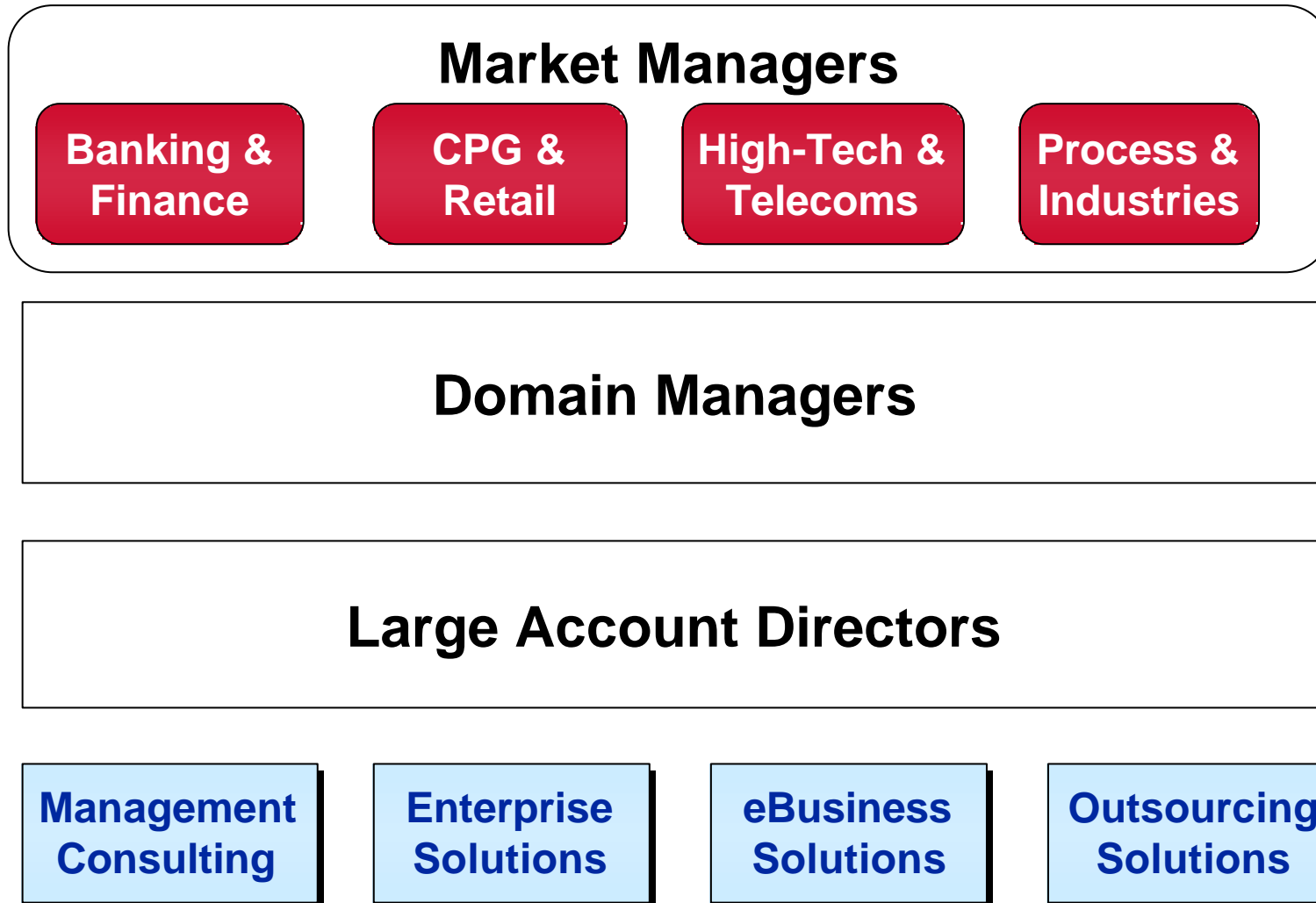
- VISION

- APPENDICES



Ramping up commercial synergies

- Accelerating top line growth
- Atos Euronext expansion in Belgium and The Netherlands
- Focus on large account program
- Sales and marketing strengthened to accelerate cross selling



Strong surge in profitability due to restructuring

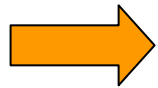
- Major restructuring program in loss-making territories
- Corporate costs reduced from 3.2% in 2000 to 1.4% in 1H 2001
- Indirect costs rationalization program
- Datacenter reorganization in progress
- Premises rationalization well under way
- Disposal program substantially completed
- Purchasing organization in place



Restructuring country focus

- UK
 - Reorganization 100% complete
 - Site rationalization 75% complete (3 sites closed)
- Germany
 - Reorganization 50% complete
 - Site rationalization 50% complete (5 sites closed)
- North America
 - Reorganization 80% complete
 - Site rationalization 100% complete (4 sites closed)
- Brazil
 - Reorganization almost 100% complete
 - Site rationalization 100% complete (4 sites closed)

- 1H 2001 SUMMARY OF OPERATIONS
- MERGER IMPLEMENTATION



- **VISION**
- APPENDICES



Clear goals and objectives

- Focus on a balanced mix of design, build and run activities
- Capitalize on vertical industry sector knowledge
- Develop a focused management consulting practice
- Focus on customers
- Leverage strong human resources management
- Build on Global presence



Conclusions

- Merger completed in record time
- Financials on track
- International team in place
- Global company ready for growth and further acquisitions

- 1H 2001 SUMMARY OF OPERATIONS
- MERGER IMPLEMENTATION
- VISION



- APPENDICES



Leverage strong human resources management

<i>No of employees *</i>	31-12-2000	30-06-2001	% Change	% of total
France	9.732	10.632	+9%	38.7%
Netherlands	6.093	6.061	-1%	22.0%
Other EMEA	7.961	7.744	-3%	28.2%
Americas	1.881	1.751	-7%	6.4%
Asia / Pacific	1.088	1.188	+9%	4.3%
Corporate	161	117	-27%	0.4%
Total	26.916	27.493	+2%	100.0%

* Proforma, on-going basis



Proforma Income Statement

(in EUR millions)

	June 30, 2001	% profitability	June 30, 2000 proforma	% profitability	2001/2000% growth
Revenue	1,518.0		1,402.1		+8.3%
Income from operations	128.9	8.5%	82.2	5.9%	+57%
Net financial expense	(3.5)		(1.6)		
Non-recurring items	1.8		(22.2)		
Corporate income tax	(40.4)	(*) 32%	(15.9)	(*) 27%	
Minority interests	(7.8)		(6.0)		
Amortization of goodwill	(11.7)		(8.0)		
Net income for the period	67.3	4.4%	28.5	2.0%	+136%
Average shares	43,793,198		43,697,291		
EPS before goodwill	1,80		0,84		+115%
EPS after goodwill	1,54		0,65		+136%

(*) Rate expressed as a percentage of Net income on ordinary activities before tax



Statutory Income Statement

(in EUR millions)	Six months ended June 30, 2001	Six months ended June 30, 2000	Period ended Dec. 31, 2000 (15 months)
Revenue	1,518.0	583.9	1,913.7
Operating costs and expenses	(613.1)		(818.8)
Personnel expenses	(776.0)		(933.9)
Total operating expenses	(1,389.1)	(528.1)	(1,752.7)
Income from operations	128.9	55.8	161.0
<i>% of revenue</i>	8.5%	9.6%	8.4%
Net financial expense	(3.5)	(1.6)	(5.8)
Net income on ordinary activities	125.4	54.2	155.2
Non-recurring items	1.8	(4.0)	(42.1)
Corporate income tax	(40.4)	(13.5)	(33.9)
Net income before equity affiliates, minority interests and amortization of goodwill	86.8	36.7	79.2
Share in income of equity affiliates	(0.4)		(0.3)
Minority interests	(7.4)	(5.0)	(11.2)
Net income before amortization of goodwill	79.0	31.7	67.7
<i>% of revenue</i>	5.2%	5.4 %	3.5%
Amortization of goodwill	(11.7)	(8.0)	(19.2)
NET INCOME FOR THE PERIOD – GROUP SHARE	67.3	23.7	48.5
<i>% of revenue</i>	4.4%	4.1 %	2.5%
Net earnings per share			
Weighted average number of shares	43,793,198	21,652,342	26,064,573
Earnings per share before amortization of goodwill (in EUR)	1.80	1.46	2.60
Basic earnings per share (in EUR)	1.54	1.09	1.86
Diluted average number of shares	53,190,203	24,537,731	34,562,790
Earnings per share before amortization of goodwill (in EUR)	1.49	1.29	2.10
Basic earnings per share (in EUR)	1.27	0.97	1.54



Proforma Capital Employed

CAPITAL EMPLOYED

(in EUR millions)

	June 30, 2001	December 31, 2000
Goodwill (gross value)	443.6	386.2
Other intangible fixed assets	37.8	41.3
Tangible fixed assets	204.1	194.8
Investments	29.2	26.5
	-----	-----
Total fixed assets	714.7	648 .8
Working capital requirements	245.3	275.8
	-----	-----
Capital employed	960.0	924.6
<hr/>		
Capital employed as a % of revenue (annual basis)	32%	33%

RETURN ON CAPITAL EMPLOYED

(in EUR millions)

	June 30, 2001	December 31, 2000
Revenue	1,518.0	2,829.8
Income from operations	128.9	175.2
Net income for the period	67.3	70.5
Add-back of interest expense, net of tax	2.2	6.5
Add-back of goodwill amortization	11.7	19.7
	-----	-----
Income before interest and goodwill amortization	81 .2	96.7
<hr/>		
Return on capital employed (annual basis)	16.9%	10.4%



Statutory Balance Sheet

(in EUR millions)	June 30, 2001	Dec. 31, 2000	June 30, 2000
Intangible fixed assets			
* Goodwill	355.7	310.0	239.6
* Other intangible fixed assets	37.8	41.3	19.5
Tangible fixed assets	204.1	194.8	118.6
Investments	29.2	26.5	9.8
Total fixed assets	626.8	572.6	387.5
Inventories	4.3	2.4	1.8
Accounts and notes receivable, trade	916.2	856.3	368.5
Other Receivables	156.1	205.9	71.7
Cash at bank and in hand	207.3	210.4	191.7
Total Current Assets	1,283.9	1,275.0	633.7
Prepayments and accrued income	61.4	36.1	19.7
Total Assets	1,972.1	1,883.7	1,040.9
(in EUR millions)	June 30, 2001	Dec. 31, 2000	June 30, 2000
Common stock	43.8	43.8	21.7
Additional paid-in capital	32.9	32.9	25.4
Consolidated reserves	232.5	180.3	194.8
Translation adjustments	5.9	5.0	(0.3)
Net income for the period	67.3	48.5	28.5
Shareholders' Equity – Group Share	382.4	310.5	270.1
Minority interests	37.0	19.4	16.0
Total Shareholders' Equity	419.4	329.9	286.1
Provisions for contingencies and losses	339.4	405.0	42.1
Borrowings	320.6	323.9	314.8
Accounts payable – trade	361.9	335.1	146.6
Other Liabilities	455.9	443.6	207.8
Total Liabilities	1,138.4	1,102.6	669.2
Accruals and deferred income	74.9	46.2	43.5
Total Liabilities and Shareholders' equity	1,972.1	1,883.7	1,040.9



Cash-flow statement

(in EUR millions)	June 30, 2001
Flow from operating activities before rationalization plan	169,4
+/- Rationalization plan	(111,3)
Improvement of working capital requirements	+ 37,4
Cash from operating activities	95,5
Net operating investments	(62,4)
Net financial investments	(35,0)
Others	+ 2,1
Net cash flow	+ 0,2