Registration Document 2016

2019 Ambition

Trusted partner for your Digital Journey

Atos

TABLE OF CONTENTS

Annual Financial Report items are clearly identified in this summary with the aid of the AFR pictogram.

Atos

registration document 2016

including **Annual Financial Report**

AMF

This document is a full free translation of the original French text. In case of discrepancies, the French version shall prevail. The original document has been filed with the Autorité des Marchés Financiers (AMF) on March 31, 2017, in accordance with article 212-3 of the AMF's General Regulations. This document can be used for a specific financial operation, if completed by a prospectus approved by the AMF. This document has been issued by the Company and commits its signatories.

A

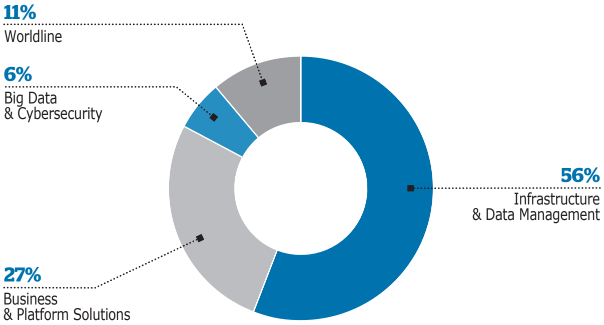
A
Group overview

A.1 Revenue profile

[G4-8] and [G4-EC1]

A.1.1 By Division

In 2016, 74% of the revenue base was generated by multi-year contracts, deriving from multi-year Infrastructure & Data Management contracts (56% of total revenue), 75% of Worldline transactional services (7%), Application Management contracts included in Business & Platform Solutions, and half of Big Data & Cybersecurity (respectively 7% and 4%).

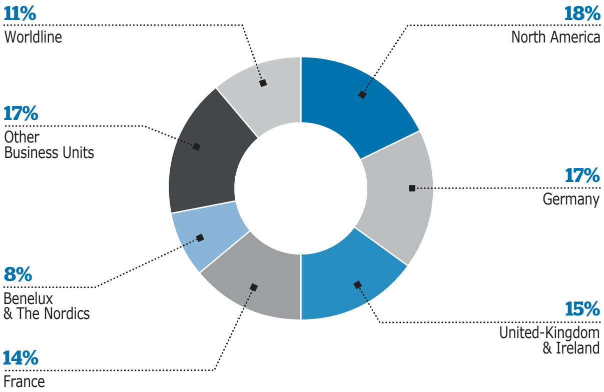


(In € million)	2016
Infrastructure & Data Management	6,595
Business & Platform Solutions	3,194
Big Data & Cybersecurity	666
Worldline	1,261
TOTAL GROUP	**11,717**

A.1.2 By Business Unit

[G4-6]

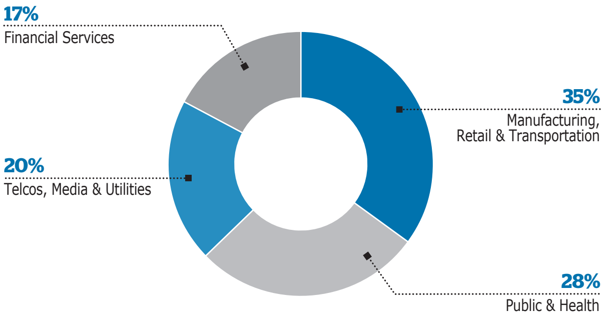
Europe is the Group's main operational base, generating 76% of total revenue in 2016.



(In € million)	2016
North America	2,061
Germany	1,954
United-Kingdom & Ireland	1,790
France	1,709
Benelux & The Nordics	986
Other Business Units	1,956
Worldline	1,261
TOTAL GROUP	**11,717**

A.1.3 By Market

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



(In € million)	2016
Manufacturing, Retail & Transportation	4,058
Public & Health	3,329
Telcos, Media & Utilities	2,352
Financial Services	1,978
TOTAL GROUP	**11,717**

A.2 Business profile

[G4-3] and [G4-4]

Atos SE (Societas Europaea) is a leader in digital transformation with circa 100,000 employees in 72 countries and pro forma annual revenue of circa € 12 billion. Serving a global client base, the Group is the European leader in Big Data, Cybersecurity, Digital Workplace and provides Cloud services, Infrastructure & Data Management, Business & Platform solutions, as well as transactional services through Worldline, the European leader in the payment industry.

With its cutting edge technology expertise and industry knowledge, the Group supports the digital transformation of its clients across different business sectors: Defense, Financial Services, Health, Manufacturing, Media, Utilities, Public sector, Retail, Telecommunications, and Transportation.

The Group is the Worldwide Information Technology Partner for the Olympic & Paralympic Games and is listed on the Euronext Paris market. Atos operates under the brands Atos, Atos Consulting, Atos Worldgrid, Bull, Canopy, Unify and Worldline.

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

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

Atos Digital Transformation Factory

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

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

Leveraging 32 years of experience with SAP 12,000+ professionals in 40+ countries, the Group provides a unique end-to-end SAP HANA value proposition with a recognized set of tools and accelerators, flexible SAP HANA hosting and cloud Services, and the leading SAP HANA appliance, the Bullion. With **SAP HANA by Atos** end-to-end approach from Consulting & Integration to Digital & Analytics, Atos accelerates innovation and transformation by simplifying and optimizing its clients IT costs with the combination of both classical SAP and new SAP HANA.

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

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

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

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

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

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

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

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

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

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

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

Worldline: ePayment Services

Worldline [Euronext: WLN] is the European leader in the payments and transactional services industry. Worldline delivers new-generation services, enabling its customers to offer smooth and innovative solutions to the end consumer. Key player for B2B2C industries, with over 40 years of experience, Worldline supports and contributes to the success of all businesses and administrative services in a perpetually evolving market. Worldline offers a unique and flexible business model built around a global and growing portfolio, thus enabling end-to-end support. Worldline activities are organized around three axes: Merchant Services & Terminals, Mobility & e-Transactional Services, Financial Processing & Software Licensing. Worldline employs more than 8,600 people worldwide, with estimated revenue of circa 1.5 billion euros on a yearly basis. Worldline is an Atos company.

Atos industry expertise

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

Manufacturing, Retail & Transportation

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

Public & Health

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

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

Telcos, Media & Utilities

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

Financial Services

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

A.3 Interview with Thierry Breton

[G4-1]

Thierry Breton
Chairman & Chief Executive Officer

What were the main achievements of the Atos 3-year strategic plan, 2016 Ambition?

Thierry Breton, Chairman and CEO: Over the last three years we have changed the shape of our company, expanded into new markets and geographies and acquired further expertise in cutting-edge technologies. We are now one of the world's top five digital services players and the industry leader in Europe.

We have delivered on all the targets set under 2016 Ambition, and indeed we clearly overreached the financial targets of this three-year growth plan. 2016 Ambition also transformed the business model of our company. We are more than ever a technology-focused enterprise, with leadership positions in high-growth areas such as High Performance Computing and Cybersecurity. Thanks to Atos' acquisition of Xerox ITO and Anthelio, North America has become our most important geography for revenue. I am proud that Ambition 2016 has been a success story for our company, an inspiring story of change and transformation.

What are Atos' targets and goals for the next 3 years?

Our main strategic goal for our 2019 Ambition is to use our technological strengths and people skills to accompany the digital transformation of our customers, wherever they operate from.

We are targeting organic revenue growth of 2% to 3% CAGR over the 2017-2019 period, an operating margin of 10.5% to 11.0% in 2019, and a free cash flow conversion rate of c. 65% in 2019.

Driving this will be our Digital Transformation Factory which is based on four high-growth pillars: Atos Canopy Orchestrated Hybrid Cloud, SAP HANA by Atos, Atos Digital Workplace, and Atos Codex. These four technological offerings are built on the unrivalled skills and capabilities of all Atos divisions and provide our customers with a full spectrum of digital know-how and expertise.

Our continuing success is only possible because of our talented workforce. We have a major program in place to continue to develop their digital skills, including investing in the new Atos Global University. We want to make Atos the most attractive place to work for today's brightest digital talents. I am extremely encouraged by the 2016 results of our Great Place to Work® surveys as we want to increase employee satisfaction at Atos to be in the top 10% industry benchmark.

How do the recent acquisitions and existing partnerships create value for Atos?

Acquiring and successfully integrating strategically attractive companies is a core part of the Atos DNA. Through our recent acquisitions, Unify has given us new capabilities in communications, Anthelio has enhanced our platform in the US healthcare market, and Equens has reinforced Worldline's leadership position in European payments. We will continue to pursue this approach, while adhering to the strict financial discipline applied in recent years.

Our partnerships are very important for our future growth. Our Digital Transformation Factory is supported by strong partnerships with the Dell/EMC family and we will accelerate sales partnerships and innovations with large players such as Cisco, Microsoft, Oracle and SAP. Our global alliance with Siemens celebrated its fifth year in 2016 and we increased the funding of our joint innovation investment program.

What progress is Atos making to establish its sustainability credentials?

In 2016, Atos was ranked in the number one position in the World & Europe Dow Jones Sustainability Index as the most sustainable company in the IT services sector (DJSI Gold level). Our commitment to corporate sustainability has also been recognized by other leading rating bodies, including the Global Reporting Initiative which places us in best-of-class G4 Comprehensive Level and we intend to retain this position. Our 2019 Ambition envisages a new, demanding target to reduce by 5% to 15% our CO_2 emissions per revenue unit by 2020, and we will implement even greater operational efficiency to meet this challenge.

How does 2019 Ambition support your vision for the future success of Atos?

I believe that 2019 Ambition will transform Atos and enhance our position as a truly global digital leader. It is a powerful strategy which will propel Atos towards becoming the digital transformation partner of choice for customers in all industries and on all continents. On behalf of you, dear shareholders, and of the Board of Directors that I chair, I would like to thank all our employees for their engagement and our stakeholders for their continuing support as we go one step further in our Digital Journey thanks to our 2019 Ambition, thereby creating sustainable value not only for our clients but for society as a whole.

A.4 Persons responsible

A.4.1 For the Reference Document

Thierry Breton

Chairman & Chief Executive Officer

A.4.2 For the accuracy of the document

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

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

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

Thierry Breton

Chairman & Chief Executive Officer

Bezons, March 30, 2017

A.4.3 For the audit

APPOINTMENT AND TERM OF OFFICES

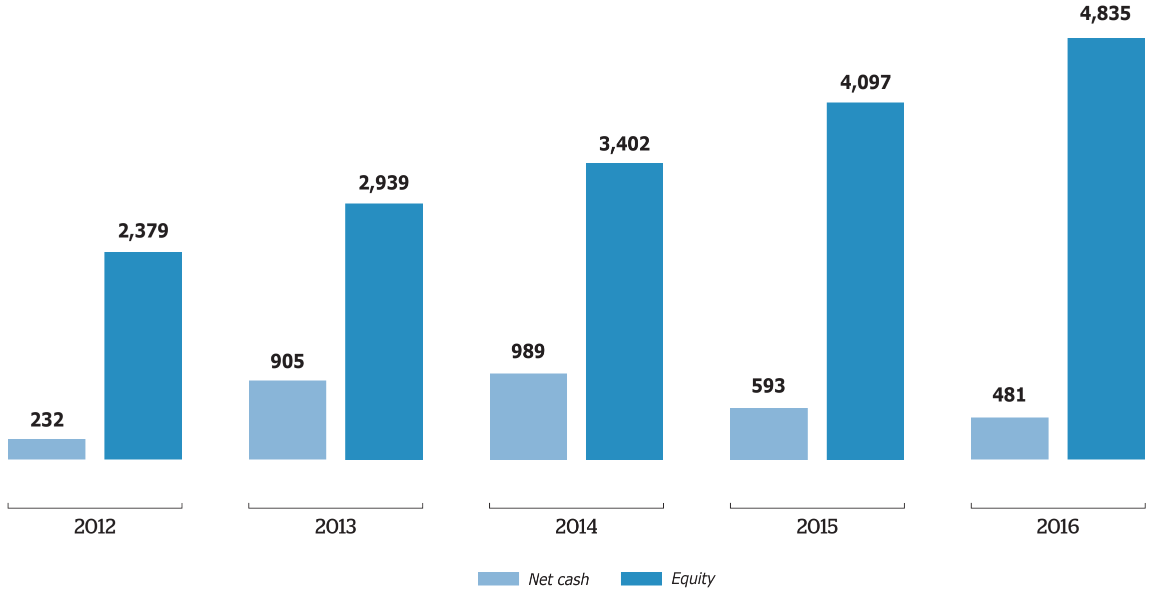
Statutory auditors	Substitute auditors
Grant Thornton Victor Amselem	**Cabinet IGEC**
• Appointed on: May 27, 2014 for a term of 6 years	• Appointed on: May 27, 2014 for a term of 6 years
• Term of office expires: at the end of the AGM held to adopt the 2019 financial statements	• Term of office expires: at the end of the AGM held to adopt the 2019 financial statements
Deloitte & Associés Jean-Pierre Agazzi	**Cabinet B.E.A.S.**
• Appointed on: May 30, 2012 for a term of 6 years	• Appointed on: May 30, 2012 for a term of 6 years
• Term of office expires: at the end of the AGM held to adopt the 2017 financial statements	• Term of office expires: at the end of the AGM held to adopt the 2017 financial statements

A.5 Atos in 2016

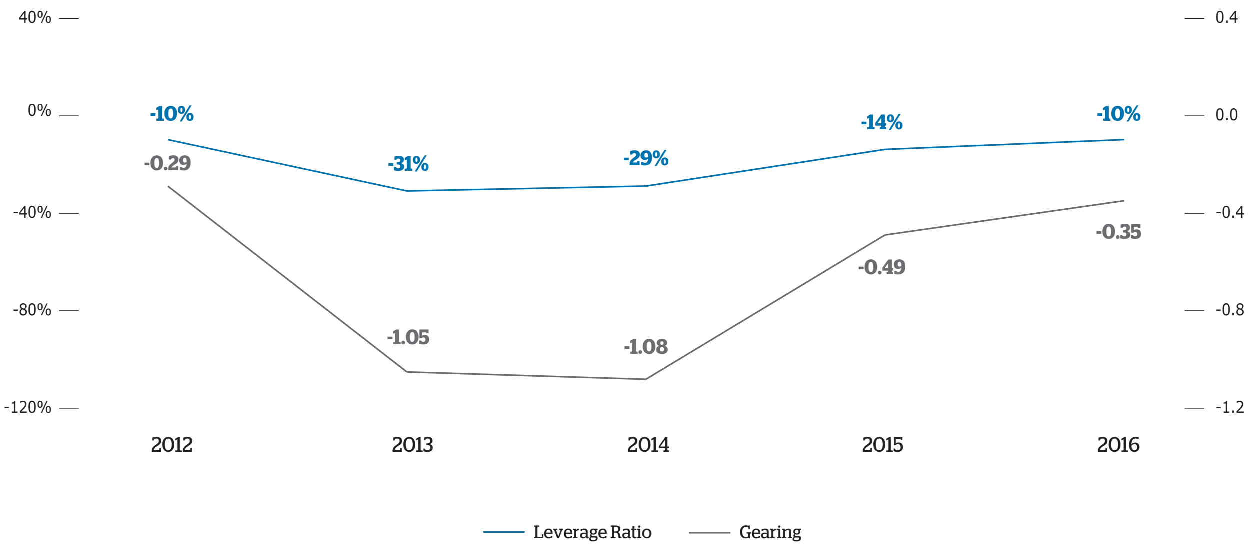
[G4-9]

A.5.1 Key graphs

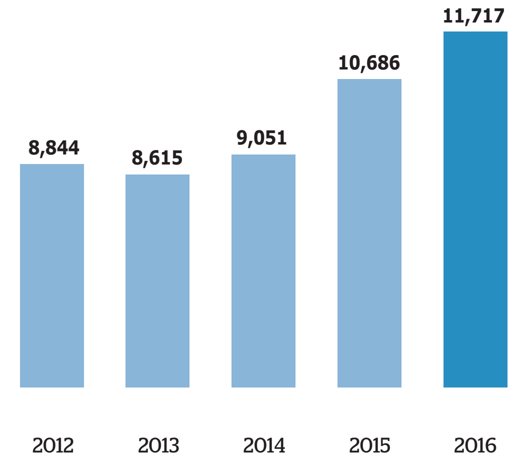
NET CASH AND EQUITY
(in € million)



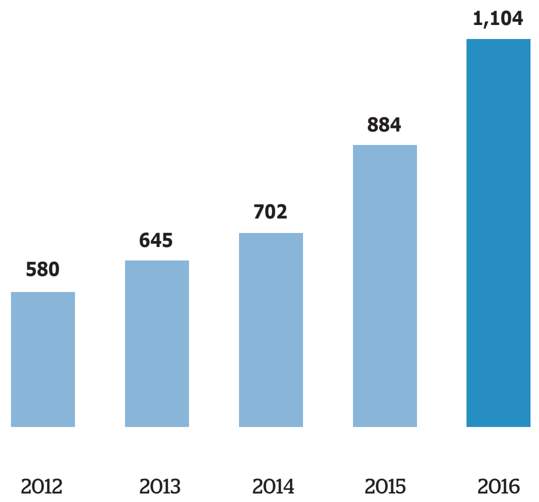
NET DEBT/OMDA AND NET DEBT/EQUITY



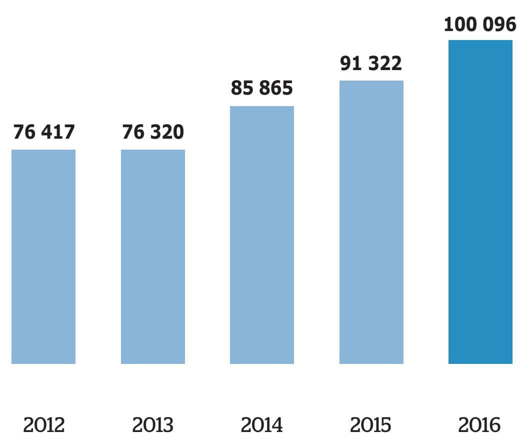
5-YEAR REVENUE PERFORMANCE
(in € million)



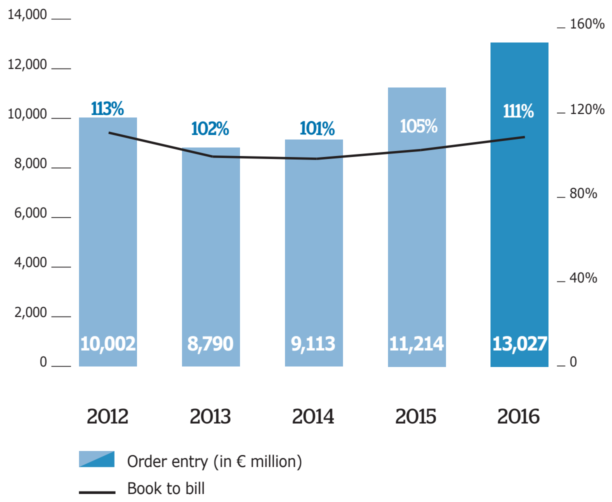
5-YEAR OPERATING MARGIN
(in € million)



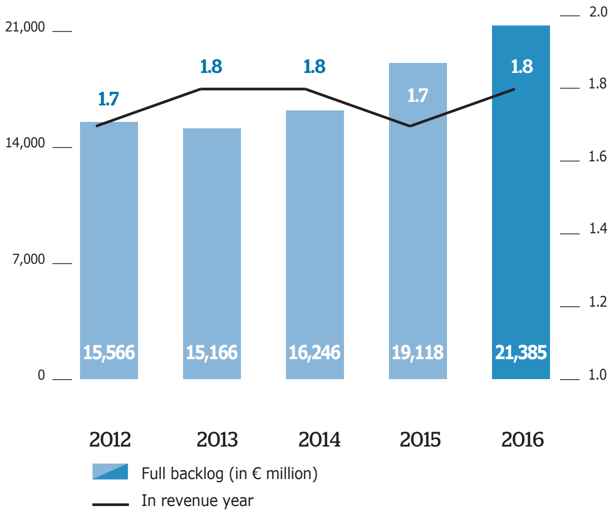
5-YEAR EMPLOYEE EVOLUTION



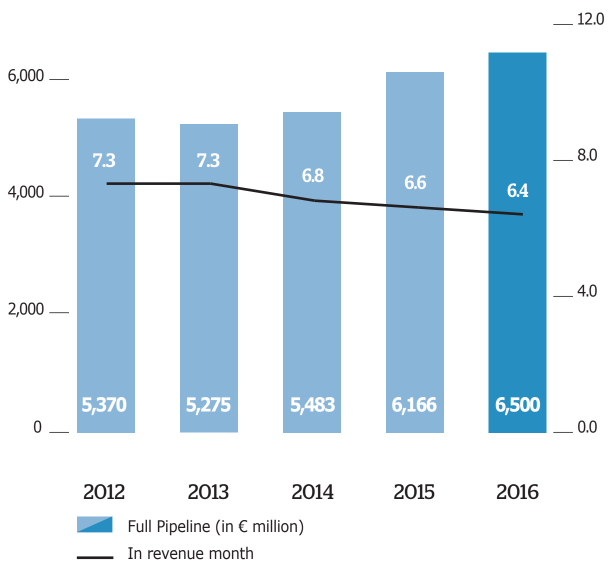
ORDER ENTRY AND BOOK TO BILL RATIO
(in € million and in %)



FULL BACKLOG
(in € million and in year of revenue)



FULL PIPELINE
(in € million and in month of revenue)



A.5.2 2016 key achievements

January

On **January 20**, Atos announced having completed the acquisition from Gores group and Siemens of Unify, the world number three in integrated communication solutions generating €1.2 billion annual revenue. The acquisition creates a unique integrated proposition for unified communications improving the social collaboration, digital transformation and business performance of its clients.

On **January 25**, Orange Cyberdefense and Atos announced having signed a strategic partnership to jointly take on the secure mobile terminal communications market. This partnership completes Orange Cyberdefense range of communications security solutions. Under the agreement, Orange Cyberdefense will be selling Hoox, the most secure smartphone on the market, to its customers. Orange Cyberdefense will be Atos privileged partner to sell solutions and provide secure communication services based on Hoox. The distribution contract will cover Europe, the Middle East and Africa (the EMEA zone).

February

On **February 24**, Atos announced its 2015 annual results. The Group achieved all its financial commitments and reinforced its position as an international leader in digital services with all the required technologies and skills to be the trusted partner for the digital transformation of large organizations. Revenue was € 10,686 million, up +18% year-on-year and +0.4% organically. Operating margin was € 883.7 million, representing 8.3% of revenue, compared to 7.1% in 2014 at constant scope and exchange rates. The Group reported a record order entry at € 11.2 billion leading to a book to bill ratio of 105%. Full backlog increased by €+2.9 billion to € 19.1 billion, representing 1.7 year of revenue. Net cash position was € 593 million at the end of 2015. Free cash flow was € 450 million in 2015 compared to € 367 million in 2014. Net income was € 437 million, up +55% year-on-year and net income Group share was € 406 million, up +53% compared to 2014. The Board of Directors decided to propose at the next Annual General Meeting of Shareholders a dividend in 2016 on the 2015 results of €1.10 per share, up +38% compared to prior year.

April

Atos revealed before industry executives and researchers on **April 12**, Bull sequana, the first exascale-class supercomputer offering a thousand times more performance than current petaflops-scale systems. Taking the compute performance to a whole new level, Bull sequana will reach exascale level by 2020, processing a billion billion operations per second. Compared to existing systems for a given performance level, Bull sequana is 10 times more energy-efficient and 10 times denser, to fully optimize our sustainability targets and space-efficiency.

Numerous institutions and private companies throughout the world use Bull supercomputers to accelerate research and innovation and maximize their competitiveness. Real-time security, personalized medicine, precision agriculture or meteorology — just to name a few industries — demand exceptional levels of data processing abilities that Bull sequana generation computers will provide. With greater computational power, meteorology services for instance will be able to provide extremely precise forecasts, predicting fog patches and storms near and around airports.

Atos supercomputers' high-data volume processing capabilities are also maximized within Atos' Big Data services such as "Atos Codex", an integrated end-to-end analytics solution including predictive computing and cognitive analytics. Atos already offers its clients data processing and analytics end-to-end along the complete IT value chain.

On **April 21**, Atos announced its 2016 first quarter revenue. Revenue was € 2,757 million, up +1.6% organically and +15.0% at constant exchange rates. Order entry was € 2,794 million leading to a book to bill ratio of 101%. Following the first quarter, Atos was confident in the achievement of all its 2016 objectives, driving profitable growth through high value technologies and innovative solutions.

May

On **May 23**, Atos announced the certification of its Cloud Foundry multi-cloud platform by the Cloud Foundry Foundation which ensures application and skill portability across any cloud service, or on-premises software based on Cloud Foundry. Atos actively participates in the industry's only certification program designed to establish reliable portability across platforms in a multi-vendor, multi-cloud environment. Thanks to this certification, Atos joins a prestigious list of providers certified by the Cloud Foundry Foundation to deliver the leading multi-cloud platform. The Cloud Foundry Certified mark is only awarded to products and services that meet the strict technical requirements outlined by the Foundation's technical governing body. Products called "Cloud Foundry" can only use that designation after meeting Cloud Foundry Certification standards.

Atos SE held its 2016 Annual General Meeting on **May 26**. At this occasion, all resolutions submitted by the Board of Directors were approved. In particular, the General Meeting approved the annual and consolidated accounts for the financial year ending December 31, 2015 and the dividend payment of €1.10 per share in either shares or cash. The General Meeting also renewed the terms of office of Directors of Ms. Aminata Niane, Ms. Lynn Paine, and Mr. Vernon Sankey.

Atos published on **May 30**, its 2015 Corporate Responsibility Integrated Report in accordance with the most demanding recommendations from the Global Reporting Initiative G4 comprehensive option and the International Integrated Reporting Framework. With this approach, Atos demonstrates that its extra financial performance disclosures are accurate and exhaustive. All the information has been assured by an external auditor and is gathered in two documents: the 2015 Corporate Responsibility Report and the 2015 Registration Document.

June

Atos launched on **June 14**, the Bull Battle Management System (BMS). Bull BMS is a complete solution that optimizes real-time information sharing for land and air-land combat, throughout entire battalions (at HQ, inside vehicles and for the dismounted soldiers) and for all mission types. A single system within battalions for all levels of the chain of command and all roles allows rapid creation of combined arms battle groups, which can share information about the mission effectively, even in degraded network conditions.

July

On **July 12**, Atos and Xerox launched a new cloud-based "Business Process as a Service" (BPaaS) offering for clients streamlining their finance and accounting functions. The new service offers "Source-to-Pay", "Order-to-Cash", and "Record-to-Report" and can be scaled to meet fluctuating demand and workloads. Complete with industry leading intelligence products to ensure internal controls, this 'out-of-the-box' service drives efficiency and up to 30 percent in cost savings. The service combines the strength of Xerox's global finance and accounting capability with Atos technology and digital skills in Systems Integration to provide a pay-as-you-go cloud-based service. The ready-to-go solution offers low upfront costs and no requirement for additional infrastructure, meaning that clients can be using the service in a matter of weeks. The fully configured technology platform leverages the advanced functionality of Oracle Enterprise Resource Planning Cloud to drive productivity, lower costs, and improve controls in the finance function.

Atos announced its financial results for the first half of 2016 on **July 26**. During the first half of the year, Atos delivered very strong financial results materializing its strategy to leverage its leading position in Infrastructure & Data Management in order to cross-sell the skills and expertise of all its divisions. Revenue was € 5,697 million, up +17.9% at constant exchange rates and +1.7% at constant scope and exchange rates. Organic growth at +1.8% during the second quarter of 2016 reflected the sustainability of the revenue momentum. Order entry totaled € 6,309 million during the first half of 2016, up +24.0% year-on-year and representing a book to bill ratio of 111%. Commercial activity remained strong in Q2 with a book to bill ratio of 120%. Operating margin was € 444.4 million, up +23.1% compared to H1 2015 operating margin and representing 7.8% of revenue, an improvement by +60 basis points at constant scope and exchange rates. Net income was € 234 million including € 51 million for Worldline share in Visa Europe sold to Visa Inc.. Net income Group share reached € 205 million (including € 36 million Group share for Visa), up +66.9% compared to H1 2015. Free cash flow totaled € 181 million during the first half of 2016, +74.2% compared to H1 2015 free cash flow. Further to free cash flow generation, payment of Unify acquisition, dividend paid on 2015 results, and proceeds received from Visa Inc., Group net cash position was € 412 million at the end of June 2016. Considering all of this, the Group raised all its objectives for 2016.

September

On **September 12**, Atos announced further strengthening its digital health services portfolio in the fast-growing US healthcare market by having signed a share purchase agreement to acquire Anthelio Healthcare Solutions (Anthelio), the largest independent provider of healthcare technology solutions in North America, for an enterprise value of US$ 275 million (8.5xEBIT post-synergies in 2017). This acquisition, fully financed by cash, uniquely positions Atos to reach a broader customer base in the U.S. healthcare market by strengthening the scale and scope of its services. The combined organization will support Atos customers' need to better optimize financial performance, improve the patient care experience, engage patients through state-of-the-art applications and address the increasing demands of security, risk and compliance.

Atos announced on **September 26**, having been ranked n°1 as the most sustainable company in its industry group in the Dow Jones Sustainability Index (DJSI) World and Europe, on the occasion of the publication of the results 2016 compiled by RobecoSAM. Atos ranked first in the IT Software & Services Group, which includes about 200 companies worldwide. Atos got the very high total score of 84 points out of a maximum of 100 points with an increased note in most of the factors under economic, environmental and social categories. This is the fifth consecutive year that Atos has been selected as a member of the Dow Jones Sustainability Indices.

Still on **September 26**, Atos announced the opening of a new Security Operations Center (SOC) in Romania, further expanding its current global footprint to proactively respond to an increasing market need in cyber-security. Security needs are growing steadily due to the data deluge and mobility. Customers require continuous access to security expertise and need a partner that is capable of catering to their growing and fast-changing security needs as driven by their digital transformation. The opening of the Security Operations Center in Timisoara, Romania, supports significantly the rapid growth of Atos global customer base. The new SOC already provides protection, detection, and response security services to over 20 global customers, completing furthermore assistance to Atos' worldwide clients in their secure digital transformation.

Atos announced on **September 29**, the placement with European institutional investors of a Euro private placement bond for a total amount of €300 million, maturing in October 2023 (7 years) and with 1.444% fixed interest rate. There is no financial covenant related to this issue. Atos and the bonds are unrated. Atos decided to seize current favorable European private placement market conditions and to use the proceeds from the issue for general corporate purposes.

On **September 30**, after the successful completion of the regulatory approval processes in the Netherlands and in Belgium during the summer, Worldline announced the completion of the transaction that was presented on November 3, 2015 with Equens group, a prominent European payment services provider, headquartered in Utrecht, Netherlands, building an industrial Pan-European champion in payment services. The successful completion of the merger of Equens and Paysquare within Worldline was a major development for Atos to better serve both the banking and merchant communities and is fully in line with the strategy to consolidate the European payment market. Through the transaction, Worldline benefits from a highly comprehensive Pan-European footprint and has increased its revenue size by c.+65% in Financial Processing and by c.+25% in Commercial Acquiring.

October

On **October 5**, Atos unveiled its new product Evidian Identity Governance and Administration. It becomes the Atos solution for the Identity and Access Governance Market. Designed for medium and large organizations, the solution offers customers worldwide modern User and Rights lifecycle management processes, as well as Risk and Governance tools to reduce operational risks and adhere to compliance requirements. End users and managers are empowered with a richer interface, having access from a central cockpit to all the actions related to identity, rights and processes monitoring.

Atos announced on **October 20** its revenue for the third quarter of 2016. During the third quarter, the Group continued to grow organically in all of its businesses with in particular a solid performance in the UK post Brexit and in North America, as well as in Continental Europe. Atos continued to experience dynamic commercial activity delivering a high level of new bookings, in particular with strong momentum in defense and security. Revenue was € 2,777 million, up +1.8% organically and +6.3% at constant exchange rates. Order entry was € 2,845 million leading to a record book to bill ratio for a Q3 at 102%. Over the first nine months of the year, revenue growth reached +1.7% organically and +13.8% at constant exchange rates.

November

Atos launched on **November 6**, "Atos Quantum", an ambitious quantum computing industry program to develop quantum computing solutions that offer unprecedented computing power, while enhancing its cyber security products to face with these new technologies. The program was reviewed and launched in the presence of world-renowned quantum physicists and mathematicians. Atos Quantum targets notably the development of a quantum simulation platform to enable researchers to test, as of now, algorithms and software for future quantum computers. Atos Quantum fits into Atos' rich technological ecosystem. The Group already has 15 R&D centres and has created a new quantum research and development laboratory in France, near Paris, with a dedicated quantum team. Atos Quantum also benefits from the dynamics of the Group in supercomputing, numerical simulation and cyber security. To simulate quantum computing, Atos Quantum can already rely on the computing power of the Bull sequana supercomputer, launched in April 2016, and its program to achieve exaflop performance - 1 billion billion operations per second. Quantum computation is expected in the next decades to confront the explosion of data generated by the Big Data and the Internet of Things revolution. It should also generate significant advances in deep learning and artificial intelligence. To move forward on these critical issues, Atos intends to set up several partnerships with research centers and universities worldwide.

During the Investor Day held in its Headquarters in Bezons (France) on **November 8**, Atos presented to the financial community its new 3-year plan "2019 Ambition". This Strategic plan aims at accompanying the Group's customers in their digital transformation within a secured cyberspace, to consolidate Atos' leadership in Infrastructure & Data Management and capitalize on the Group's unique offers in Big data, Cybersecurity, payments and Business & Platform Solutions, to support a solid growth for the next 3 years.

Atos and Siemens announced on **November 17**, having decided to further strengthen their strategic alliance. The companies will further increase the funding of their joint innovation investment program by an additional € 80 million to € 230 million. On the fifth anniversary of the Atos-Siemens Alliance in late October, the Alliance Board expressed their satisfaction about the performance of the business collaboration, which continues over-achieving the expectations by far. Leveraging on the increased funding the two companies have the ambition to further accelerate their joint business until 2020. The new funding will be focused to explore further opportunities for joint collaborations in the fields of Industrial Security, Industrial Data Analytics, Machine Intelligence, Service Enhancing Technologies and Internet of Things.

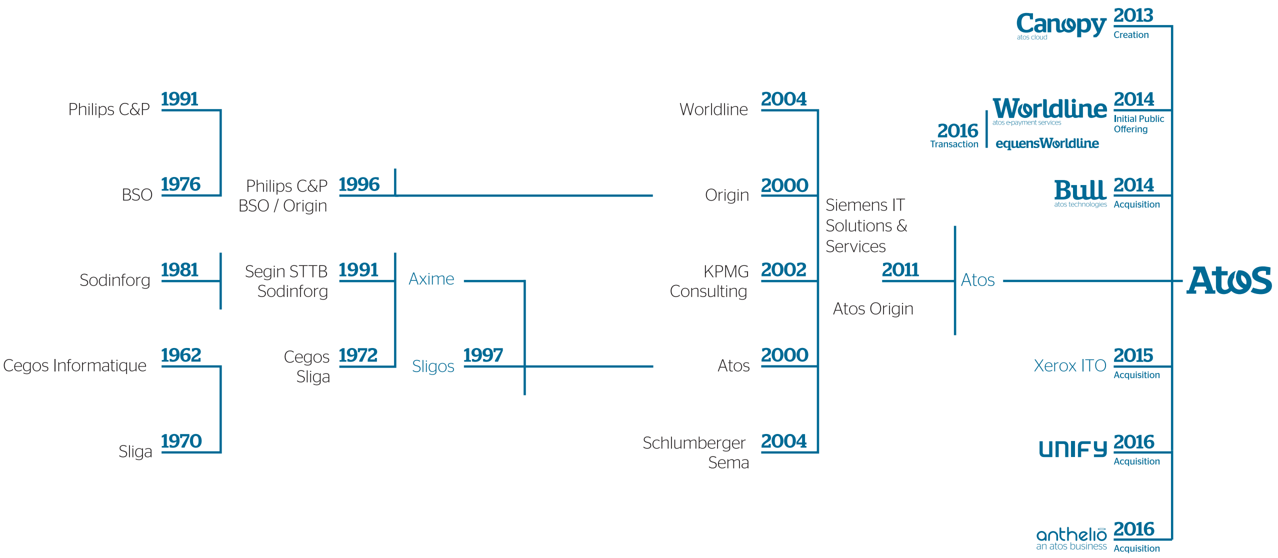
December

Atos announced on **December 7**, that bullion, its high-end enterprise x86 server, is now certified for operating the SAP HANA® platform up to 16 TeraBytes (TB). The modular and ultra-flexible architecture helps simplify operations and improve business productivity and IT efficiency. Clients can easily upscale and personalize their in-memory needs over time with this scalable server that can handle up to 16TB of memory. Today Atos is one of the only two players worldwide delivering a certified platform over 8TB.

A6 Group presentation

A.6.1 Formation of the Group

Atos is serving its customers for over 50 years and developed itself through series of mergers and acquisitions to become a global leader in digital services.



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

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

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

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

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

On August 11, 2014, Atos announced the successful completion of the tender offer launched by Atos for all the issued and outstanding shares in the capital of **Bull**. The transaction represented a key milestone in the creation in Europe of a world leader in cloud, Cybersecurity, and Big Data. The deal created a new company annual revenue of circa € 10 billion and 86,000 employees in 66 countries.

On July 1, 2015, Atos announced that it has completed the acquisition of **Xerox ITO**, of which the business is mainly in the United States. With circa US$ 2 billion revenue, North America becomes the largest geography for Atos where it is now ranked number 9 in ITO services. As a result, Atos totals now 93,000 employees across 72 countries.

In February 2016, Atos finalized the acquisition of **Unify**, the number 3 worldwide of unified communications, allowing Atos to create a global offer for unified communications and real time processing, optimizing social collaboration, digital transformation and enhancing sales performances of its clients.

In September 2016, Atos acquired **Anthelio Healthcare Solutions**, furthering their strength in the digital health services portfolio in the ever-growing US health market. This acquisition strenghened the Atos customer base and further expanding the footprint of Atos' North America with the addition of more than 1,700 Anthelio employees, of which 1,300 are in the US.

In January 2017, Worldline announced they have completed a successful transaction with **Equens**, which will reinforce the Worldline group. The transaction allows Worldline to expand its position in Europe, notably within in the Netherlands, Germany and Italy.

A.6.2 Management and organization

Atos is incorporated in France as a "Société Européenne" (European Company) with a Board of Directors, chaired by Thierry Breton, Chairman and Chief Executive Officer.

A.6.2.1 Group General Management Committee (GMC)

The general management is composed of a Chairman and Chief Executive Officer and three Senior Executive Vice-Presidents, chaired by Thierry Breton, Chairman and CEO. They form the General Management Committee (GMC). The role of the Atos General Management Committee (GMC) is to develop and execute the Group strategy and to ensure value is delivered to clients, shareholders, partners and employees. This Committee is in charge of the global coordination of the Group Management.

Name	Title	Responsibility
Thierry Breton	Chairman and Chief Executive Officer; Worldline Chairman	
Charles Dehelly	Senior Executive Vice-President Global Operations and TOP Program	Coordinating global operations (Service Lines and Business Units)[1], TOP Program and Global Purchasing
Gilles Grapinet	Senior Executive Vice-President Global Functions and Worldline CEO	Coordinating global functions[2] and Worldline CEO
Michel-Alain Proch	Senior Executive Vice-President, CEO North American Operations, Internal IT and Security	Coordinating North American operations, internal IT, and security

1 *Excluding Worldline that is under the responsibility of Gilles Grapinet and North American Operations that are under the responsibility of Michel-Alain Proch.*

2 *Excluding the Group CFO, the Group Head of Investor Relations & Financial Communication, the Group Head of Mergers & Acquisitions, and the Group Chief Commercial Officer directly reporting to the General Management Committee, and Security and internal IT reporting to Michel-Alain Proch.*

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

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

Charles Dehelly, Senior Executive Vice-President coordinating Global Operations and TOP Program

Charles Dehelly began this career at Thomson where in 1981 he was Vice President of Home Appliance divisions and later VP of Television division. Joining the Bull Group in 1992 as Group Chief Operating Officer, he returned to Thomson in 1998 as Chief Operating Officer then as Chief Executive Officer. In 2005 he became CEO of the Equant Group, then CEO of the Arjowiggins Group. Since 2008, he is Senior Executive Vice-President in charge of Atos Global Operations (Infrastructure & Data Management, Business & Platform Solutions, Big Data & Cybersecurity), TOP Program, Global Purchasing and Geographic Business Units.

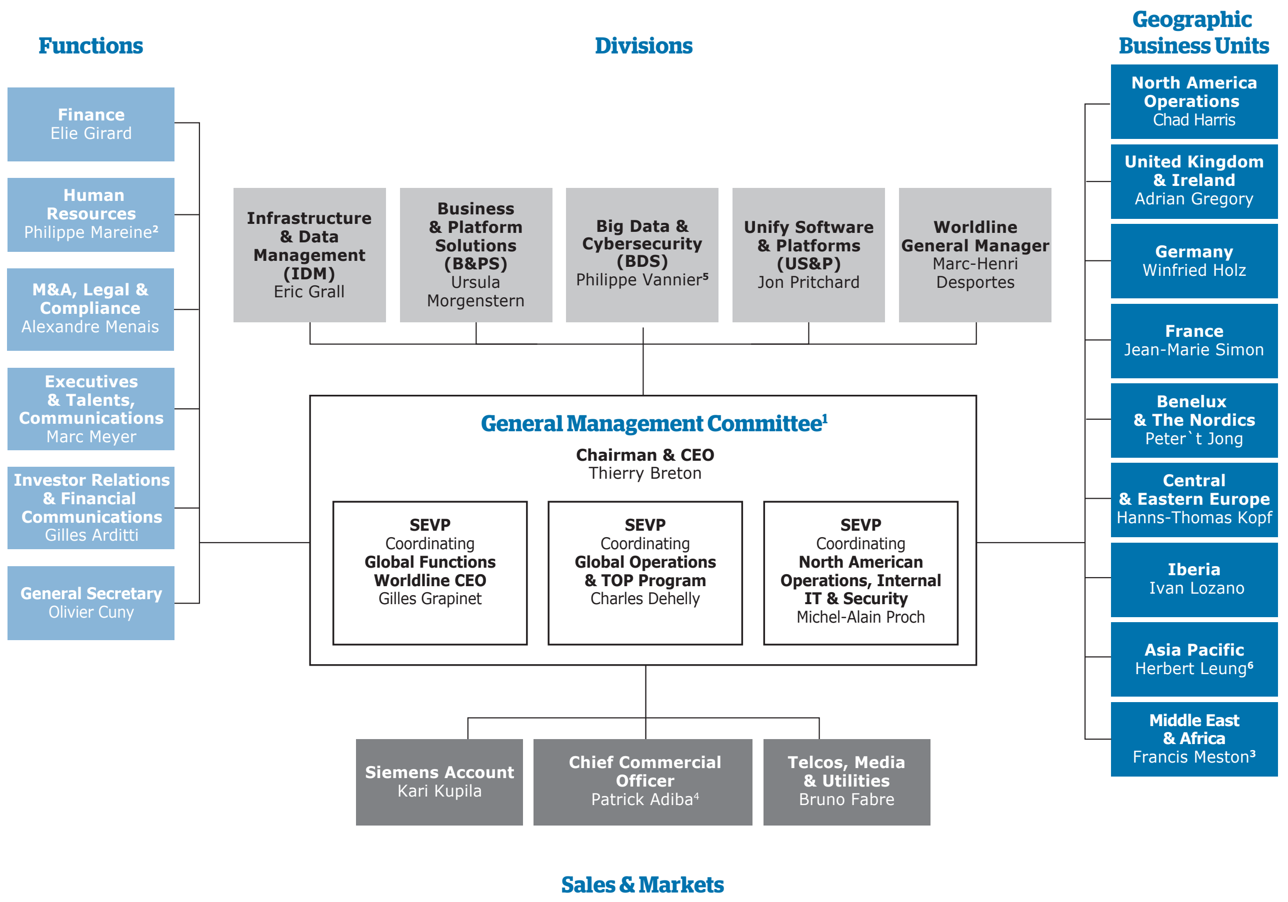
Gilles Grapinet, Atos Senior Executive Vice-President, coordinating Global Functions & Worldline Chief Executive Officer

A graduate of the Ecole Nationale d'Administration, Gilles Grapinet's previous roles include financial auditor, Head of Strategy & Information System of the French tax directorate, Director of the nation-wide Copernicus program for IT transformation of the tax administrations and Executive Committee member at Credit Agricole SA, in charge of Strategy and, then, Payments systems & Services. He served as advisor for Economic and Financial Affairs of the French Prime Minister and as Chief of Staff for two French Ministers of Economy and Finance. He joined Atos in 2008 as Senior Executive Vice-President in charge of Global Functions, Responsible for Global Support Functions, Global Sales and Markets, Siemens Strategic Partnership, Global Consulting & Technology Services, and Hi-Tech Transactional Services. In addition to his role and since the creation of Worldline through the carve-out in July 2013, he is Worldline Chief Executive Officer. He received the French Légion d'Honneur (Chevalier) in 2011.

Michel-Alain Proch, Senior Executive Vice-President, CEO North American Operations, Internal IT and Security

Michel-Alain Proch, a graduate of Toulouse Business School started his career in 1991 at Deloitte & Touche, in the Audit division in Paris. He was later on transferred in Transaction Services based in London. In 1998, he joined Hermès, first as Director of Internal Audit, then as Group Financial Controller in charge of the Watch Division and Americas. He was promoted in 2002 Chief Financial Officer for the Americas, based in New York, supervising Finance, IT, Logistics and Store Planning. In 2006, he joined Atos as Senior Vice-President Internal Audit & Risk Management. He is appointed Group Chief Financial Officer in 2007, Executive Committee member. In 2009, he is promoted Executive Vice-President supervising Finance, IT & Processes, Real Estate, Pensions, Operational Risk Management, Bid Control and Security. In 2015 he becomes Senior Executive Vice-President and a member of the General Management Committee, next to Charles Dehelly and Gilles Grapinet and led by Thierry Breton, Chairman and CEO. Michel-Alain Proch is CEO North American Operations and in charge of coordinating Internal IT and Security.

A.6.2.2 Organization chart



1 The CFO, the CCO, the Head of M&A, the Head of Investor Relations & Financial Communications and the Group Technology report to the General Management Committee
2 Also Head of Siemens Global Alliance, logistics & housing
3 Also Group Digital Transformation Officer
4 Also Head of Major Events
5 CEO of Bull. Group Advisor for Technology
6 Including India local business

A.6.2.3 The Executive Committee

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

The Atos Executive Committee is composed of the General Management Committee and of:

Group Functions

Elie Girard, Chief Financial Officer

Elie Girard is a graduate of the Ecole Centrale de Paris and of Harvard University. He began his career as auditor at Andersen, before joining the Ministry of the Economy, Finance and Industry in the Treasury department. Between 2004 and 2007, Elie Girard worked for the Office of Thierry Breton, the Minister for the Economy, Finance and Industry in France. He joined Orange in 2007 and was appointed Chief of Staff to the Chairman and Chief Executive Officer. Since September 2010, he was Senior Executive Vice-President in charge of Strategy & Development of the Orange Group, member of the Group Executive Committee. In April 2014, Elie joined Atos as Deputy Chief Financial Officer of Atos Group and since February 2015 he has been appointed Group Chief Financial Officer.

Philippe Mareine, Head of Human Resources, Logistics, Housing and Head of Siemens Global Alliance

Prior to this position, he was Deputy Manager in the French Treasury department’s Inspection Générale des Finances unit and, previously, he was in charge of Human Resources in the Public Accounts department of the French Ministry for the Budget. From 2005 to 2007, he was technical adviser in charge of employee relations and reform in the office of the French Minister of the Economy, Finance and Industry. He held several managerial positions at the French Tax Administration. He joined Atos in 2009 as General Secretary of the Board of Directors, in charge of legal functions, Compliance, Audit, Security, Social Responsibility policy. In 2014 he was appointed head of Human Resources and Head of Siemens Global Alliance. He is a graduate from the Ecole Polytechnique and Ecole Nationale d’Administration.

Marc Meyer, Head of Executive & Talent Management, Communications

Marc Meyer comes from Dexia where he served as Head of Group Communications. Marc joined Bull Group in 1986, where he held several senior positions in corporate and marketing communications. In 1997, he joined Thomson, a consumer electronics firm and in 2001 was promoted to the Company Executive Committee. Then, he joined the France Telecom/Orange Group as Executive Vice-President for Communications. Marc Meyer has been promoted as Head of Executive & Talent Management, Communications in 2014. He is a graduate from the Sorbonne University in Paris. He received the French Légion d’Honneur (Chevalier).

Alexandre Menais, Head of Mergers & Acquisitions, Legal & Compliance

Alexandre Menais has joined Atos in 2011 as Group General Counsel. Before Atos, Alexandre Menais used to work as Senior Associate at Hogan Lovells in Paris and London. In 2006, he became General Counsel at eBay France (eBay, Paypal and Skype) before being promoted as Europe Legal Director of eBay. In 2009, he joined Accenture as General Counsel France and Benelux. Alexandre holds a LLM in Business law from the University of Strasbourg and an MBA from HEC.

Gilles Arditti, Head of Investor Relations & Financial Communication

After six years at Bull and four years at KPMG, Gilles Arditti joined Atos in 1990, where until 2006 he was, successively, Director of Mergers and Acquisitions, Director of Finance and Human Resources for Atos Origin in France, and CFO for France, Germany and Central Europe. In 2007, Gilles Arditti became head of Investors Relation & Financial Communication for the Atos Group, a position he is still holding. In March 2014, he was appointed Group head of M&A and member of the Executive Committee. Since June 2014, Gilles Arditti is member of the Board of Directors of Worldline. Holding a master degree in Finance from the University Paris-Dauphine and a master degree in International Finance from HEC Paris, Gilles Arditti is also graduated from the engineer school Ecole Nationale Supérieure de Techniques Industrielles et des Mines d’Alès (ENSTIMA) and is a Certified Public Accountant (CPA).

Olivier Cuny, General Secretary

Olivier Cuny joined Atos in May 2012. He had been Chief of Staff to the Chairman of the French National Assembly since 2009. He previously worked in the French Treasury department (Direction du Trésor) and in the French Debt Agency (Agence France Trésor). He was Alternate Executive Director for France at the International Monetary Fund in Washington DC from 2003 to 2006. He then became Economic Adviser to the Prime Minister before being appointed Chief of Staff to the Governor and Secretary of the Executive Committee of the Council of Europe Development Bank in 2007.He joined Atos in 2012 as Chief of staff of the Chairman and CEO and secretary of the Executive Committee. Since 2014 he is also in charge of corporate responsibility and Secretary of the Board of Directors, and has been promoted General Secretary of the Group in 2015. Olivier holds an engineer degree from the Ecole Polytechnique and is a graduate from the Ecole Nationale d’Administration and the Institut d’Etudes Politiques in Paris.

Global Divisions

Eric Grall, Head of Infrastructure & Data Management

Eric Grall comes from HP that he joined as a graduate in 1986, and where he held first positions in marketing and R&D in the product business, before entering the Services activities of the Group in 1998. He then had a number of management positions related to outsourcing, from pre-sales to operations. In 2005, he was appointed Vice-President and General Manager in charge of the Global Services Delivery for HP in the EMEA region, covering outsourcing, consulting and support services and led a major transformation of its delivery model. After the EDS acquisition in 2008, Eric led the ITO activities of the new outsourcing business. Eric joined Atos in 2009 as EVP of the Infrastructure & Data Management division.

Ursula Morgenstern, Head of Business & Platform Solutions

Ursula Morgentern joined Atos in 2002 through the acquisition of KPMG Consulting. From 2007 to 2019, she was Senior Vice-President responsible for Systems Integration, and then she was Senior Vice-President responsible for Private Sector Markets. Prior to that, she held a variety of roles in Systems Integration including management roles for sectors, custom practices, and package solution Business Units. In 2012, she was promoted as UK & Ireland Chief Operating Officer. Since July 2015, Ursula is managing the Business & Platform Solutions division.

Philippe Vannier, Advisor, Big Data & Cybersecurity, Group Technology

Philippe Vannier is an engineer , graduate of the École Supérieure de Physique et Chimie de Paris (ESPCI), and of INSEAD AMP with also a post-graduate diploma in electrical engineering and instrumentation from the UniversityParis-IV. Philippe Vannier began his career at Michelin North America as head of quality, later switching to head of production. From 1988 to 1996, he held several management roles at SAFT (the energy storage subsidiary of AlcatelAlsthom), including managing the company's aerospace and defense division. Then from 1996 to 2004, he ran Chelton Telecom & Microwave (Cobham Group), setting up its European microwave division. In 2004, he founded Crescendo Industries, as I2E Company bought the same year. In May 2010, Philippe Vannier become Chairman and CEO of Bull. Since August 2014, Philippe Vannier is CEO of Bull and advise the Group in Big Data & Cybersecurity, as well as on technological subjects in the Group. He received the French Légion d'Honneur (Chevalier).

Jon Pritchard, CEO Unify Software & Platforms

Pritchard has spent over 25 years in the IT industry and brings a wealth of business strategy, operations and channels experience to the position of CEO. He was most recently Executive Vice-President Channels at Unify, responsible for all indirect channel activities. In this role, Pritchard was a driving force in advancing Unify's mission to become a channel-oriented organization. He revamped and expanded Unify's channel program to drive significant growth in revenue from the channel. Prior to joining Unify, Pritchard was President of Comstor Worldwide, a US$ 2.5 billion channel IT business operating across 40 countries. Pritchard also held previous positions at Ingram Micro UK.

Worldline

Marc-Henri Desportes, General Manager of Worldline

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

Global Business Units

Chad Harris, President of North American Operations

Chad Harris is President for Atos North American Operations. Prior to this role, he was Executive Vice-President, Global IT services for Xerox ITO Services. Prior to joining Xerox, he spent five years as CEO of Computer Systems Development, Inc. (CSD). He earned a bachelor's degree in business administration from New Mexico State University, with a major in management information systems and a minor in economics. He earned an executive MBA from the Robert O. Anderson Graduate School of Management at the University of New Mexico.

Adrian Gregory, Head of UK & Ireland

Adrian Gregory joined Atos in 2007 and has a 20 year blue-chip background with experience of a wide range of technology solutions and multiple client sectors. Most recently he was Senior Vice-President for Public sector, Health & BBC with responsibility for all aspects of client business and future strategy. In July 2015 he has been appointed CEO for UK & I and joined the Atos Executive Committee.

Winfried Holz, Head of Germany

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

Jean-Marie Simon, Head of France

Jean-Marie Simon held various R&D and Production positions within Schlumberger, first in Clamart in France then in Oslo in Norway. He worked in Indonesia as Operations Technical Director for Asia. He was CIO for Schlumberger Oilfield Services during three years. He moved to Schlumberger Sema following the acquisition of Sema group and then Atos developing, Consulting and Integration Systems practice around Human Resources. He was previously HR Director for France, Germany, Italy and Spain from 2005 to 2007 and Group HR Executive Vice-President from 2007 to 2013. He is now Atos France CEO.

Peter 't Jong – Head of Benelux & The Nordics

As an experienced IT leader, Peter has a proven track record in delivering results and managing complex customer relationships. He started his career in technical automation with AT&T and Philips, and continued a career in technology with Lucent working in the Netherlands and in the USA. In 2001 Peter joined Atos as head of Managed Services in the Netherlands and expanded his scope to Executive VP for Sales and COO for Atos Northern Europe. From 2015 Peter was responsible for leading the Managed Services organization in Germany and managed the carve-out and integration of Unify within Atos, followed by his appointment as CEO Benelux and the Nordics in May 2016.

Hanns-Thomas Kopf, Head of Central & Eastern Europe

Hanns-Thomas Kopf studied in Vienna, Erlangen (Germany), Boston-Wellesley (USA Massachusetts) and Innsbruck (Austria). He started the professional career as SW-engineer and Operator in different IT companies. In 1989 he joined Siemens. After eight years in the marketing and sales management, he changed in the function as Sales Director for nine South Eastern European countries. Then, he held various management level positions within the Company (President Service and Operations in CEE of Siemens AG, Chief Operating Officer for Siemens IT Solutions and Services CEE as Country Manager for Austria and the Southeast European countries). In July 2011, he is promoted as CEO of the Central & Easter Europe Business Unit.

Iván Lozano, Head of Iberia

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

Herbert Leung, Head of Asia-Pacific

Herbert Leung spent most of his career at Schlumberger where he began as Regional Director for China and Canada, then as International Technical Director, and then as Vice President for a Europe-Africa region . In 2004, at Schlumberger Sema, he was in charge of Managed Services for the United Kingdom, the Americas and the Asia-Pacific. He then joined Atos in 2004 and became Asia-Pacific CEO, where he was supported in July 2011. Herbie completed his Bachelor of Science in Electronics with a first class honors University of Dundee, Scotland, UK.

Francis Meston, Head of Middle East & Africa

Francis Meston joined Atos as Head of Consulting & Systems Integration from the E.D.S French subsidiary where he has been appointed CEO since January 2002. In 1996, he joined AT Kearney as Vice-President in charge of EMEA business transformation and strategy practices as well as MIA Global practice. He was previously Vice-President of Capgemini Consulting where he led the French operations, the EMEA Telecommunication practice and the EMEA business reengineering practice. Francis Meston is a graduate of Ecole Centrale Marseille and holds a MBA in Finance from Purdue (Indiana). Francis Meston is "maître de conferences" à HEC Business School. In July 2015 he has been appointed Head of Middle East & Africa, and Group Digital Transformation Officer.

Sales & Markets

Patrick Adiba, Chief Commercial Officer and CEO Olympics & Major events

Patrick Adiba holds a degree in Electronic and Telecommunications Engineering from INSA, Lyon and did an Executive MBA at Stanford University in 2001. Prior to joining Atos, he held various managerial positions at Schlumberger's Sein and in particular the position of Vice President and General Manager of the Mobile Mobility Solutions Division. . He joined Atos in 2004 to take responsibility for the Olympic Games. For five years, he was General Manager of the Latin America region, then Atos activities in the Iberian area. In 2013, he was entrusted with the Directorate of Human Resources. Patrick is now in charge of the Commercial function and activities of Major Events, an entity within Atos that manages computer partnerships with the Olympic and Paralympic Games.

Bruno Fabre, Head of Telcos, Media & Utilities

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

Kari Kupila, Head of Siemens Account

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

B

Atos positioning and strategy

B.1 Market trends

B.1.1 Digital transformation momentum is real

In line with previous Atos analysis, the digital transformation continues to drive fundamental business and organizational changes. Analysts who were forecasted last year that 2,000 enterprises especially B2C players will incorporate a digital transformation project in their corporate strategy by 2017, are now forecasting that this trend will intensify over the next three years, now reaching B2B companies with a prediction of $US2.2 trillion of worldwide spending on digital transformation initiatives. 2016-2017 is perceived by industry analysts as a "pivotal time" with new digital services and smart products representing a high and fast growing market.

With Digital transformation, clients will move from legacy, through cloud orchestration, to autonomics and cognitive solutions. Atos expects that at the end of 2017, over 70% of the fortune 500 will engage in deep digital transformations, and by 2020 the business success of 50% of the fortune 2,000 will highly depend on their capacity to create digitalized products, services and experiences.

The expected revolution brought by the Internet of Things (IoT) and resulting interconnectedness of smart home technology etc. had been somewhat slowed until now, by a high level of competition, and not enough collaboration with few solutions binding everything together as a single, user experience. But now that tier one global players are getting heavily involved, the Group expects major advancements in 2017 and beyond. Improved digital capabilities open up new windows of opportunity, which in turn increase the need to maintain and co-ordinate the system but also require ability to audit the collection, distribution, and vetting of data. Therefore that information is not consumed faster than the ability to recognize it as outdated, irrelevant or inaccurate.

As a consequence, enterprises are looking for strong partners, to accompany them in the digital transformation, providing greater security, compute speed, application transformation, and collaboration. To adapt the demand, the market in which Atos is shaping will focus on Cloudification, ERP transformation, Digital workplace, Cognitive analytics, security, and data privacy.

B.1.2 The ever increasing demand for Cloudification

Cloud is at the heart of the third digital revolution, and is expected to grow at 30% per year, in each of its IaaS (Infrastructure as a Service), SaaS (Software as a Service), PaaS (Platform as a Service) components, compared to the 3 to 5% growth of the overall IT market. This significant growth is primarily due to the success of public cloud. The global public cloud market will reach $US146 billion in 2017, doubling from 2015, and is expected to reach $US236 billion by 2020. Also by 2020 two thirds of all enterprise IT infrastructure and software spending will be on cloud-based offerings. By which time, according to IDC predictions, over 70% of cloud services providers' revenue will be mediated by channel partners and brokers, a domain in which Atos is ideally positioned.

Companies have understood that moving to cloud will give them the underlying flexibility required to get the business agility necessary to survive in the digital world. However some key elements of the enterprise IT landscape cannot be moved to the cloud. As a consequence large enterprises are willing to get the benefits of the cloud by modernizing both applications and infrastructure. But, in a coordinated manner, that ensures they will still get value from their legacy environment in which they invested hundreds of millions, and that they cannot just replace in a few months. This requires hybridization, and orchestration of the overall IT environment. Cloud mutualized infrastructure and automation are bringing enterprises cost reductions that they can reinvest in new digital solutions. The hybrid cloud market is projected to reach USD 92 billion in 2021 from the current value of USD 33 billion at a CAGR of 23% for the period 2016-2021, which is much faster than the overall IT market.

In Infrastructure and industrialization of the cloud, customers and especially mid-size customers are requesting more agile developments and as a consequence more proximity services, which naturally is progressively reducing the demand for offshore services. As a consequence main players should have the size and capability to manage both proximity and offshore services and thereby give a thoroughly integrated and aligned cloud landscape.

Regarding SaaS market, deploying, and integrating SaaS solutions in large enterprises, still requires a strong consulting, and service arm. Large enterprises source this out to the key players of the market, as it demands deep understanding of the IT landscape, including its infrastructure components, to ensure a smooth implementation. Industry analysts expect this activity to represent half of the consulting and implementation revenue of the main system integration vendors by 2020.

B.1.3 Transforming ERP and business processes to achieve the "real time enterprise"

Enterprises now consider that the benefits of real time information can improve the management of company operations. Therefore they are now embarking on the digitalization of their business processes, and the replacement of their previous generation ERP, whilst supporting the utilization of the Internet of Things (IoT) and the migration to an analytics powered environment. In the past, traditional ERP deployments were costly and lasted two or three years without major milestones in between; but with the increasing demand for agility and high reactivity, this is no longer the case.

Clients expect on one side significant acceleration of the implementation and roll out, and significant IT but also on the other side business benefits of real-time in-memory database management, for achieving a faster time-to-value. Technical evolution is driving change at an incredible pace creating disruptive challenges and opportunities across all industries. Some of this transformation will start happening by 2017, with the inclusion of AI (Artificial Intelligence) enabling capabilities within existing ERP, and the exploitation of big data and analytics to enhance internal customer experience. Atos expects an acceleration of leading players' adoption of the new technology. In 2016, investment in ERP SaaS solutions were more than double, to US$78 billion or more, while investment in traditional ERP systems license based declined by more than 30 percent, to less than US$15 billion.

As an example of a leader in ERP, SAP has focused their strategy on HANA and Cloud, and consequently, engineered their entire software portfolio around HANA. SAP's HANA in-memory database and the new generation of their S/4HANA, offers an operational framework to cloudify and digitalize business processes, and an effective platform to support the progressive introduction of IoT. With no standard initial situation, future leading "multi-service providers" will need to be able to deliver a customized end-to-end cloudified ERP support, from strategic consulting, including business case analyses, to process and technology analyses to implementation and go-live support, based on a "one-stop shopping" approach. Only then will they be able to build a bridge between IT, ERP and business, and be able to balance technology with process, business and strategy aspects, understanding their clients specific situation and able to respond accordingly, so as to pursue the path towards the new digital age.

B.1.4 Reinventing the workplace: towards a digital connected workplace

Digital transformation has a strong impact on how workers will access information, and requires the ability to communicate, and collaborate in a very different manner than previously. Disruptive technologies such as artificial intelligence, augmented reality, machine learning, and the development of algorithms for big data, are entering the workplace and are significantly changing the nature of work, employees' expectations, and business demands.

The workplace service market, valued in 2016 at $US73 billion is expected to annually grow by 2-4% as enterprises keep looking for an environment with enhanced user experience that supports its business objectives. The digitalization of the workplace is a complex endeavor that should be outsourced to providers with a customer-centered focus, capable of delivering technology while ensuring security and threat prevention. The inclusion of new services driven by disruptive technology will lead the workplace service market in the coming years. Robotic process automation (RPA) is seen as the continuum of technologies that organizations utilize to automatize several process operations, and is seen as a matter of survival for many enterprises. It is expected that RPA will cost only one-third as much as the least expensive offshore labor, and represent savings of about 20-50% in different activities contained within the workplace. Main transformation occurs in the following segments of workplace:

- help desk: Today the key success factor to provide good customer support is to have a good automated software driven contact center leveraged by cognitive analytics and to be able to interact with end-users through an Automated Virtual Agent (AVA). Artificial intelligence is further developed in the next section;
- workforce mobility (40%: of the total workplace market revenue today): By next year it's expected that 90% of organizations will support some style of BYOD (Bring Your Own Device). In fact, mobility and BYOD adoption is the segment, within workplace services that's expected to grow the most through to 2020, with a annual growth rate of 4 to 6%. Main players are moving into this trend, as an example, Dell has a Mobile Workspace solution which enables users to work remotely and securely on enterprise mobile devices;
- unified communications and collaboration: large developments will come through the implementation of cloud-based applications, security assessments and management. The market leaders provide solutions that help enterprises to integrate voice, data, and video environments for collaboration and productivity with unified communications offerings that includes messaging, and collaboration services. Thanks to Unify Circuit offering, as depicted in section C, Atos is contributing to this trend.

Atos believes that, due to consolidation in the market and a requirement for global scale and capabilities there are ever fewer players in the IT service market able to respond to such demand. Vendors must be able to supply a cloud-based, mobile, simplified, anyway-anytime access, personalized and omni-channel experience to their customers. More importantly, this workplace transformation is conceived as a journey unique to each customer, with clear roadmaps and measurable business value.

B.1.5 Development of Cognitive Analytics & Artificial Intelligence

The world is moving fast thanks to the increasing adoption of analytics and artificial intelligence (AI). Enterprises and public organizations are using this technology, and information to make better decisions. With computing and storage capabilities doubling every two years with the price continuing to decrease, Big Data is creating lakes that are fueling AI and data mining. In fact, the AI market is expected to be worth $US16 Billion by 2022, with a CAGR of 63% from 2016. The use of AI is expanding to reach manufacturing, banking, and media industries who've understood the competitive advantage that cognitive analytics can bring when applied with big computing and large volumes of data.

Effective cognitive decision and execution analytics are offering organizations a fast and cost efficient means to explore the value of their data, allowing them to transform it into insights, predictions and successful business outcomes. Some of the business that will benefit the most will be marketing, eCommerce and product management. Rather than ignoring unwieldy, diverse data formats, organizations can now use cognitive analytics to quickly access unstructured information: text documents, images, emails, social posts, etc... for useful insights which amplify knowledge sharing, and provide fast access to the most relevant answers and insights, on demand. Some of the leaders in automation solutions are capable of revealing insights from unstructured big data through machine learning and natural language processing.

Developments in natural language recognition and voice synthesis are rapidly reaching a point where it's difficult to distinguish between humans and machines in common sales and service dialogs, thanks to new audio-centric technologies, similar to those used in Apple's AirPods, Google Home and Amazon's Echo, which are making access to dialogue-based information ubiquitous based on "voice first" interactions. The number of IoT devices and smart machines are highly increasing. There is expected to be more than 26 billion connected objects by 2018, Atos also expects that these connected devices will create many new ways to make and save money and by 2022, IoT-enabled service models could save a trillion dollars a year in maintenance and service costs. Cognitive systems are adapting and get "smarter" over time, learning through interactions with data and humans, bringing natural language processing, probabilistic reasoning, machine learning, and other technologies together to efficiently analyze massive amounts of contextual information from multiple sources in order to deliver almost instant answers. Overall Atos believes that the cognitive decision market will be one of the largest segments of the IT services market, where it can develop successfully across its various industries.

B.1.6 A fast growing market for security and data privacy

There is a growing concern from customers on security and privacy in private and public organizations. Indeed, it's expected that $US1 trillion will be spent on cybersecurity globally from 2017 to 2021. Despite that, Cybercrime is expected to cost the world $US6 trillion annually by 2021. In addition the IoT growth is making cybersecurity an increasingly pressing challenge. For the coming year analysts are advising security teams and enterprise architects to consider a security approach in the very early stage of IoT and applications design, predicting that by 2020, more than 25% of identified enterprise attacks will involve IoT.

From the market side there are nowadays a variety of solutions. On one hand, we have the well-established one from Managed Security Services (MSS), to tools such as encryption, IAM (Identity Access Management). **MSS market** can be roughly split into, Cloud-based MSS and on-premises MSS. The cloud based MSS solution are relatively easy to implement for customers who are focusing on proactive threat management. There are many providers in the market but leading vendors include AT&T, Dell, IBM, Symantec, and Verizon who are increasingly providing for. Then **standardization** and compliance regulations are another way to combat new security risks arising from new technologies and also new vulnerabilities that are still being discovered in some of the oldest technologies. Currently over 90% of organizations have adopted a security framework or, more often, an amalgam of frameworks to help identify security gaps, prioritize threats, and mitigate risks such as ISO 27001, the US National Institute of Standards and Technology Cybersecurity Framework, and SANS Critical Controls. In addition, **IAM (Identity and Access Management)** addresses appropriate access authentication, protecting user's digital identity from theft, and dictating what individuals can access and/or perform to ensure that only the right individuals have to access the right resources at the right times and for the right reasons. Analysts predict that 40% of identity and access management (IAM) purchases will use the identity and access management as a service (IDaaS) delivery model by 2020, up from just 20% in 2016.

On the other hand, there is a new market where Atos clearly positions which includes:

- **Prescriptive Security:** This tool monitors and recognizes threat patterns, using adaptive, self-learning to orchestrate automated tasks and respond immediately to thwarting attacks before they can harm the organization or even happen. It is expected that by 2018, at least 10 percent of security solutions using user and entity behavior analytics will be in a position to effectively automate incidence response by 2018, up from zero today;
- the growing use of **encryption** has turned out to be a double edge sword for many enterprises. Indeed it's predicted that by 2017, 50% of all network attacks will take advantage of Secure Sockets Layer/Transport Layer Security (SSL/TLS) to hide their malware from security systems. This is leading organizations to extend existing network security protection to cover encrypted communications by scanning SSL traffic at the enterprise gateway, using tools such as firewalls, to decrypt SSL/TLS traffic for deep packet inspection;
- **quantum cryptography** is used to detect eavesdropping for instance as any change will be quickly detected, helping ensure that the communicated data remains private. However, as other quantum computers can already break the more popular encryption signature schemes such as RSA, ElGamal, and schemes based on elliptic curves, using Shor's algorithm for factoring and computing discrete logarithms, we are now seeing growing research in post-quantum, or quantum resistant cryptography. It is expected that by 2020, the quantum market will pass the five billions;
- the relatively new **Blockchain technology** is considered to have the potential to enhance privacy, security and freedom of conveyance of data. Atos expects that in 2017 multimode blockchains will be deployed across industries in a market that will be worth $US10 Billion.

As Atos considered last year, with security entering the big data era, the deployment of solutions that rapidly identify threats and detect frauds becomes a priority. But, with the current growth rate, traditional technologies could soon be simply unable to analyze the huge amounts of data from across a customer's network. In order to keep pace Atos can therefore expect increasing emphasis on areas like information security and risk management machine learning, resulting in intelligence-led security, through real-time monitoring to enable.

B.1.7 Payment

The trend towards non-cash payment instruments continues both in the retail and wholesale payment sector, as the result of a complex interaction of many forces including:

Consumer expectations and behavior

The way consumers live, enabled by certain key technologies, has driven demanding expectation in the way they interact with both financial institutions and merchants. Today, the average consumer in the developed world owns and uses several connected devices and is "super social" (i.e. Facebook). Consumers go online multiple times a day and do so from multiple locations, including on the go or in a store, and shares their experience with their networks. The always-on, always-connected nature of mobile and other devices is creating new opportunities that allow traditional distributors, manufacturers and new digital businesses to connect with their customers and their network wherever they are, increase the frequency of their interactions and increase sales and payment activity.

Consequently, non-cash payment transactions have grown significantly in recent years, and this growth is expected to accelerate as electronic transactions increasingly displace cash and checks. According to A.T. Kearney, the number of non-cash transactions in the European Union has grown at an annual rate of 6% over the last 10 years. A.T. Kearney also estimates that this growth rate will accelerate to 7% per year from 2020 through to 2025, reaching 238 billion transactions.

Also, the rise in contactless payments is a significant move towards electronic means replacing cash for low value transactions. According to the BCG report "Global Payments 2016", "growth in contactless cards in Europe spiked between 2013 and 2015, growing from less than 2% of card transactions at the POS to nearly 20%".

The value of mobile payment transactions is similarly expected to see strong growth, as mobile payments cover both remote use cases (paying on a web shop or merchant mobile app) and proximity use cases (paying in a physical store).

Last, Immediate payments (also referred to as instant or real-time payments) have incredible potential for both retail and corporate payments and the long-term impact on the payment ecosystem will be significant. Throughout the world, the number of real-time payment initiatives of one form or another is increasing. In Europe, the European Payment Council published its SEPA Instant Credit Transfer (SCT Inst) scheme rulebook and EBA Clearing, the bank-owned pan-European clearing house, recently announced it had secured the support of nearly 40 financial institutions in its efforts to build a pan-European instant payment platform.

According to the 2016 World Payment report, Immediate Payments have many advantages over cash and cheques and are thus ideally suited to replace these instruments. However, driven by mobile applications, they also have the potential to challenge the debit card. The key success factors are all within reach, in particular ubiquity, interoperability, enhanced user experience and price.

Technology

New technologies have a fundamental role in enabling change in the payment environment and the wider consumer engagement environment. This includes:

- smart watches, which will be a one-stop-shop handy device for identification, to open a hotel door, to receive contextual messages/notifications or to easily pay services or goods;
- the development of blockchain technologies for payments; and
- the full redesigning of banks' existing payment platforms, with the development of integrated end-to-end platforms that cover the full range of payment processing and related functions, with the ability to share payment information throughout the system. These integrated new platforms are expected to enable new services, speed time to market, and create new economies of scale that allow payment service providers with the new platforms to offer more and improved services at lower costs and across geographies.

Regulation

Financial institutions and payment services providers face a range of regulatory changes that have the potential to create new outsourcing opportunities for payment service providers and to drive increased demand for value added services to create new revenue opportunities

At constant volumes, the reduction in interchange fees in Europe imposed by the Interchange Fee regulation on December 9, 2015 reduces mechanically the revenue of card issuing banks. This may create new opportunities for outsourcing, as banks reexamine their business models and look for ways to lower their costs. At the same time, it may create opportunities for providers of value added services (such as fraud detection services or card-linked offers) that banks can provide to their customers as new sources of revenue to replace the loss of the interchange fee. At the same time, by reducing the cost of accepting non-cash payments, the reduction in interchange fee is expected to encourage more merchants to accept card-based payments and to do so for lower transaction amounts. This is expected to help drive additional non-cash transaction volume.

The regulations applicable to payment services are constantly changing. The revised Payment Services Directive (PSD2) entered into force on January 13, 2016 enlarges the scope of the existing PSD regulation by limiting the exemptions provided for in the PSD and extending its applicability to "third-party payment service providers", who provide remote access to payment account services or payment initiation services through online platforms, in relation to payment accounts held by other payment service providers. PSD2 will result in the creation of new regulations applicable to payment initiation services and services for accessing account payment balances.

New entrants

New "Fintechs", mobile operators and GAFAs (Google, Apple, Facebook, Amazon etc.) are now part of the payment ecosystem and threaten to displace the incumbents.

The GAFA (Google, Apple, Facebook and Amazon) have not only changed the way consumers view customer service and shopping, they have now well and truly entered the world of payment and with plenty of money to invest, the pace of innovation threatens to leave incumbents trailing. Apple Pay, Android Pay, Facebook's P2P payment service via messenger etc. cannot be ignored.

New Fintechs, unencumbered by legacy technologies are also changing the way consumers interact with financial service providers such as a new wave of digital only banks.

B.2 Market sizing and competitive landscape

[G4-8] et [G4-13]

B.2.1 Overall market size

Overall worldwide IT spending is estimated to be worth $3.82 trillion (in constant currency); representing a 0.9% growth in 2016. Key segments had contrasting growth rates:

- communications Services (consumer fixed services, consumer mobile services, enterprise fixed services and enterprise mobile services) represents 41.4% of the IT market in constant dollars, and has seen a modest growth of 0.3% to $1.58 trillion in 2016. Enterprise customers remain focused on driving down costs via policies for Wi-Fi offload and contracts optimizing the number of their providers for communications services and global WANs. Increasing service provider consolidation and increased transparency in pricing and bundling of mobile services lead to a spending slowdown. However, enterprise mobile service growth remained at a positive 1.6% in 2016;
- devices (PCs and tablets, mobile phones, and printers): represents 17.8% or $681 billion, with a projected growth of negative -5.8% in 2016;
- enterprise software (including security products): representing 9.6%, or $367 billion, shows a growth of 6.9% in 2016. Innovations in live chat, peer-to-peer communities, and machine-learning powered engines to automate agents are driving a surge of investment from organizations seeking improved customer service and support. This leads to a predicted five-year compound annual growth rate (CAGR) of 13.2% in this CRM segment;
- data center systems and servers: represents 5% at $193 billion, with a projected growth of 2.3% in 2016. User demand is expected to stay robust, despite the disruptive forces of software-defined infrastructure and cloud delivery;
- the server segment was particularly strong in 2015 due to enterprise installed base refreshes, but demand subsequently trailed off in 2016. Longer term, it's expected that buyers will provide strong demand in the market;
- external controller-based (ECB) storage continues to be revised downward slightly, as a result of the impact of alternative architectures such as hyper-converged integrated systems and cloud delivery on these traditional ECB storage platforms. The total ECB storage spending is now expected to be about $28.3 billion by 2020;
- IT services (Business IT services and IT product support): representing 26.2% or $1.0 trillion grew 4.5% in 2016. Of this sum, hardware and software support activities represent $100 billion. Therefore the size of the IT services market where Atos is primarily active is sized at $900 billion, of which, around 30.4% or $274 billion is in Europe, which despite Atos' rapid expansion in the US remains the Group's principal field of play. Through 2020, the IT services market is expected to grow at 4.7%, ranging from a 33.7% CAGR for public cloud compute services, to a 4.6% decline for data center outsourcing. Global spending on IT outsourcing (ITO) is forecast at a five-year CAGR of 5.8% through to 2020.

Overall, IT spending results vary greatly by region. The largest region remains North America, with $1.16 trillion. However, the fastest-growing region is emerging Asia/Pacific, with 2016 constant-currency growth of 3.2%. The next best region for growth is sub-Saharan Africa, with 2016 constant-currency growth of 2.6%. The remaining regions are facing growth rates between negative 1.9% and 2.2%.

2016 Business IT Services spend and growth	*(in € billion)*	2016 growth vs. 2015	
America (Canada, USA, and Latin America)	413.2	+23.1	+5.9%
Europe	274.3	+11.3	+4.3%
Rest of the World	213.0	+8.6	+4.2%
Total	900.5	+43.0	+5.0%

Source: Atos estimates and Gartner for Professional Services (Consulting, Implementation, IT Outsourcing, process management) in constant currency (Constant 2016 Dollars)

Although the combination of North and South America represents the largest overall growth it's important to note some large regional fluctuations.

- Growth in North America was at 5.7% but South America saw greater increases with and average rise of 7.5% with Argentina reaching a growth of 13.3%.
- Brexit shocked the currency markets. However, this didn't disrupt the global IT market. None the less, heightened economic and political uncertainty across Western Europe is expected to reduce purchases of Enterprise Software "add-on" functionality in the near term; particularly the UK. This will bring 2016 Enterprise Software growth in the region, down approximately 0.7% to 6.7%. However, this will only be a postponement resulting pent-up demand from 2017 through 2019 for the acquisition of these add-ons, many of which are tied to digital business initiatives. Additionally, we believe that, within the next 18 months, follow-on actions for Brexit will increase spending in ITO sub-segments, most likely in cloud services and exit actions.
- On the lower growth end we see Greece with a growth of 0.6% and Austria at 2.4%. Dynamics of growth in Key European geographies is described below.
- For the rest of the world India is growing the fastest at 15.1%, followed by China at 9.7%, and Singapore and Saudi Arabia at 7.7%. At the slower growth end we see South Korea with 1.2%, Taiwan 1.5%, Thailand 1.9%, and Turkey with a 2.7% spending growth.

B.2.2 Competitive landscape and new expected position of Atos

Looking at the 2016 IT services market, Atos is ranked number 8 in the world and second largest IT business Services Company in Europe with a market share of around 4%. Atos is the number 1 European IT service provider in Europe just behind IBM.

Atos is one of the few companies able to cover all the European geographies. In the largest European countries, the main competitors of Atos are IBM, HP, Accenture, Capgemini, CGI and some local champions with strong regional footprint like Capita, Fujitsu (UK), T-Systems (Germany) and Indra (Spain). Indian based players start to have significant presence in Europe, but this is still predominantly in the UK (TCS, Cognizant, Infosys and Wipro).

In 2016, major industry analyst firms have assessed Atos capabilities and positioned Atos as follow:

- european leader in Hybrid Cloud;
- european leader server market particularly in high performance computing HPC;
- european leader in Workplace management;
- positioned #2 worldwide for High-Security Mobility Management. Hoox is in Atos most important category: High-Security Government Grade;
- positioned #6 worldwide for Security Consulting Services;
- positioned Top 9 worldwide out of Top 10 Information Security Consultants;
- niche Player for Identity and Governance Administration, worldwide;
- niche player for Managed Security Services, worldwide;
- niche Player for Integrated Systems, worldwide;
- niche Player for Modular Servers, worldwide.

B.2.3 Market size and Atos market share in Europe

Atos market shares in each main country and line of business services are presented below, reflecting the positioning of Atos as the European IT champion.

The figures are based on Gartner's 2016 estimates on yearly external IT spending for Business Professional Services.

	Market size			Atos	
(in € billion)	2016	Weight	Growth vs. 2015	2016	Market share
United Kingdom & Ireland	89	33%	4.5%	1.9	2.1%
Germany	43	16%	4.9%	2.1	4.8%
France	33	12%	3.1%	2.1	6.5%
Benelux & The Nordics	52	19%	3.8%	1.5	2.8%
Iberia	19	7%	4.5%	0.4	2.3%
Central & Eastern Europe	36	13%	4.8%	0.9	2.5%
Rest of Europe	1	1%	4.0%	0.0	0.0%
Europe	**274**	**100%**		**8.9**	**3.2%**
IT management/Infrastructure[1] (IT Outsourcing)	106	39%	3.5%	3.8	3.6%
Consulting & Implementation[2]	129	47%	4.9%	3.5	2.7%
Process management[3]	40	15%	4.4%	1.6	4.0%

Based on 2016 statutory revenue in Europe.

1 Infrastructure & Data Management Division excluding BPO.

2 Business & Platform Solutions and Big Data & Cybersecurity Divisions.

3 Include BPO & Worldline.

Gartner Service line Forecast 2016 Q3 (Consulting, Implementation, IT Outsourcing): IT Services End-User Spending by Geography in Constant Currency, 2014-2020 (Constant 2016 Dollars)

Consulting and implementation remains the largest market. Increasing trust in service providers as strategic partners is a key factor in the growth of the already strong information security consulting services Market as a way to acquire skills and expertise needed to address challenges. Atos is also competing in other markets where the Company is now perceived as a key player:

- in the information security market, Atos has been ranked by PAC as one of the top three leading security IT services providers in Europe, the Middle East & Africa. Worldwide spending on information security will reach € 94.2 billions in 2016, an increase of +8.4% over 2015, according to Gartner. The increase in spending is being driven by government initiatives, increased legislation and high-profile data breaches. Security testing, IT outsourcing, and identity and access management present the biggest growth opportunities for technology providers;
- Atos is one of the market leaders in Europe in the High Performance Computing (HPC) technology market. The HPC market, which including servers, storage, services, software, networks and other products reached $30.1 billion in 2016 , up 5.1% from 2015 (CAGRs using 2015 as a base), with the global HPC technology market value expected to grow at 6.8% from 2016 to 2020. The three largest economic sectors in the HPC market are firstly industrial buyers who represent 56.1% or $16.9 billion of the market, followed by the government sector 25.4% or $7.6 billion and the academia 18.5% or $5.6 billion. The largest spending product class components are Servers representing 37% or $11.1 billion, software 19.4% or $5.8 billion, storage 17.3% or $5.2 billion and Services 10.2% or $3.1 billion. With the growing need to expand to meet demand the Hyperscale segment, involving large-scale infrastructures for Internet activities requiring the use of HPC technologies for efficiency at scale, at companies such as Google, Amazon, or Baidu.

B.3 Strategy and 2019 ambition

For the period 2017–2019, Atos set a 3-year strategic plan named "2019 Ambition" in order to accompany all its customers in their digital transformation and the massive "data-ization" of their businesses in a secured cyberspace, capitalizing on its technological strengths and people skills. The strategy focuses on the Atos Digital Transformation Factory based on four high growth pillars: Cloud, Digital Workplace, SAP HANA, and cognitive solutions with Atos Codex to transform data into business value, while continuing to enhance the Group state of the art Cybersecurity technologies across all its offerings.

The holistic nature of the digital transformation of Atos clients requires the orchestration of most of Atos technologies to be efficiently implemented (High speed computer, managed services, systems integration and agile development, collaborative solution, data analytics, e-payment…) which makes Atos very well placed to capture the growth from this new IT market wave.

The Group has indeed a more technological profile than ever and with more than 70% of revenue based on multiyear contracts. Atos' business model is both predictable and very well positioned to capture the market growth. With no debt, it has the required financial strength to move forward.

With all these strengths, Atos is fully geared to reach its 2019 ambitious targets in the benefit of its customers, employees, and shareholders.

To reach its 2019 Ambition the Group will focus on seven levers:

- consolidate the Infrastructure & Data Management (former Managed Services) leading position and leverage its leadership;
- catch-up of Business & Platform Solutions (former Consulting & Service Integration) growth and profitability towards its peers;
- roll-out an end-to-end sales process based on a holistic digital transformation offering and industrialize its successful global quality program to increase its wallet share;
- develop "Worldline" as an undisputed European leader in payments;
- leverage its unique European solutions in Big Data & Cybersecurity to sustain a solid double digit growth over the period;
- maintain excellence in Human Resources and CSR;
- continue to participate to the IT industry consolidation to expand its customer base and to strengthen its technological capabilities.

As part of the "2019 Ambition" 3-year strategic plan, the Group ambitions to deliver:

- revenue organic growth: +2% to +3% CAGR over the 2017-2019 period;
- operating margin rate: 10.5% to 11.0% of revenue in 2019;
- free cash flow: an operating margin conversion rate to free cash flow at circa 65% in 2019 compared to circa 52.5% in 2016.

The figures above are to be compared with 2016 pro forma and including 12 months effect of recent acquisitions and disposals (i.e. mainly the acquisitions of Unify Managed Services, Equens, Paysquare, Komerçni Banka Smartpay, and Anthelio). Additionally, the assumption is made that no pension one off effects will occur in the period 2017-2019.

B.3.1 Consolidate the Infrastructure & Data Management leading position and leverage its leadership

The Group intends to anchor its leadership in Infrastructure & Data Management, its largest business, notably by continuing to successfully drive the transition of its customers to hybrid cloud infrastructures with increased volumes and market share gains through new contracts. The Group will keep bringing the innovation to enable the digital transformation of its customers, notably through strong partnerships with the most advanced technological world leaders.

In this context, **Infrastructure & Data Management is expected to improve its operating margin rate by +50 to +100 basis points over the 2017-2019 period while growing organically at a 0% to +1% CAGR.**

B.3.2 Catch-up of Business & Platform Solutions growth and profitability towards its peers

In Business & Platform Solutions (former Consulting & Systems Integration), the Group has the ambition to catch-up towards its peers in terms of revenue organic growth and profitability. The focus will be, in particular, the migration to SAP HANA, the application transformation, and vertical cognitive solutions with the Atos Codex offerings as well as reaping the promising North America market.

The division profitability increase will mainly come from the implementation of a brand new fully integrated delivering process concept for international private companies (which represent one third of the division business today), closing the profitability gap with peers as well as making Atos more aggressive commercially to grow on this market.

As a result, Business & Platform Solutions targets to accelerate its organic growth to a +3% to +4% CAGR, while improving its operating margin rate by +200 to +250 basis points over the 2017-2019 period.

B.3.3 Roll-out an end-to-end sales process based on a holistic digital transformation offering and industrialize its successful global quality program to increase its wallet share

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

With **Atos Canopy Orchestrated Hybrid Cloud**, Atos leverages all the Group strengths and the expertise of its unique and powerful ecosystem of partners. It proposes an industrial end-to-end approach to transform customer applications and infrastructures and to migrate them to a common framework managing and orchestrating the bi-modal landscape of legacy and multi-sources of cloud. Revenue in **Atos Canopy Orchestrated Hybrid Cloud is expected to grow from c. € 700 million in 2016 to c. € 1.7 billion in 2019e.**

Leveraging 32 years of experience with SAP 12,000+ professionals in 40+ countries, the Group provides a unique end-to-end SAP HANA value proposition with a recognized set of tools and accelerators, flexible SAP HANA hosting and cloud Services, and the Leading SAP HANA appliance, the Bullion. With **SAP HANA by Atos** end-to-end approach from Consulting & Integration to Digital & Analytics, Atos accelerates innovation and transformation by simplifying and optimizing its clients IT costs with the combination of both classical SAP and new SAP HANA. **SAP HANA by Atos revenue is expected to grow from c. € 100 million in 2016 to c. € 700 million in 2019e.**

In a context of consumerization redefining the way we work and business requirements of the end user, the **Atos Digital Workplace** end-to-end offering is answering its clients' needs of productivity of employees, security, and costs. The Atos solution encompasses automated help & interaction centers, cloud & mobile solutions, unified communication and collaboration tools such as Circuit from Unify. Thanks to a proven global capability, large investments, continuous innovations, and the management of an ecosystem of service partners, the **Atos Digital Workplace revenue is expected to grow from c. € 0.2 billion in 2016 to c. € 1.3 billion in 2019e.**

Atos Codex is a suite of business-driven analytics and IOT solutions and services which accelerates client´s Digital Transformation. It supports public and private sector organizations to transform data into actionable business insight using cognitive capabilities. In this field, the Atos difference relies on an open innovation model to collect the world's intelligence and make it work for its clients, made to measure platforms to perfectly fit to the unique business context of its clients, in a fully secured environment. **Atos Codex revenue is expected to grow from c. € 500 million in 2016 to c. € 1 billion in 2019e.**

B.3.4 Develop Worldline as an undisputed European leader in payments

Worldline announced its ambition for 2019, reflecting the increase of its scope after the acquisitions of Equens, Paysquare, and KB Smartpay. Worldline's 2017-2019 objectives are:

- after a first semester 2017 at a slight positive growth, an revenue organic growth between 5% and 7%;
- OMDA percentage improvement between 350bp and 400bp in 2019, compared to 2016;
- +50% increase in Free Cash Flow in 2019 compared with 2016, at €210m to €230m in 2019.

For the next three years, Worldline intends to take advantage of its European leadership to expand its Pan-European platform for Omni-commerce Merchant Services, to grow in Financial Processing and to deliver the massive industrial synergies with equensWorldline.

Based on its payment industry intimacy and its attractive financial profile, Worldline ambitions to accelerate its involvement in the European payments industry consolidation.

B.3.5 Leverage its unique European solutions in Big Data & Cybersecurity to sustain a solid double digit growth over the period

The end-to-end approach of the Atos Digital Transformation Factory will be a key enabler to offer the **Big Data & Cybersecurity** solutions on top of the traditional research and defense sectors and combined with the international development of the division beyond France and Germany.

Thanks to this transversal and international expansion, the Division Big Data & Cybersecurity is expected to grow at an organic CAGR of at least 12% over the 2017-2019 period while maintaining its current strong operating margin rate above 16%.

B.3.6 Maintain excellence in Human Resources and CSR

In order to realize its three-year plan, the Group relies on strong values and best practices in Corporate and Social Responsibility. These values are fully integrated in its operations.

To power its ambition, Atos is building the best employee digital experience in order to attract and retain the graduates, talents and experts.

Atos set medium term extra-financial objectives including:

- to power its ambition, Atos targets to be recognized as the best employer in the IT sector and to build the best employee digital experience. In this field, Atos ambitions to keep increase the Atos GreatPlaceToWork TrustIndex® reflecting employee satisfaction to the top 10% industry benchmark;
- a clear focus on customer satisfaction through sustainable and innovative solutions with a 2020 objective to continue to get Net Promoter Score above 50% for our TOP Clients;
- in the field of ethics and data protection, the Group targets to maintain in 2020 a 70% level of its total spend assessed by EcoVadis, an external agency;
- as a sustainable player, Atos manages its operational efficiency in environmental footprint with the objective to reduce by 5% to 15% CO_2 Emissions per revenue unit (tCO_2 per € million) by 2020.

Digital solutions help Atos clients to meet their own CSR challenges and objectives in domains such as environment, social progress, and governance. This is particularly true for the four end-to-end offers of the Atos Digital Transformation Factory.

With Atos Canopy Orchestrated Hybrid Cloud, Atos Canopy contributes to streamlining IT resources while optimizing the energy efficiency of infrastructures and services delivered, essentially through mutualization and automation. Furthermore, important compliance matters such as the governance and usage of sensitive data are at the heart of the Canopy Orchestrated Hybrid Cloud offering.

With SAP HANA by Atos, Atos addresses several critical sustainable topics of its customers such as product life cycle, smart grid analytics, health and safety. Accelerating innovation, improving product safety and stewardship, ensuring safer workplaces or reducing risk are some examples of the wide scope provided by SAP HANA.

By unifying all technologies used by employees (mails, social networks, business applications, instant messaging, virtual meeting…), the Atos Digital Workplace end-to-end offering brings many sustainability benefits like environmental impact with less travel and lower real-estate footprint thanks to remote and mobile working, better governance with improved compliance and trust monitoring, security, data management, stakeholder roles, employee training, monitoring of performance and management roles… The Atos Digital Workplace addresses all these sustainability issues.

Atos Codex supports public and private sector organizations to transform data into actionable business insight using cognitive capabilities. It simplifies and streamlines the understanding of cross data links, semantic and contextual information for an optimized decision criteria taking into account possible impacts on sustainability matters. For instance Atos Codex admirably eases to understand the interactions between citizen, resources, ecosystems and climate, supporting businesses to integrate their sustainable constraints as "parameters" in their activities, refine goals if necessary and focus efforts on the sustainable variables. Finally, understanding how doing business really affects their eco-system, and measuring this impact, will open up opportunities for bringing sustainability inside organizations: innovating, cutting costs and boosting long-term profitability in a resource-constrained environment.

B.3.7 Continue to participate to the IT industry consolidation to expand its customer base and to strengthen its technological capabilities

Atos maintains a financing agility to support the Group development ambition. It will seize value creative opportunities to reinforce its business model and to acquire companies providing new clients and technological capabilities with the same financial discipline as in the prior years.

C

Sales and delivery

C.1 Sales and business development approach

C.1.1 The Atos Digital Transformation Factory

Atos sales and business development organization is aligned with the Group 2019 Ambition strategic plan.

Digital is at the heart of enterprises strategies and executive Board thinking. The key question for each organization is: how to be disrupter rather than being disrupted? As the Trusted Partner for the Digital Journey, Atos helps large organizations adapt, thrive, and leverage digital opportunities for competitiveness and growth in the upcoming digital era. To do so, its sales approach is underpinned by the understanding of the customers' digital transformation challenges, adapted to their business and market, and delivered with a portfolio of end-to-end offerings applying all of Atos expertise and experience (the Atos Digital Transformation Factory).

C.1.1.1 The strategic model: starting from the customer transformation challenges

As a business technologist, Atos starts its go-to-market approach from the fundamentals: helping customers to formalize their digital strategy around the four core business levers:

- reshape **Customer Experience**, seamlessly orchestrating physical and digital channels to provide the best on-demand, contextual and personalized service to end customers and users;
- streamline **Operational Excellence** accordingly, using digital capabilities to radically re-align cost structures and generate efficiencies through all processes;
- foster **Business Reinvention** thinking and implementation, applying digital innovation to develop new monetization models and taking leadership positions in the upcoming platform economy;
- guarantee **Trust & Compliance** to protect assets and data, but also and most importantly, to lay the global foundation for digital trust.

C.1.1.2 The market adaptation: deeply addressing vertical specificities

As each business context is unique, Atos adapts its approach and go-to-market to the specific digital transformation strategies suited in each vertical. It takes into account vertical transformation contexts, and how digital disrupts value chains across markets. Atos notably addresses:

- **Manufacturing, Retail & Transportation,** with pioneering offerings in Industry 4.0, digital payments and customer experience in retail, plus transports as a service;
- **Public & Heath,** with specific focus on citizen centricity for central governments, Smart Cities and education, and patient centricity for healthcare;
- **Telecom, Media & Utilities,** with emphasis on telecom infrastructure transformation, digital media, sport digitization with the Olympics, and smart grid in utilities;
- **Financial Services,** with a strong focus on real time, customer centric business engagement and fintech support for banking, plus smart agility for Insurance, all in a fast changing regulatory environment that brings both threats and opportunities.

C.1.1.3 The technology accelerators: Atos Digital Transformation Factory

Successful digital transformation requires evolving and scalable solutions. To ease implementation, Atos has developed four ready to deploy, end-to-end blueprints enabling itself to commit on delivering customers digital transformation on time, at cost and at specification. This end-to-end sales process based on a holistic digital transformation offering is described in section B.3.3 and relies on:

- **Atos Canopy Orchestrated Hybrid Cloud** solutions to expand customers' existing IT assets into the cloud;

- **SAP HANA by Atos** to build and run customer real-time business processes in this Cloud environment;
- **Atos Digital Workplace** to allow collaborators and customers to benefit from information in the most easy and efficient way;
- **Atos Codex** to transform the data flowing through these processes into business outcomes.

Leveraging orchestrated offerings and joint best practices from its four divisions, these pillars of digital transformation support the upselling and implementation of Atos digital solutions, from industry 4.0 or IoT to digital customer experience. They include Atos unique differentiators: security solutions and transaction services to provide end-to-end protection.

C.1.2 Sales organization

At Group level, the sales organization is managed by Atos Chief Commercial Officer, with the global responsibility of steering the overall sales effort, driving Global Market heads, Divisions sales heads, Global Strategic Sales Engagement, Global Alliances, Marketing and the Sales Transformation and Excellence (STEP) program.

Atos Digital Transformation offering is particularly targeting very large organizations. As such, Atos is organized since the end of 2016 to offer strong partnership to 660 Global Accounts, to which it provides a single handed, "One team, One contract" customer relation for seamless service. These selected accounts represent 80% of external revenues of the Group, and are managed by market (Financial Services, Manufacturing, Retail & Transportation, Public & Health, Telecom, Media & Utilities, Siemens account). They are served by dedicated Account Executives, supported by Account Based Marketing, coordinating the offering, sales and delivery from all Atos Divisions.

Global Accounts are at the heart of Atos go-to-market strategy, and are targeted to provide an essential part in Atos growth objectives, through cross-sell and up-sell initiatives, notably around the Digital Transformation factory and related strategic offering. Global Account Executives are supported by specialized sales and pre-sales from each Division and partner networks, which support Global Account as well as Accounts developed by each division or network on their specific offering.

Marketing is organized as a global function reporting to the Chief Marketing Officer. It brings together the customer marketing in the Market teams, the offer marketing in the Divisions, the marketing and communication digital platforms in corporate shared services as well as the operational marketing in the geographical Business Units, including Account Based Marketing. It also provides market intelligence, sales enablement, thought leadership, marketing campaign, innovation workshops with Atos network of Business Technology and Innovation Centers (BTIC) and Bid support.

Global Alliances, as a Sales channel, ensure that Atos is fully leveraging its partnership ecosystem described in section C.7 to generate incremental new businesses;

Sales excellence is supported by Atos STEP Sales Transformation for Excellence Program, dedicated to constantly align the Sales Organization to the Group Strategy and Growth Objectives within an evolving Business Environment. Its objective is to accelerate market-led growth through X-Fertilization programs along end to end solutions, and SL-led installed Base Protection through responsiveness & productivity. In 2017, the Group will also accelerate its sales dynamic through new sales methodologies and salesforce CRM deployment.

C.2 Infrastructure & Data Management

Atos specializes in managing and transforming the IT systems of its clients and is ranked in the top three in the European market and in the top six globally. Infrastructure & Data Management division generates circa € 6 billion of annual revenue with more than 40,000 staff worldwide in circa 50 countries.

Atos is one of the few companies that can provide all the "design, build, and operate" elements of a complete outsourcing solution providing the management and transformation of end-to-end and joined-up workplace, infrastructure, application, security and cloud services.

The top five geographical Business Units from a revenue perspective are North America, UK & Ireland, Germany, Benelux & the Nordics, and France. Together they represent 86% of 2016 revenue of the Division.

C.2.1 Data Centers & Managed Infrastructures

Atos Datacenters are a fundamental element of the backbone of the Atos strategy to support the Digital Transformations of its clients towards cloud, digital workplace, and IoT services. Over 100 data centers enabling global reach across 5 continents, with 4 cloud hubs twinned in 8 data centers, backed up by 10 strategic data center twinned hubs for regional presence. The data center network provides Tier-1 industrial strength for quality of delivery for both bi-modal and digital services moving, migrating and transforming customer workloads to the most appropriate solution for their business needs worldwide.

Atos global data center strategy is based on principles covering cloud, carbon footprint, capacity, continuity and cost. The principles ensure Atos' data centers continue to provide sufficient capacity and business continuity for digital services and workload expansion plans. They also drive the Atos major program to upgrade its data center network by building new modular data centers, move to modern colocation facilities and consolidating or phase out facilities in line with the successful consolidation program with over 44 data centers having been migrated and closed in the last 5 years and a further 26 being closed by the end of 2019.

Atos new generation of data centers is leading-edge with state of the art facilities and low Power Usage Effectiveness (PUE), which help Atos to maintain its green leadership. This was demonstrated in both Germany and the UK, in Germany our cloud hub in an existing facility had a complete power, cooling and security make-over while services were up and running without interruption, while the new technology resulted in a reduction of PUE from 1.9 to 1.3. In the UK a brand new eco-efficient air-cooled facility opened with a spectacular low PUE of 1.15. Atos will invest in building new state of the art data centers in key strategic countries including 2 new and 4 renewed facilities across 3 countries between 2016 and 2018.

Green leadership is spearheaded by Atos continued deployment of the worldwide "Ambition Carbon Free" program described in section D.4 Managing the corporate environmental footprint and tackling climate change.

To continuously improve data center services quality, reduce service costs and provide increasingly agile services, Atos is deploying autonomics. Autonomics is an evolution of improvements in automation across orchestrated automation, robotic process automation, intelligent automation, cognitive automation and including true artificial intelligence. This, at the same time as standardizing tools globally, staff up-skilling to become a workforce ready for the future and delivering the more traditional productivity savings. The results have already demonstrated up to 30% savings in 1st generation structured automation for the resolution of tickets over 2016, with plans to get to 70% in unstructured pattern 2nd generation automation in the 2017. This will eventually lead to unstructured no pattern or 3rd generation automation for which Atos has pilots already underway to extract further improvements.

Other new innovative services developed in 2016 included Atos Resource Island, for customers who require highest levels of protection for their most business critical, prized assets; managed video surveillance services built with our strategic partner EMC plugging a market gap for a single provider for all the elements of a surveillance solution from security consultancy, camera strategy and design, deployment operations.

C.2.2 Atos Canopy Orchestrated Hybrid Cloud

Cloud services are a key enabler for the digitization at enterprise customers. This past years revealed a growing trend within our customers to deploy comprehensive cloud strategies and cloud frameworks. "Cloud first" strategies are becoming the default consideration in enabling and sustaining the digital transformation. Atos Canopy Orchestrated Hybrid Cloud is fully addressing these emerging trends by delivering comprehensive industrialized end-to-end capabilities for the transformation of our customer's applications and infrastructures.

Cloud computing makes significant contributions to digital transformation in three key areas:

- Cloud computing allows enterprises to improve their operational efficiency through the implementation of an IT infrastructure that delivers significant improvements in agility and flexibility, allowing the deployment of new services at a very rapid pace. Certain cloud technologies such as business-driven policies for IT automation and self-service play a key role in these developments;
- Cloud computing proposes a modernized approach to customer and user experience driven by mobility and collaboration, allowing access to information anytime and from any location in the world;
- Cloud computing drives the rapid emergence of new, web-native application landscapes that can deploy, scale and evolve very quickly so that our customers can reinvent their businesses in a very competitive landscape.

To fully leverage these benefits, enterprise cloud will be hybrid by nature, with a private and a public part, plus many legacy applications & platforms which will never move to cloud.

In support of the overall cloud end-to-end approach, Atos Infrastructure & Data Management division provides a comprehensive range of secure and resilient, managed, private and virtual private IaaS Cloud services offering enterprise customers an integrated user experience with a choice of platforms, SLAs (Service Level Agreements) and service management options.

Atos cloud services are deployed with private and virtual private cloud solutions forming the foundation of a hybrid cloud that may be enriched with third party public cloud infrastructure environments such as Amazon Web Services and Microsoft Azure. This is being achieved by our comprehensive business orchestration and IT Service Management Layer based on ServiceNow. The Atos Managed Public Cloud integrates market leading public clouds into its hybrid cloud framework to deliver additional value add for enterprise customers on top of public clouds including workflow approval, consolidated reporting and enhanced governance functionality.

In 2016 Atos was further utilizing its strong position in Software Defined Datacenter offerings by its strong eco system of strategic partners. Digital Private Cloud is based on unified, fully automated and programmable architecture which will allow intelligent placement of applications and services on "purpose-fit" infrastructure environments.

With these comprehensive set of Orchestrated Hybrid Cloud services Atos has built one of the largest Hybrid Clouds in the world.

Atos has extended the global reach of its Virtual Private Cloud to Australia now having five global delivery hubs across North America, Europe and Asia Pacific. It has delivered a 30% year-on-year growth in cloud services for the last 3 years whilst delivering 20% to 30% price reduction to its customers. Atos has gained recognition as a Leader from leading analyst firms

In 2017, Atos Infrastructure & Data Management will continue to further leverage on software defined and hybrid services capabilities to deliver the digital platform for enterprises whilst further adopting cloud in Big Data and IoT.

C.2.3 Workplace & Service Desk

Workplace Services from Atos provides modular and innovative workplace and service desk services, based on extensive, proven experience in all industry sectors. Today, Atos manages more than 3.2 million end-user devices, from a combination of global production centers for service desk, operating as one virtual global delivery unit, complemented by local production centers distributed globally, handling more than 31 million tickets annually in 38 languages. This is combined with onsite support capability in 118 countries, giving Atos a true global workplace services footprint. The global delivery organization has a total headcount of more than 12,000 staff.

The demands from end-users and drive for consumer simplicity have resulted in a significant interest in Digital Workplace services. Through its Digital Workplace offering Atos can deliver services that meet the changing end-user needs, within enterprise clients today. Key solutions such as Enterprise Mobility Management, combined with application management, virtual desktops, and collaboration solutions to deliver a different way of working, with no more than just an Internet connection, but with the functionality required by end-users and businesses alike, anytime anywhere access from any device.

Consumer experiences continue to fundamentally change what people expect from their workplace. For end-users, "one size fits all" is no longer applicable, and the Atos approach results in a user experience where working anytime, anywhere with any device is reality. Atos strong focus on customer care and the total end-user experience including omni-channel support with self-help, chat, and self-healing solutions, having a direct impact on the user's experience. Innovation is reshaping user support with new technology such as virtual assistants enhancing the support experience in coming years. In line with its vision for the future, Atos is focused on delivering proactive support, with Big Data analytics delivering end-to-end service intelligence, enables Atos to focus on proactively improving the quality of service and most importantly the experiences of the users.

Enabling clients to redefine their future digital workplace within a user centric, creative enterprise environment will be supported by Atos with continued optimization and enhancement with increased automation being a key focus. All this is coupled with helping clients achieve a reduced workplace carbon footprint, through initiatives such as replacing desktops with more power efficient devices, combined with the use of cloud services hosted in green Data Centers and changing travel behaviours through unified communications.

The Digital Workplace is evident in every major workplace transformation program today with clients actively moving to hybrid delivery models for workplace services as services. Atos integrates SaaS based workplace offerings, including Microsoft with Office 365, ServiceNow and others, combined with private cloud services to enrich the workplace for end-users, while reducing costs and increasing agility and mobility of end users, closing the gap between physical working environments and digital collaboration solutions.

C.2.4 Application Operations capabilities

Application Operations is a key differentiator for Infrastructure & Data Management services focusing on application availability and performance, offering a compelling alternative to the in-house operation and support of the IT infrastructure, with a flexible, end-to-end, business outcomes approach to meeting customer's application requirements.

Our managed services SAP HANA and S/4 HANA SAP hosting, outsourcing capabilities, is covering SAP HANA Appliances and SAP HANA TDI solution complement the Atos end-to-end offerings along with Business Platforms & Solution Atos division, using Atos Bullion hardware. Execution capabilities are clearly demonstrated by delivering SAP services to over 2.9 million SAP end-users and having deployed one of the largest deployments of SAP HANA in the world. The SAP/SAP HANA outsourcing will be enhanced and complemented in 2017 by additional cloud offers.

In 2016, Atos continued enhancement of its successful Extreme Performance Computing (Oracle) environment by extending the offering with our unique VOC-Hotel concept enabling a new lower entry approach and cost effective way to grow. Atos is now a European market leader with over 100+ Oracle Engineered Systems sold to customers across 9 countries.

Application performance management continues to be a focus area with user experience and customer satisfaction being key drivers of our services. New SaaS services are being developed with our partner DynaTrace to enable a much faster and wider deployment of application performance management tools, deeper analysis and application performance improvement.

C.2.5 Network & Communication

Network and communication services provide customers with the essential connectivity services to provide fully managed network, voice and communications services across all areas of digital transformation including private and public clouds, digital workplace, IoT and more traditional services. The connectivity is fundamental to enabling all the new digital services to operate at a speed to meet business needs. Hence Atos provides global, standard, repeatable and innovative services to meet the high expectations of a dynamic mobile, global workforce.

Atos evidence of scale is proven by facts such as managing one of the world largest Microsoft unified communications installation for a single client with more than 360,000 seats, and have WAN MPLS reaching to more than 120 countries via the Group network partners. With over 2.8 million managed Ethernet ports, routers and switches, more than 1 million supported we and conferencing users, 500,000 VoIP/PBX lines, 42,000 switches, 17,000 wireless access points, 23,000 contact center seats managed globally and filtering for hundreds of thousands of email mailboxes.

New services for 2017 include the introduction of Software Defined WAN services to complement all our services, enabling WAN costs to be reduced significantly whilst at the same time increase deployment speed, support and change agility, and improve both resilience and reliability.

Atos continues to adopt the latest technologies such as Software Defined Networking into our existing Digital Private Cloud offering. Going forward Atos will be focusing increasingly on it´s already considerable capabilities for intelligent networking, mobility, unified communications including video conferencing, IoT and Cloud computing.

Atos Communication and Collaboration portfolio provides organizations with communications tools to foster rich and meaningful conversations across channels, platforms and media for a mobile, real-time and collaborative way to work. With private, hybrid, and public cloud capabilities, Atos delivers a seamless, secure UCaaS (Unified Communications as a Service) experience with solutions that unify multiple voice, video and data networks, connected devices and applications into one easy-to-use platform that allows teams to collaborate securely, effectively and efficiently – anytime, anywhere. The result is a transformation of how the enterprise communicates and collaborates that amplifies collective effort, energizes the business, improves employee satisfaction and enhances business performance.

Atos provides integrated communications services for approximately 75% of the Fortune Global 500. Atos customers range in size from 5 employees to 500,000+ employees. Atos solutions, including Circuit, unify multiple networks, devices, and applications into one easy-to-use platform that allows teams to engage in rich and meaningful conversations.

Designing, implementing, managing, and maintaining a large-scale and sophisticated enterprise Unified Communication (UC) solutions requires know-how, institutional knowledge, experience (more than 1,500 UC service experts) and training to keep up with certifications (more than 2,000 multi-vendor accreditations) and critical mass to take full advantage of the solution value for the Customer.

Atos is the only provider with a full complement of unified communications solutions, from fully integrated software-based UC applications to the services that implement and manage them, and the capacity to deliver it globally (more than 400 service partners) in the Customer's data center, hybrid, or from the cloud. As such, Atos is a leading player in virtually every market supporting more than 600.000 installed solutions.

Together, the Group's global team of UCC experts and service professionals manage over 40 million installed lines and set the standard for a rich communications and collaboration experience that empowers teams to deliver better results.

C.2.6 Technology Transformation Services

Atos comprehensive Technology Transformation Services portfolio helps its customers to embrace business reinvention through digital transformation. It eliminates the complexity of innovating with new solutions workplace, data center, application platforms, and IT service delivery using service orchestration and data analytics for an enhanced customer experience. Atos approach and best practices leverage proven blueprints that deliver expected outcomes and create business and IT value with a focus on industry specific business requirements. TTS solutions are customizable and flexible to help customers to create their workplace of the future, innovate the way they work, build the foundation for their cloud environment, and transform for tomorrow's computing needs.

Leveraging ClickFox technology, Atos collects and aggregates events every time customers interact to consume products and services via enterprise channels. This is done automatically and updated as frequently as is desirable, maintaining a constant update of customer experience across all channels. By applying data analytics, Atos can map the customer's end-to-end experience, connecting and formulating events into journeys. Then Atos teams analyze and visualize the journeys to define pin-point insights; showing how to improve overall customer experience, how to reduce the cost to serve and to support business growth – together in harmony.

Atos demonstrates its depth of expertise every day with over 600 transformation projects per year and gained scale with over 1,900 dedicated business technology consultants, architects, and engineers worldwide.

C.2.7 BPO: Business Process Outsourcing

Atos has one of the leading BPO businesses in the UK in its' chosen markets. The combined direct headcount represents circa 2,500 staff, with a sizeable proportion of offshore utilization through a dedicated BPO team in its Global Delivery Centre. One of the key differentiators, particularly in Public Services, Financial Services and Health, is that in these sectors Atos manages the full end-to-end service, deploying digital technology, transformation and employees with specific technical and industry expertise. This enables the Group to add value via its domain expertise in addition to the traditional benefits associated with BPO.

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

However, Atos also foresees that the integration of Robotic Process Automation (RPA) is vital to apply as it will outmatch the operational cost savings in comparison to the cost benefits of an old-style BPO labor arbitrage. Atos intends to be at the forefront of this development by leveraging its new RPA capabilities and strategic partnerships with RPA technology and service providers such as Thoughtonomy and UiPath.

C.3 Business & Platform Solutions

In today's digital world, the place where technology and business come together is the platform. The objective of Business & Platform Solutions (Former Consulting & System Information) is to be part of the Atos Digital Transformation Factory.

By planning to targets to accelerate its organic growth to a +3% to +4% CAGR, while improving its operating margin rate by +200 to +250 basis points over the 2017-2019 period, Business & Platform Solutions plays a vital role in the three year group plan. To achieve the objectives, Business & Platform Solutions is taking the necessary steps to accelerate the growth in digital transformation, to increase application services with our application transformation solutions and to create a strong market position in the four Atos End to end Solutions. The division will achieve its profit target through the industrialisation and modernisation programme in its global and large client, increased re-selling of its global solutions and change in its business mix.

C.3.1 Digital Transformation is impacting the market dynamics in Business and Platform Solutions

The scale of the change brought by digitization across all industries is radically reshaping the way our customers consume technology and services. Our customers are shifting their priorities and budgets to business-driven technologies, ranging from business process solutions to engagement platforms, at an accelerated pace. They are also expected higher speed and flexibility. As an example products and services are now bring to life much faster, in days and weeks rather than months and years as it was the case in the past.

The 2016 Gartner CIO Agenda Survey demonstrates this changing pattern, with CIOs expecting the digital component of revenue to grow from 16% to 37% in the next five years. Atos is positioned to address this new market of digital and hybrid platforms, enabling our customers to innovate and differentiate through emerging, fast-paced technologies such as cloud, real-time analytics and Inteligence of things (IoT). We expect this segment to reach 60% of the systems integration market by 2019.

At the same time, our customers are also confronted with the challenge of managing their existing application portfolio with improved efficiencies in terms of costs and delivery models, freeing budgets that may be used to accelerate further their digital transformation. This lower-growth segment is also experiencing significant transformation, as cloud technologies bring agility to traditional application management models.

The Business & Platform Solutions division expects to be the partner of choice and trusted advisor of our customers as they address both these objective in its strategy. In line with the demands, Business & Platform Solutions has organized its activities accordingly and fundamentally changed the way it conducts its business. The organization focuses on globalizing delivery, managing strategic accounts and offering development to achieve higher quality standards, improved customer satisfaction and drive operational performance:

- the Global Delivery organization includes the Global Practices of Technology, Enterprise Platform Solutions and Digital. In addition global organizations for Deal Solutioning, Resource Management (Business workforce Management) and Program Management/Project Recovery have been created. In addition, anew Open Economy Tower will be responsible for all solutioning and delivery for North America and UK&I Private Sector business;
- the management of the Global strategic accounts enables increased quality level, improved customer satisfaction and ultimately higher growth rate at our largest customers';
- the new Center of Excellence (CoE) leads the incubation and development of our key global offerings, technical cross service line collaboration and is responsible for Business & Platform Solutions R&D at global scale.

C.3.2 Application services and digital transformation have specific success criteria

The market in which Business & Platform Solutions operates is being redefined alongside the need for two type of services: Application services and digital transformation. Application services focus on scale, industrial delivery and cost, while digital transformation business requires local and agile workforce with digital skills and expertise.

Application Services Scale, Industrial & Cost	Digital Transformation Local, Agile & Digital
Global Accounts & Global Deals	Client Proximity
A global and cost competitive delivery	Investment in digital and emerging technologies
Strong tools and processes	Develop and run digital platforms

Application Services

In this organization, Business & Platform Solutions has aligned all delivery units such as application development, testing and maintenance together to focus on global consistent, industrial and cost competitive delivery. This will support the delivery of high quality services across all regions to its global clients and ensure cost competitiveness on global deals.

The global delivery center in India has been put at the core of this business. India is playing a dual role in the organization of Business & Platform Solutions:

- leading the industrialisation of processes to drive the margin growth;
- building expertise to support its global delivery teams. Four centres of excellence are being set up for cloud, SAP HANA, digital workplace and customer experience with already a few hundred people.

Digital Transformation business

In this area, Business & Platform Solutions is exploiting its proximity to its clients as 15,000 staff work close to the clients. Through investment into digital technologies, reskilling programs and digital platforms and solutions such as Atos Codex.

Atos Digital is an end-to-end offering covering the entire digital ecosystem, from Digital Transformation and Consulting Services, Digital Commerce, Digital Integration, Big Data Management, Analytics, to cloud Solutions and Services. Together with the Atos CoDeX, Atos fully integrated and cross market end-to-end analytics solution, Atos Digital offers services and solutions that enable organizations to maximize the value of their data quickly and cost efficiently. It specifically focuses on the following key aspects:

- increasingly connected solutions that are specific to the client and the market they operate in;
- improved business efficiency through digitization of processes;
- customer and business insights through the Internet of things and Atos analytics;
- secure mobile solutions integrated into their wider business applications;
- increased connections with consumers through Social Media;
- the advantages of cloud;
- the end-to-end capability to address both the needs of the client in the digital world and connect to or transform their existing legacy estates;
- using the latest delivery methods such as Dev Ops and Agile with market leading technology partners.

Atos Consulting is an integral part of Business & Platform Solutions and its role is to help CxOs to deliver measureable business value through the smart application of business technology. The consulting unit together with the Digital services team supports the clients on their digital transformation journey and has been able to provide industry specific solutions especially for public sector, manufacturing, retail and transport. Atos Consulting offerings are managed in 5 global practices:

- Digital Transformation Consulting; which focuses on helping clients to move forward their digital business agenda;
- Digital Technology Unit; which works in conjunction with the other practices when the customer wants to develop a project through proof of concept;
- IT Strategy & Transformation; which focuses on supporting the CIO and CTO in our customer organisations;
- Information Governance, Risk and Compliance; which helps customers to manage the risks and threats associated with information security, privacy and data protection;
- Business Performance Improvement; which focuses on helping customers to reduce costs and improve performance through operational excellence.

C.3.3 Key changes that will allow for margin uplift

Atos Business & Platform Solutions is running a transformation programme with focus on increasing economies of scale to boost efficiency & competitiveness. This will be engendered through 3 key change principles:

- operating model changes;
- revised account segmentation;
- simplified account governance.

Operating model changes

Changes are led by the transformation of the governance from a federated to a centralized global approach which is implementing via the following key changes to the operating model based on these key principles:

- from highly distributed delivery & accountability to One account & one team with transparent accountability;
- from account level local optimization to global resource management with end to end view of resource availability and demand;
- from localized to standardized set of engineering practices – our Global Delivery Platform;
- from localized to standardized pricing and deal solutioning across entire delivery;
- from geographic-specific performance management to single view of account performance capturing end-to-end performance.

Along with the structural changes in operating & governance model, we are currently driving industrialization initiatives not only with the objective to become more competitive and to improve margin but also ensure we deliver the best services at top quality to our clients.

Following pilot launched on 30 large engagements with low or negative margins, six key structural levers were identified that are currently being rolled-out throughout Business & Platform Solutions:

- offshoring: Opportunity to move further application/roles to GDC (Global Delivery Center) that would create significant impact on margin;
- pyramid correction: Opportunity to create savings by defining a new account structure with right pyramid levels, clear roles definition, responsibilities mapping and reporting structure;
- productivity Improvement: Opportunities to improve productivity through end-to-end tracking of time & effort, to reduce individual variability through standardization, & better visual management practices;
- demand Management: Opportunities to reduce the free work done by improving estimation methodology for Change Requests;
- automation: Opportunities to reduce effort through automation of manual testing;
- subcontract Rationalization: Opportunities to rationalize long serving sub-contractors and backfill with employees.

Initial analysis by lever has also been conducted for the top private sector clients. This is a decisive step towards our strategic ambition to be a preferred and competitive IT service provider.

In addition, we continue to invest more in our people – in personal development, reskilling and upskilling, improving motivations, morale and enhancing customer satisfaction.

Revised account Segmentation

In order to improve the deployment of the Business & Platform Solutions global processes across the organization, the segmentation of accounts is moving from a geographic view to 'type of account' view. Business & Platform Solutions' customers have seen segmented in three categories:

- **large private sector accounts:** Large private sector clients like Siemens, Nokia and Xerox are global and expect Business & Platform Solutions to bring a global approach and deliver industrialized work. They are also expected to benefit from best ideas that are coming from their organization or other organization. This can be done only when the global Delivery Centers are used for not only critical mass but also end-to-end leadership. This set of accounts along with the North America and UK private Sector customers, will be lead end to end from the Global Delivery Centers mainly based in India and will drive margin improvement;
- **large local and public sector accounts** in Europe have limited potential for offshoring, but can still benefit from industrialization best practices. They will beneficiate from the implementation of Atos Business & Platform Solutions global process embedding automation, lean management, pyramid correction and better use of own Business & Platform Solutions internal capability;
- **local accounts** which require client proximity will be boost by on proximity and critical mass of Business & Platform Solutions' onshore capability. For this type of customer, Business & Platform Solutions focused mainly on staffing and delivering flexible professional services.

In parallel, we pursue our focus on our Strategic Accounts with increased and dedicated Executive management support within the accounts. We will foster the implementation of such focused approach across our growth accounts, selecting those delivering the highest potential of profitable growth.

Simplified "Two in a box" account governance

Atos is moving to simplified "Two in a box" account governance for all private accounts from the current geography-led delivery model. In the Two-in-a-box model, the Sales lead and the Delivery lead of an account are paired working together through the sharing of a common set of key performance indicators related to Client satisfaction, Employee satisfaction, Quality indicators, Account growth and Operational performance.

Two-In-a-Box model will help reduce overheads, revamp IT operations by bringing significant synergies and re-deploy freed-up assets to more strategic initiatives that generate business value.

In this model, India is expected to be leveraged for industrialization through increased offshoring and as a center of excellence for key domains such as cloud, SAP HANA and digital work place. In line with the change in accountability, the leadership of application services will also start shifting to India. Pune would be the headquarters of the new Business & Platform Solutions organization and plans are in process to have customer experience centers in Bangalore & Pune to demonstrate the digital transformation offerings.

In terms of investments, the corporate has in-principle approved funding to transfer the Atos Academy to India. This would be a learning hub for 100,000 people in technology, leadership, management and the cross functional skills.

C.4 Big Data & Cybersecurity

The "Big Data & Cybersecurity" Division gathers the Big Data, Security and Mission-Critical Systems expertise developed in house by Atos. This advanced know-how meets critical customer challenges in today's digital transformation, and is particularly leveraged in Atos Codex offering. It makes Atos the trusted partner of organizations that intend to leverage the benefits of the new "Economy of Data" that is rising today, in a world where physical and digital universes blur, notably through the development of "smart technologies" and of the Internet of Things.

Under consistent governance, the Division is structured in 3 complementary activities that address 3 large markets: enterprise analytic platforms ("Big Data"), Cybersecurity, and Defense & Homeland Security ("Critical Systems"). It relies on Atos sales forces, market footprint and partners. It also works closely with other Atos Divisions, to which it brings its specific solutions, notably for Atos' four growth pillars: The orchestrated hybrid cloud with Atos Canopy, SAP HANA by Atos, Cognitive Decisions with Atos Codex and Atos Digital Workplace. The Division relies on R&D teams whose expertise is recognized internationally and strongly contributes to the development of Atos technology portfolio, under the "Bull, Atos Technologies" brand.

C.4.1 Big Data: the expertise of extreme performance to unleash the value of data

Atos is considered as the European leader in HPC (High Performance Computing) and Big Data, and a pioneer of next generation analytic platforms ("insight platforms") that will be at the heart of tomorrow's business information systems, notably with the development of the Internet of Things and of cognitive analytics. These domains represent a strategic, very high growth market in the world of information technologies. By providing high-performance infrastructures and platforms for real time computing and advanced analytics, its offerings are at the heart of Atos Codex innovation and strongly contribute as well to Atos Hybrid Cloud Orchestration, SAP HANA and Digital Workplace value propositions.

- **Big Data software and services:** Through its expertise in parallel computing and in Big Data, the division designs on-measure analytic, Big Data and simulation algorithms and software platforms. These offerings rely on the Division global mastery of the data management chain (from acquisition to decision-making) and of the various analysis modes that can be used, depending on business context and needs (real time event processing, complex analytics, massive data analysis, semantic analysis, statistical analysis, data modeling and simulation). This breadth of offerings enables customers to unleash the value of data and get true competitive advantage in all strategic domains from customer relationship, business reinvention, operational excellence to trust & compliance, in all verticals.
- **High-performance computing and high-end platforms:** As part of the very few players of reference worldwide in High Performance Computing (HPC), Atos is the designer, maker and integrator of numerous of the most powerful supercomputers worldwide. In 2016, with Bull Sequana X1000, the Division has launched in Europe its exascale-class supercomputer, first of a series that will provide a computing power a thousand times superior to the one of current systems on the market. This computing power will enable to increase the quality and speed of digital simulations for both research and industry, and to manage the exploding data volumes in all verticals, so as to be in a position to tackle the 21st century socio-economic challenges. This expertize applies also to the domain of enterprise computing servers, notably with the bullion high-end platform offering. Also recognized as the #1 European solution in large open servers, bullion enables real time analysis for very large data sets, notably for new generation "in memory" software such as SAP HANA, the SAP New Generation technologies, for which bullion supports the largest implementation worldwide. Bullion also targets intensive computing usages such as the consolidation of new generation converged infrastructures for "datalakes", digital workplace, private clouds & virtualization.
- **GCOS servers and Legacy modernization solutions:** The Division provides new generation servers and software solutions that enable to leverage existing Bull GCOS mainframe environments for the long run, and migrate competing mainframe environments (notably IBM) towards open environments. As a whole, these solutions enable organizations to leverage their historical application and data capital, while increasing business agility and reducing costs.

C.4.2 Cybersecurity: the expertise of extreme security for business trust

In the security domain, Atos is considered as the 1st European player and as a world-class leader in digital cybersecurity, in a high-growth market. The cyber-security business unit includes three activities:

- **security advisory and integration services:** These services enable organizations to audit their security and compliance levels (PCI DSS, ISO 27001, etc.), to define and integrate the most adapted security policies and solutions – depending on their business context and needs – relying on Atos high value added security products;
- **cybersecurity products:** Atos is recognized as the major European player in Identity Governance and Management (IGA: directory, user provisioning, access control…) with notably its Evidian offerings. This high growth strategic domain enables organizations to manage their employees and customers with a high level of protection, compliance and trust. Atos also positions as an innovative player in Data security, with its high-security encryption offerings (TrustWay, Chronos,) and in security technologies for the Internet of Things;
- **managed Security services:** Relying on a more than a dozen Security Operation Centers (SOC) throughout the world, these "Security as a Service" offerings enable organizations to ensure a constant security watch and protection, and to react immediately in case of attack attempt. These services include cyber risk management (AHPS, CSIRT), platforms protection, perimeter protection, and secure information and identity management.

This end-to-end security expertise, strengthened by a very active R&D in Data and Internet of Things security and also an expertise in analytics technologies enables Atos to set up predictive and prescriptive security analytic solutions that are very innovative on the market. For its customers, Atos can therefore manage the whole security process, from consulting to operation, and position as a trusted partner of organizations, meeting both the concerns of security specialists, executive management, and business functions.

C.4.3 Critical Systems: the expertise of extreme safety for mission-critical activities

Atos is positioned as a major European player for "Critical Systems" in Defense, Homeland Security and Mission-Critical Industrial Solutions.

In Defense and Homeland Security solutions, Atos offers innovative and proven solutions in Command and Control for Defense (notably the Bull battlefield management systems, already deployed by the French Army), Intelligence and reconnaissance systems (including Communication and Intelligence products), and also Border control, emergency management tools, and secure LTE communications.

For Industrial solutions, Atos provide R&D services in electronic and micro-electronic equipment, hardware and software, security engineering that are provided to customers as well as to other entities of the Big Data & Cybersecurity Division. These activities also offer targeted solutions in aeronautics (avionics) and transports (communication systems, maritime navigation…).

Atos expertise in this field is highlighted by innovative developments in electronic warfare with our offers (Comint, Elint, reactive jamming to neutralize drones or radio controlled explosive devices) and large projects such as the Scorpion Information System project, which intends to create the new operational command systems for the French army. The entity also benefits from a strong convergence with analytics, HPC and Big Data technologies, to create the intelligent defense and homeland security systems of tomorrow.

C.4.4 R&D in the DNA of the division

The R&D engineers from the "Big Data & Cybersecurity" Division are registering every year multiple new patents and propelling Atos amongst the most innovative digital groups in Europe.

Big Data & Cybersecurity R&D team is involved major worldwide or European innovation programs in Digital Simulation and Big Data. In addition, Atos is working in tight cooperation with customers and suppliers such as CEA (Commissariat à l'Energie Atomique) recognized as one of the best research public bodiesy in the world, Siemens with the joint R&D program on data analytics and also Dell EMC and VMware. The Division has also launched in 2016 advanced research in Quantum Computing, being among the very few players worldwide - and the first one in Europe - to pioneer the disruptive HPC technologies of the next decade. These technologies integrate seamlessly with security solutions and services from the Division, to ensure the total security of insight platforms, and create the trusted strategic systems of tomorrow.

C.5 "Worldline"

"Worldline" is one of Europe's leading providers of electronic payment and transactional services. With over 40 years of payment systems expertise and operations in 22 countries, including across Europe and in several emerging markets in Latin America and Asia, "Worldline" operates across the full extended payment services value chain, providing a large range of payment services and business solutions services to financial institutions, merchants, corporations and government agencies. "Worldline" works closely with its clients via the delivery of services, typically under long-term contracts where it receives fees for the initial implementation of the solution as well as recurring revenues over the life of the agreement based on business transaction volumes or transaction values. Its strong culture of innovation allows it to help clients enhance their existing services and harness advances in technology to create new markets and services.

The origins of "Worldline"'s business date back to 1973, when Sligos, a company formed in 1972 and later incorporated into Atos, was awarded the first contract in history in France to process card-based banking transactions at the time the Carte Bleue credit card system was implemented. "Worldline", in its current scope, was set up in 2013, after Atos announced in February 2013 its intention to spin off all of its electronic payment and transactional services activities into a single subsidiary named "Worldline". That project was completed in December 2013 and was followed by the initial public offering of "Worldline" in June 27, 2014. The purpose of the initial public offering of "Worldline" was primarily to enhance its financial and strategic flexibility in order to accelerate its development and to strengthen its position as an electronic payments and transactional services industry consolidator.

In that perspective, "Worldline" has finalized transactions with Equens, Paysquare and Komercni banka on September 30, 2016.

The transaction with Equens and Paysquare was made of two components: regarding Financial Processing activities, the Financial Processing businesses of "Worldline" (1) have been merged with Equens and resulted in the creation of equensWorldline, owned by "Worldline" at 63.6% and by the former shareholders of Equens at 36.4%, while in Merchant Services, "Worldline" has acquired from Equens its commercial acquiring subsidiary Paysquare.

The Group has also completed an agreement with Komercni banka (KB), subsidiary of the Société Générale group and one of the leading banks in the Czech Republic, under which "Worldline" has acquired, as a first stage, 80% of Cataps s.r.o. ("Cataps"), a 100% subsidiary of the Komercní banka banking group and now operating under the "KB Smartpay" commercial brand. Cataps was established in 2014 and has assumed activities of Komercni banka in credit and debit card payment processing services (merchant acquiring).

Through these transactions, the enlarged "Worldline" Group benefits from a unique Pan-European footprint and has increased its revenue size on a full year basis by c.+25%, out of which c.+40% in Commercial Acquiring and c.+65% in Financial Processing. "Worldline"'s business perspectives broaden with a significantly reinforced product portfolio, a larger geographical footprint and the additional expertise of c. 1,300 electronic payment experts. In 2016, "Worldline" generated a contribution to Atos' consolidated revenues of € 1,261 million and with an operating margin of € 196.9 million:

Over the 2017-2019 period, "Worldline"'s objective is to deliver:

- after a first semester 2017 at a slight positive growth, an organic revenue CAGR between +5% and +7%;
- an OMDA percentage improvement between +350bp and +400bp in 2019, compared with 2016 (2);
- € 210 million to € 230 million Free Cash Flow in 2019, representing over +50% increase compared with 2016.

To reach its 2019 Ambition "Worldline" will focus on the following levers:

- take advantage of its unique Pan-European reach and undisputed leadership in Financial Processing;
- expand strongly its Pan-European platform for Omni-Commerce Merchant Services;
- devote a particularly strong focus to take advantage of robust market trends in Mobility & e-Transactional Services.

C.5.1 Merchant Services & Terminals

The Merchant Services global business line offers merchants and retailers the unique opportunity to accompany their customers at each step of the business relationship. The Group supports merchants before the sale, through targeted origination, during the sale, by offering a range of services across the electronic payment value chain (from acquiring services to multi-channel payment acceptance and payment processing), and after the sale, through targeted loyalty programs and analysis of data generated during their interactions with their customers. The Group's payment solutions and value added services thereby allow consumers to seamlessly transition between the merchant's various physical and virtual sales platforms.

(1) Except for Financial Processing businesses in Asia and in Spain
(2) c.18.5% OMDA margin, 2016 pro forma (Refer to Note 2 to "Worldline" 2016 consolidated financial).

The Group Merchant Services & Terminal business actively pursued its geographic expansion and acceleration, by leveraging the acquisitions of Paysquare in the Netherlands, in Germany and in Poland and KB Smartpay in the Czech Republic during the course of 2016.

As a result of both organic growth and the two acquisitions aforementioned, the Group now serves over 200,000 merchants, from micro merchants through to large international enterprises, pursuant to which it provides its services to over 300,000 points of sale and nearly 58,000 e-Commerce websites.

C.5.2 Financial Services (former Financial Processing & Software Licensing)

In 2016, the European activities of "Worldline"'s Financial Services global business line have been successfully merged with Equens [(1)] into equensWorldline.

The ambition of the equensWorldline is to be the leading and most innovative payment service provider for financial institutions in Europe. This company delivers products, services and solutions that allow financial institutions to outsource some or all of the business processes involved in:

- issuing payment cards;
- acquiring processing of electronic payment transactions;
- processing non-card electronic payments; and
- offering digital banking services. Expertise in technology is a key differentiator in our markets and financial institutions are moving more and more towards innovative digital solutions. equensWorldline is in the unique position to leverage the Group IT knowledge and provide state-of-the-art innovative products, services and solutions to financial institutions in a seamless, secure and efficient way (e.g. instant payments, mobile wallets, fraud & risk management, digital banking services, strong authentication solutions).

EquensWorldline is the industry's largest transaction processing company in Europe. More than 250 financial institutions trust their services to equensWorldline. the Company has circa 100 million payment cards under management and processes 7.5 billion card transactions and 10 billion payment transactions per annum. The new company employs more than 3.000 payment experts and has an undisputed pan-European reach with offices in 8 European countries and leading market positions in key geographic markets including France, Germany, Benelux and Italy. Key clients of equensWorldline include major financial institutions such as BNP Paribas, DZ Bank, ICBPI and ING.

In addition to the equensWorldline activities in Europe, the Group is also present in other regions including India, Asia Pacific and Iberia. The Group believes that it is the leading independent payment services processor in India and also offers software licensing solutions to banks throughout the Asia and Pacific region, with a particularly strong base in China, where three of the top five banks and three major credit card companies use the Group's licensed financial processing software.

C.5.3 Mobility & e-Transactional Services

"Worldline"'s Mobility & e-Transactional Services global business line goes beyond its traditional client base of merchants and banks and financial institutions by developing new solutions and business models that take advantage of the digitization of the physical world to address the needs of private and public sector clients, thus addressing new markets "Worldline" believes will generate significant additional payment transaction volumes in the years to come. "Worldline" leverages its expertise in the areas of payments, digitizing business processes, processing large transaction volumes and data analysis to help provide solutions for companies and government entities facing the challenge of strategically transforming their operations through new digital services. The Group's Mobility & e-Transactional Services global business line focuses principally on three sectors it believes have the potential to generate significant additional payment transactions:

- e-Ticketing for Transport, which includes smart ticketing, automated fare collection and journey management services;
- e-Government collection services, with an emphasis on services involving payment transactions, where "Worldline"'s platforms provide paperless secured systems for better public services, automated traffic and parking enforcement and healthcare reimbursement; and
- e-Consumer and Mobility solutions, which includes its Connected Living activities expanding towards Industrial IoT services, consumer cloud services and cloud Contact services designed to optimize customer engagement.

(1) Except for Financial Processing businesses in Asia, Latin America & Spain

C.6 Innovation and partnerships

Over the last few years, the Group has massively invested into innovation to anticipate new trends in order to develop IT solutions that fulfill clients' and stakeholders' expectations. Atos position as a global leader in digital services were also reinforced through acquisition of companies with strong technological mindset and know-how, in particular on cloud, Big Data, mobility, and security in order to help Atos' clients to transform their business globally through the use of digital technologies and by leveraging over 3,000 patents, circa € 300 million R&D per annum, and a unique ecosystem of partners.

The Group innovation strategy mainly relies on the Scientific Community. It brings together more than 135 of the best business technologists from all Atos geographies and businesses. With their rich mix of skills and backgrounds, community members work together to anticipate upcoming technology disruptions and craft Atos' vision of the future business and technological challenges Atos clients will face. They are "creators of change", making sure that whenever Atos clients choose to work with the Company, they always get the best solution available.

Atos Scientific Community members participate in a wide range of Atos activities:

- shaping Atos' Vision on the evolving world of business, society and technology through the publication of its Ascent Journey series; providing insights to technology trends and how businesses can use technology to grow and transform;
- contributing to the Ascent Magazine and Ascent Look Out trends report, Atos' biennial collaborative horizon scanning publication;
- mentoring the Atos IT Challenge, an annual competition encouraging the next generation of IT talents from universities across the world;
- and, in addition to solving clients' business challenges, they also support patent creation, participate in innovation workshops with clients and partners, and develop cutting-edge proofs of concepts.

To make sure its innovation program matches its clients' needs, Atos launched in 2012 the Client Innovation Workshops Program. The innovation workshops are customer-focused and customer-tailored events in which the Group is sketching with its clients how the emerging technologies and trends can be leveraged for their business success in the digital area. Around 20 topics that are considered to be of critical importance to the market – such as Sustainability, Data Analytics and Cognitive Technologies, Cybersecurity, Industry 4.0, Digital Workplace and Augmented Reality – are put forward for each customer to choose from.

C.6.1 Research & Development

The Digital Transformation Factory which is at the heart of Atos 2019 Ambition leverages very high added value technologies developed by Atos within its € 300 million yearly R&D and co-innovation investments with large customers, notably Siemens.

The Group already has 15 R&D centers and has created a new quantum research and development laboratory in France, near Paris, with a dedicated quantum team. It is of course complemented by Atos technology agnostic consulting, integration and operation services across the whole information technology landscape, plus vertical focused digital solutions. As a whole, Atos therefore brings the best of today's technologies complemented by unique IP differentiators that providing its customers a unique advantage in the current business technology race.

Atos' new technologies are being born in the various Innovation Labs that span our Business Units. Atos emerging research covers the most innovative topics and includes Data Intelligence, Internet of Things, cyber-security, High Performance Computing and e-Payments along with numerous other technology topics.

Atos Research & Innovation (ARI) has been investigating emerging technologies and anticipating market demand for emerging innovative solutions for more than 28 years. ARI experts cover a wide range of disciplines, from the latest technological areas to social sciences and economics and provides a reliable business services to our customers: from developing strategy to managing projects; from generating ideas to identifying funding opportunities and selecting partners; from ideas and opportunities to real results.

Atos benefits from in-house R&D, patented technologies, specifically designed hardware and software products in selected segments, such as cybersecurity, electronic payments, and cloud security. All the Divisions of the Group benefit from this unique set of assets in order to win new businesses.

In 2016, Atos launched "Atos Quantum", the first quantum computing industry program in Europe. This ambitious program to develop quantum computing solutions that offer unprecedented computing power program while enhancing its cyber-security products to face with these new technologies was reviewed and launched in the presence of world-renowned quantum physicists and mathematicians. Atos Quantum fits into Atos' rich technological ecosystem.

C.6.2 A unique ecosystem of technological partners

Atos partnership approach consists of collaborating with a selected eco-system of partners steadily strengthened according to market expectation in order to leverage an extensive technology portfolios to ensure the delivery of world-class solutions that enable real and tangible business benefits to clients across almost all markets and sectors.

Alliances and partnerships are key in the Group's strategy to further grow its market share in specific services and markets that can fully benefit from combining and leveraging specific skills, resources or local knowledge for innovation. The Digital Transformation Factory which is at the heart of Atos 2019 Ambition leverages advanced technologies from Atos Global Alliance partners - notably Dell-EMC and SAP and industry expertise with large customers, notably Siemens.

SAP and Atos partner together to provide customers with state of the art solutions in the areas of sustainability and IT, relying on Atos recognized digital leadership in sustainability and SAP® solutions for sustainability. The global strategic alliance covers a co-operation on SAP Business Process Solutions, SAP Industry Solutions, SAP HANA Solutions.

The partnership with Siemens, the largest shareholder of the Company, is unique in the IT services market in its threefold approach: Siemens is not only Atos' largest client, there is also a joint go to market strategy in several identified fields (Manufacturing, Healthcare, Energy, Mobility…) to address new opportunities. In particular, Siemens and Atos recently put a special emphasis on fields as cybersecurity for industrial companies. The offer ranges from security assessment, installation of protective mechanisms to the continuous monitoring of plants and offices.

The partnership with the Dell-EMC Federation is based on the common view that customers want to consume Technology as a Service, in a context where the sharing economy tends to become a massive business model. A cloud-based infrastructure is one of the conditions for deploying on-demand services at large scale. As a result, cloud computing lowers IT operational costs while boosting efficiency and agility. Globally, it reduces the environmental negative externalities and improves the bottom line.

The Group expects continued strategic partnerships with technology leaders to enhance its skills and know-hows in areas related to innovative and disruptive offerings.

D
Corporate Responsibility

D.1 Extra financial performance in Atos 2019 Ambition

D.1.1 Building an integrated thinking

[G4-34], [G4-35], [G4-36], [G4-37], [G4-42], [G4-43], [G4-45], [G4-46], [G4-47] and [G4-48]

D.1.1.1 Vision

In the age of digital transformation, the ability to collect data on people is unparalleled in human history. Virtually everything can be elicited, monitored, and analyzed, ranging from credit card numbers to family medical histories and shopping patterns. As the use of mobile devices and new technologies (3D printer, artificial intelligence, etc) becomes an increasing part of the daily life of citizens, the need of assuring ethical behaviors, protect data privacy, avoid digital breaches and even protect the use of natural resources turns out to be critical to advance in the digital journey.

Atos strategy described in section B.3 includes a strong Corporate Responsibility Program to support its customers to deal with digital challenges while reinventing their future growth models in a responsible way.

Integrated thinking is applied from the decision-making phase to the definition of strategic action plans and performance dashboards covering financial and non-financial issues that enable the creation of value over the short, medium and long term.

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

D.1.1.2 Strategy

Atos corporate responsibility and sustainability principles are totally embedded in Atos strategy and is structured in four axes and four extra financial targets:

- **be a responsible employer:** Atos targets to be recognized as the best employer in the IT sector and to build the best employee digital experience. In this field, Atos ambitions to keep increase the Atos GreatPlace ToWork TrustIndex® reflecting employee satisfaction to the top 10% industry benchmark;
- **generate value for clients through sustainable and innovative solutions:** A clear focus on customer satisfaction through sustainable and innovative solutions with a 2020 objective to continue to get Net Promoter Score above 50% for its TOP Clients;
- **be an ethical and fair player within Atos' sphere of influence:** In the field of ethics and data protection, the Group targets to maintain in 2020 a 70% level of its total spend assessed by EcoVadis, an external agency;
- **manage the corporate environmental footprint:** as a sustainable player, Atos manages its operational efficiency in environmental footprint with the objective to reduce by 5% to 15% CO_2 Emissions per revenue unit (tCO_2 per € million) by 2020.

To achieve this, Atos Corporate Responsibility strategy is aiming to:

- maintain corporate sustainability leadership in the IT sector: Consolidate and increase Atos positions in recognized sustainable rankings such as Great Place to Work, and extra financial ratings (DJSI, FTSE, etc.) is a continuous exercise for Atos to challenge its corporate performance and consolidate credibility in the market. Numerous awards received during the year in different areas show the increased worldwide commitment of the Group and ambition to consolidate position within best-in-class companies worldwide;
- place corporate responsibility at the core of Atos business and processes: Atos drives sustainability in company's DNA through corporate values, innovation, green operational excellence, social responsibility and business development. Atos has also developed robust systems and procedures to embed corporate responsibility consistently and effectively in its business operations following integrated thinking and reporting principles;
- corporate responsibility matters are specially embedded in Atos risks and opportunities management, compliance requirements, quality and customer satisfaction processes and human capital management;

- Atos aims to progressively set corporate responsibility in day-to-day employees working life no matter or where they are located. Continuous efforts are made to bring all the regions with a coherent approach that strengthens Atos positioning as a multinational group integrating local needs and concerns;
- identifying challenges, establishing priorities, measuring performance: Atos sets to itself the ambition to strengthen open stakeholder dialogue in order to endorse strategic challenges for the Company as well as key performance indicators that will measure and publicly report the advancements of Atos Corporate Sustainability program. The review of the challenges is yearly undertaken through a materiality assessment that prioritizes the areas where the Group must focus on incorporating best practices in the market, trends in the ICT sector and compliancy with existing regulations and international standards.

D.1.1.3 Governance

[G4-23]

The General Secretary, member of the Group Executive Committee and reporting directly to the Chairman & CEO, supervises Atos Corporate Responsibility and Sustainability Program and provides guidance on the actions to be performed. He presents on a regular basis to the Group Executive Committee the latest achievements and planned objectives both at global and regional levels on the environmental and social initiatives of the Group.

The Group Executive Committee is associated with the strategy and implementation roadmap of the Corporate Responsibility and Sustainability Program.

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

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

D.1.2 Atos' stakeholders approach

[G4-16]

Atos' corporate responsibility process is supported by ongoing dialogue with all stakeholders, including clients, employees, business partners and suppliers, as well as communities and public authorities. Stakeholder dialogue plays a critical role in business operations, whether by showcasing Atos' capacity for innovation, enhancing its appeal among clients, investors and employees, creating opportunities to develop services and solutions with high growth potential or protecting the Group's reputation.

Dialogue takes place at every level of the organization:

- at a global level, corporate headquarter's teams serve as the primary interface for various international organizations and coordinate all the initiatives undertaken within Atos;
- at a country level, local teams strive to foster close ties with local stakeholders, especially national authorities.

The Atos' framework regarding relations with stakeholders has three main purposes:

- mapping stakeholders' expectations;
- prioritizing corporate responsibility issues in accordance with their relative importance to stakeholders, likeliness to happen and their criticality to business operations;
- defining Key Performance Indicators to be followed to assess Atos' Corporate Responsibility performance.

This approach is defined according to several international referential and standards such as the AA1000 Standards and the Global Reporting Initiative G4 guidelines on which Atos has based all its actions in order to:

- structure its stakeholders' approach;
- manage its annual materiality review;
- guide its reporting process.

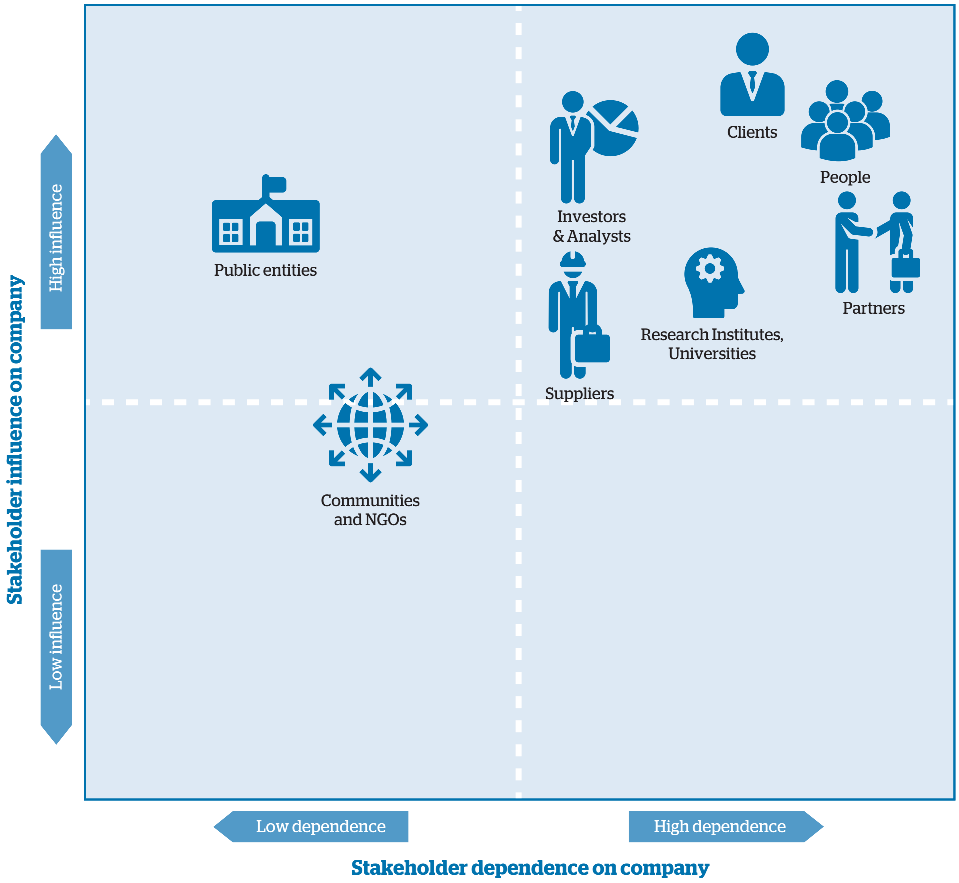
D.1.2.1 Mapping of stakeholders' expectations

[G4-EC8], [G4-24], [G4-25], [G4-27], [G4-37] and [G4-43]

The table below presents Atos' main stakeholders and their key expectations.

Clients	Investors & Analysts
Atos' clients expect to benefit from the right digital tools and expertise to meet their own challenges. In order to adapt and develop in a constantly evolving market place, their expectation for innovation is steadily increasing. They also rightly request a very high level of data protection.	Atos' Investors expect profitability and efficiency. They need to be informed about the Group strategy and its Corporate Responsibility component(s) including achievements and objectives. Above all they request clarity and transparency.
Partners	**Internal stakeholders**
Collaboration with Atos' partners is key to face the challenges of the global IT sector and ensure the development of innovation. Atos works together with **its business partners, research institutes and universities** to face these challenges and help customers achieve their goals.	**Atos' employees** want to work in the best possible working conditions and to have the opportunity to evolve and grow inside the Company. They expect a genuine recognition for their work. The protection of their personal data is also key for Atos' employees. Internal stakeholders include young talent (selected members of the Juniors Group and the Wellbeing@work council) and management whose business activities are closely linked to Atos sustainability strategy and initiatives (global datacenter manager, HR).
Public entities	
Public bodies deliver administrative authorizations and determine the regulatory context in which Atos makes business.	
Suppliers	**Communities**
Atos' suppliers want to benefit from access to new markets, revenue growth and fair margins. They expect a long-term relationship and the respect of their contracts.	The main expectations of Society and **local communities** towards Atos include: socio-economic impacts of Atos' operations, job creation, new technologies and smart solutions enabling both progress and limited environmental footprint. **NGOs** can also have specific requests and seek for collaboration with Atos to share best practices and reach highest impact of initiatives at local level.

To define its level of engagement towards each stakeholder, Atos analyzes their influence on strategic topics and their dependence on the Company.



D.1.2.2 Stakeholder dialogue
[G4-25], [G4-26] and [G4-27]

Since 2011, Atos has annually organized a Global Stakeholders' meeting to review and openly discuss strategic topics on the sustainability agenda and therefore enrich the materiality exercise.

In October 21, 2016, a special session on Cognitive Information Technology was organized within an Atos event dedicated to encourage open contributions and interactive discussions on the ethical and security aspects embedded in Cognitive IT solutions.

Atos has a four step-approach to engage dialogue with stakeholders:

- consult: Atos consults stakeholders on its business, its sustainability strategy and its impacts;
- involve: A step further, Atos occasionally involves its stakeholders in defining or deploying action plans;
- collaborate: Atos develops long-term relationships with some of its stakeholders with the objective of collaborating on innovation and across the value creation;
- negotiate: Depending on the influence of the stakeholders on the Company, Atos can engage negotiations to find the best approach for converging stakeholders' expectations and Atos business interest.

D.1.3 Atos materiality assessment and the Corporate Responsibility dashboard
[G4-18] and [G4-19]

Atos' Corporate Responsibility approach is based on a materiality analysis in order to prioritize its actions on the most relevant subjects taking into account its business activities and stakeholders' expectations. In this context, materiality analysis is a tool used to connect and prioritize financial and non-financial considerations. It permits Atos to focus on those issues that are truly critical in order to achieve the organization's goals, secure its business model and manage its impact on society.

Atos aims to continuously progress towards an integrated reporting by aligning with the International Integrated Reporting Framework.

For the seventh consecutive year, Atos fulfilled the highest requirement of GRI application level, today named G4 Comprehensive level for its Corporate Responsibility Integrated report (Registration Document and Corporate Responsibility report).

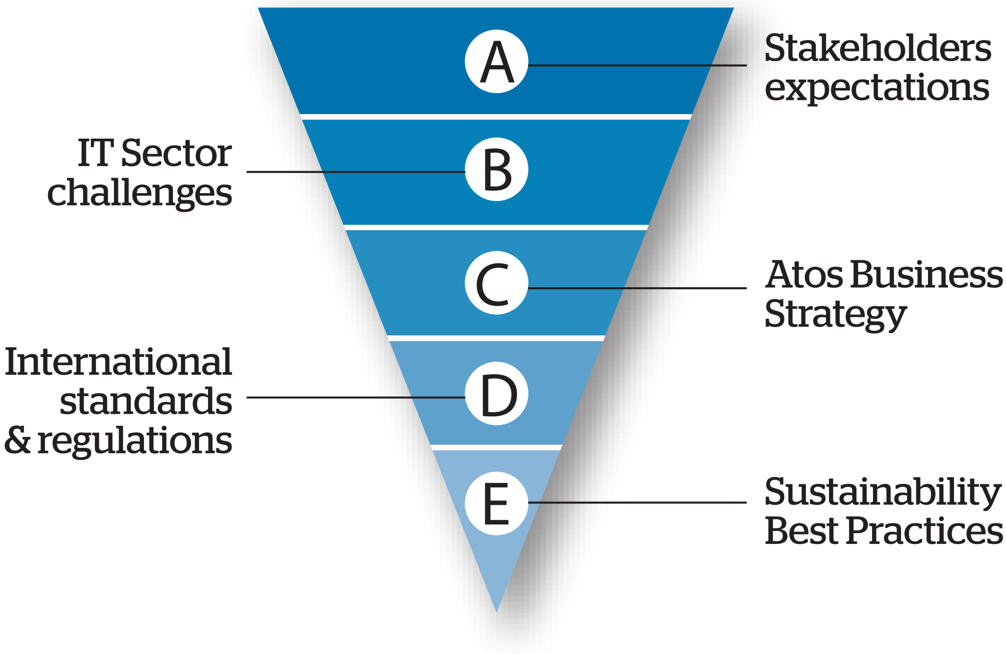
The overall report was externally assured by an external auditor. Atos has successfully completed the GRI Content Index Service. Content of the report and methodology applied according to AA1000 principle are assured by an external auditor. Atos aims to demonstrate that the extra financial performance disclosures are accurate and exhaustive in line with the GRI-G4 requirements.

Atos is also a member of the IIRC – International Integrated report Committee – network and directly participate on the work of its Technical Committee in order to assess how IT and new digital tools can effectively help to implement integrated reporting in quoted corporations.

D.1.3.1 Identification and prioritization of relevant Corporate Responsibility issues

[G4-23]

Identification and prioritization of relevant topics



Since 2010, the Group has performed regular materiality assessments in order to identify the principal challenges that the market and key stakeholders consider as essential for Atos. These are the main steps:

A: Atos takes into account stakeholders expectations identified based on its regular communication with them;

B: Atos collaborates with partners of IT sector partners to promote innovation and contribute to global thinking on sector-specific challenges of the sector;

C: Atos annually holds interviews with Executive Committee members, including Business Units managers, on the Group's materiality and corporate responsibility strategy. The main objectives of these interviews are to understand top management's commitment level, to understand specific local issues and to validate the materiality analysis;

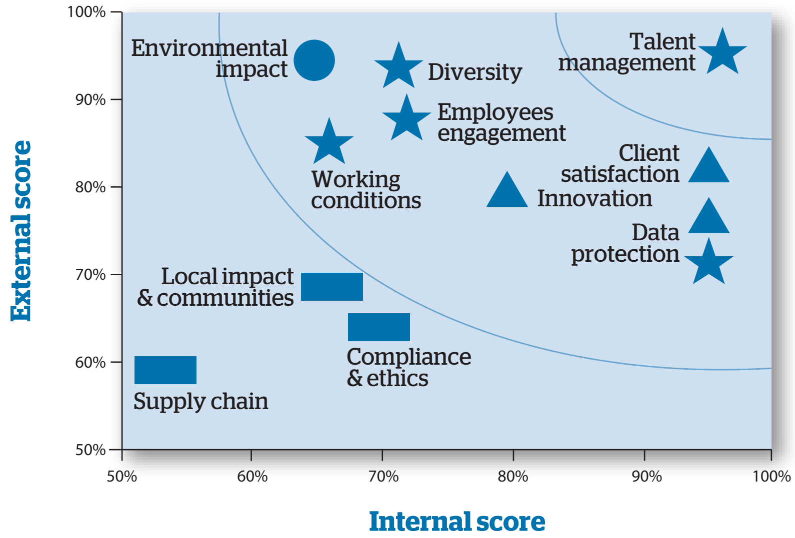
D: International standards and regulations were also taken into account in the materiality review to help managers and the Corporate Responsibility teams prioritize the different challenges;

E: Finally, a benchmark against other companies in the IT sector allowed for the identification of sectorial best practices regarding sustainability strategies and reporting.

D.1.3.2 Atos materiality matrix

[G4-1], [G4-2], [G4-19], [G4-27], [G4-DMA-Economic performance], [G4-DMA-Market presence], [G4-DMA-Indirect economic impacts], [G4-DMA-Procurement practices], [G4-DMA-Energy], [G4-DMA-Emissions], [G4-DMA-Employment], [G4-DMA-Training and education], [G4-DMA-Diversity and equal opportunity], [G4-DMA-Equal remuneration for women and men], [G4-DMA-Anti-corruption], [G4-DMA-Compliance], [G4-DMA-Product and service labeling] and [G4-DMA-Customer privacy]

The results of Atos analysis with both internal and external stakeholders, led to the design of the following Materiality Index which summarizes Atos' Corporate Responsibility challenges related to each key stakeholder group.



As a result of the 2016 material assessment process, four focus areas were selected and reprioritized according to stakeholders' expectations. For each, Atos has a structured area of intervention involving the development of internal policies and strategies, the monitoring of objectives and the management of its performance. These four focus areas and their deployment rely on Atos' engagement towards stakeholders.

★	**Being a responsible employer** Be a responsible employer attracting and developing diverse people, promoting collaborative working and well-being at work.
▲	**Generating value for clients through sustainable and innovative solutions** Ensure a high level of client satisfaction by providing the most relevant services to transform business and anticipate clients' needs.
■	**Being an ethical and fair player within Atos' sphere of influence** Commit to conduct business in an ethical and responsible way in all of Atos' spheres of influence, including supply chain operations and developing local economies.
●	**Managing the corporate environmental footprint** Improve the environmental efficiency of operations by reducing their energy and carbon intensity as well as encouraging a transition to a decarbonized business.

Being a responsible employer

Challenge	Material issues	Areas of action and objectives
At Atos, human capital and talent management are key assets to ensure employees' expertise and its effective use in providing high quality services (employee-related spending represents 53% of Atos' turnover). The main purpose of a People value chain is to ensure that the right people with the right skills are in the right place at the right time to deliver Atos' programs on time and at a high level of quality. It is also to ensure good working conditions and overall employees' satisfaction. Therefore, employees' commitment and engagement is critical to meeting client's needs. The capacity of the Group to fulfill its employees' expectations is key to develop its leadership and to build a strong brand to attract the best talents in the market.	The material issues for Atos in relation to its employees are: • Talent management; • Diversity; • Working conditions; • Employee engagement. Regarding G4 aspects, these main issues correspond to: • Employment; • Training and Education; • Diversity and Equal opportunity; • Equal remuneration for women and men. For more information on G4 aspects, see section D.6.1.	**People Management:** Atos has developed a well-coordinated and optimized recruitment system, performance management, learning and development, mobility and succession, orchestrated by talent workforce planning. One of our main objectives is to ensure that 100% of our employees receive an annual performance and career development review. **Working conditions and employee engagement:** Atos launched a Wellbeing@work program which has the ambition to improve employees' working environment and their overall satisfaction as well as to promote the use of social communities and collaborative working. Employee engagement is tracked via the Great Place to Work survey. Diversity: Atos has deployed a Diversity program worldwide. in order to take into consideration and spread best practices around the globe on Gender equity, Disability, Seniority & other kind of diversity.

Generating value for clients through sustainable and innovative solutions

Challenge	Material issues	Areas of action and objectives
In an evolving world, Information Communication Technology (ICT) is not only a lever for optimizing operational and financial performance, but also an enabler for transforming the business, organizational processes and working methods. Atos creates inspired and innovative solutions to deliver increasing value for clients. This must be done in a way ensuring a high level of safety, security and data protection.	The material issues for Atos in relation to its customers are: • Client satisfaction; • Innovation; • Confidentiality and data privacy. Regarding G4 aspects, these main issues correspond to: • Product responsibility labeling; • Customer Privacy. For more information on G4 aspects, see section D.6.1.	**Client satisfaction:** Atos is committed to ensuring a high level of customer satisfaction and improving scores every year. This is closely monitored through specific customer experience programs. **Innovation:** The Group is continually strengthening its portfolio of sustainable offerings, and enhance sustainability in other Global Key Offerings. Innovation is encouraged via the development of relationships with industrial analysts and partners (SAP, Siemens, Bolloré, AO Studley, etc). Atos sets an objective of increasing the number of innovation-related workshops in 2016. Moreover, the Group is reinforcing the links between the Scientific Committee members and its clients with an increasing number of meetings in 2016. **Data protection:** Atos has developed a comprehensive data protection approach that relies on the Group Data Protection Policy and the principle of privacy by design. A strong and permanent Data Protection Community and employee training on data protection are in place to ensure that these principles and procedures are effectively implemented. The overall objective is to reduce the number of incidents and to avoid any breaches of customer privacy and losses of customer data.

Strive for exemplary business within all of Atos' spheres of influence

Challenge	Material issues	Areas of action and objectives
The Group has to comply with an increasingly regulatory framework. This also means ensuring that business across the value chain is done in an ethical and responsible way. With its offers, Atos contributes to developing local economies; therefore, involving communities is critical.	The material issues for Atos in relation to its chain and local communities are: • Compliance and ethics; • Supply chain management; • Local impact. Regarding G4 aspects, these main issues correspond to: • Economic Performance; • Market Presence; • Indirect Economic Impact; • Procurement Practices; • Anti-corruption; • Compliance. For more information on G4 aspects, see section D.6.1.	**Compliance and ethics:** At Atos, high ethical standards supported by a Group-wide strategy, policy and training procedures underpin the delivery of excellent business technology solutions. Our objective is to always be compliant and to act as a fair player in business. **Supply chain:** Atos has developed a permanent dialogue with its suppliers to enforce strong and fair relationships and to ensure the respect of its values and rules. Working together in these conditions is a pre-requisite for building trust and long-term relationships. By assessing its suppliers, Atos aims at monitoring and ensuring the respect of its values. Atos objective in 2016 is to carry out assessments on key new suppliers from Bull, Xerox ITO and other planned acquisitions. **Local impact:** With the development of innovative ICT solutions that help reduce the digital divide, Atos contributes to improving the Company's social impact in the community. The Group also supports volunteer programs, university relations and corporate citizenship actions in order to improve social links and impact at local level.

Take part in the transition toward a low carbon economy

Challenge	Material issues	Areas of action and objectives
Operational excellence and environmental efficiency, including the reduction of energy consumption, associated with carbon emissions, and reduction of travel impacts on pollution by developing new ways of working are key, not only to limiting the impacts of the Group activities, but also to improving efficiency and developing the trust and confidence of clients, investors and financial analysts.	One of the main material challenges in relation to broader society is its environmental impact. Regarding G4 aspects, these main issues correspond to: • Energy; • Emission; • Product Responsibility compliance. For more information on G4 aspects, see D.6.1.	Atos deploys its environmental policy to develop, promote, share and consolidate green initiatives while measuring, monitoring and reducing the Group's impact on the environment (carbon, energy efficiency, renewable energy, waste, purchasing, travel, etc.). **Improving the energy efficiency**: Atos aims to improve the average Power Usage Effectiveness (PUE) of its datacenters. **Supporting the energy transition**: Atos, wherever possible, aims to consume 100% of decarbonized electricity in its strategic datacenters (owned and operated by Atos, co-location excluded). **Reducing carbon emissions**: Atos pursues carbon intensity reduction targets (tons of CO_2/M€ revenue) in line with the world effort of limiting climate change and the rise in temperatures below 2°C. **Offsetting carbon emissions**: Atos aims to compensate 100% of its datacenters energy and travel residual CO_2 emissions. **Deploying the ISO 14001 certification**: Atos has set a global ongoing objective for the ISO 14001 certification of all its strategic datacenters (operated by Atos plus targeted co-located sites) and main office sites with more than 500 employees.

D.1.3.3 Atos main Corporate Responsibility Key Performance Indicators

The following dashboard is the overall list of performance indicators. Atos' main KPIs are highlighted in blue.

Aspects	KPIs	GRI	Chapter
1. Develop Atos' People			
People management	Average hours of training that employees have undertaken during the year	G4-LA9	D.2.1.2 Right people with the right skills
	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	G4-LA10	D.2.1.2 Right people with the right skills
	Number of internships	G4-LA9	D.2.1.2 Right people with the right skills
	Number of employees with an Individual Development Plan	G4-LA11	D.2.1.2 Right people with the right skills
	Number of certifications obtained	G4-LA10	D.2.1.2 Right people with the right skills
	Internal Fulfilment	G4-LA11	D.2.1.2 Right people with the right skills
	Percentage of total employees who received a regular performance and career development review during the year	G4-LA11	D.2.1.2 Right people with the right skills
	Proportion of senior management hired from the local community at significant locations of operation	G4-EC6	D.2.2.2 Promote Diversity
	Percentage of female within Atos	G4-LA1	D.2.1 People, Atos main asset D.2.1.1 Attract and develop People
	Percentage of women identified in growth talents	G4-LA12	D.2.2.2 Promote Diversity
	Return to work and retention rates after parental leave	G4-LA3	D.2.2.2 Promote Diversity
	Percentage of female within the Board of Directors	G4-LA12	D.2.2.2 Promote Diversity
	Breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity (seniority, nationalities)	G4-LA12	D.2.2.2 Promote Diversity
	Number of disabled employees	G4-LA12	D.2.2.2 Promote Diversity
	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	G4-LA13	D.2.2.2 Promote Diversity
	GPTW diversity perception	AO6	D.2.2.2 Promote Diversity
Employee engagement	Percentage of positive responses to "Taking everything into account, I would say this is a great place to work"	AO2	D.2.2.2 Promote Diversity
	GPTW Trust Index	AO2	D.2.2.2 Promote Diversity
Working conditions	Coverage of the organization's defined benefit plan obligations	G4-EC3	D.2.1.3 Recognition and loyalty
	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	G4-EC5	D.2.1.3 Recognition and loyalty
	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	G4-LA2	D.2.1.3 Recognition and loyalty
	Number of active users in communities	AO11	D.2.3.1 Social Collaboration
	Absenteeism rate	AO16	D.2.2.1 Working conditions
	Percentage of voluntary attrition	G4-LA1	D.2.1.1 Attract and develop People

Aspects	KPIs	GRI	Chapter
2. Reinforce value for clients through sustainable and innovative offers			
Client satisfaction	Net Promoter Score	G4-PR5	D.3.1.1 Permanent improvement of the client satisfaction
	Results of surveys measuring customer satisfaction	G4-PR5	D.3.1.1 Permanent improvement of the client satisfaction
Innovation	Financial implications and other risks and opportunities for the organization's activities due to climate change	G4-EC2	D.5.2.4 Main opportunities and specific risks
	Development and impact of infrastructure investments and services supported	G4-EC7	D.3.2 Meeting sustainability challenges of clients through offerings D.3.3 Shape the digital future with the Group partners D.4.3 Responsible company in the territorial anchor
	Customer innovation workshops delivered in GBUs	AO10	D.3.1.3 Innovative approach of sustainable business
	Total Revenue of "sustainability offering"	AO7	D.5.2.4 Main opportunities and specific risks
	Digital Transformation Factory	AO12	D.3.4 Generating value for clients through sustainable and innovative solutions
Data protection and Security	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	G4-PR8	D.4.1.2 Data Protection
	Information security	AO3	D.4.1.3 Asset Protection
	Percentage of coverage of ISO 27001 certification	AO3	D.4.1.3 Asset Protection
3. Strive for exemplary business within the all Atos' sphere of influence			
Compliance and ethics	Percentage of management employees trained in Code of Ethics	G4-SO4	D.4.1.1 Compliance
	Confirmed incidents of corruption and actions taken	G4-SO5	D.4.1.1 Compliance
	Monetary value of significant fines and total number of non monetary sanctions for non compliance with laws and regulation	G4-SO8	D.4.1.1 Compliance
Local impact and communities	Direct Economic Value generated and distributed	G4-EC1	A.1 Revenue profile D.4.3 Responsible company in the territorial anchor G.7.3 Dividend policy
	Proportion of senior management hired from the local community	G4-EC6	D.2.2.2 Promote diversity
	Total number of employees recruited	G4-EC6	D.2.1.1 Attract and develop people
	Community investments	G4-EC1	A2. Revenue Profile D.4.3 Responsible company in the territorial anchor G.7.3 Dividend policy
	Financial assistance from governments	G4-EC4	A2. Revenue Profile D.4.3 Responsible company in the territorial anchor G.7.3 Dividend policy
	Proportion of spending on local suppliers	G4-EC9	4.2.1 A permanent dialogue with Atos suppliers

Aspects	KPIs	GRI	Chapter
Supply chain	Significant indirect economic impacts, including the extents of impacts	G4-EC8	D.1.2.1 Mapping of stakeholders' expectations D.4.2.1 A permanent dialogue with Atos suppliers D.4.3 Responsible company in the territorial anchor F.1.6 Partnerships and subcontractors
	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	G4-SO3	D.4.1.1 Compliance D.4.2.2 Enhance sustainable relation
	Percentage of new strategic suppliers evaluated by EcoVadis	AO17	D.4.2.2 Enhance sustainable relation
	Percentage of total expenses assessed	AO17	D.4.2.2 Enhance sustainable relation
4. Take part in the transition towards a low carbon economy			
Environmental impact	Energy consumption within the organization	G4-EN3	D.5.1 Main challenges and achievements D.5.3.3 Energy consumption and intensity ratios
	Energy consumption outside of the organization	G4-EN4	D.5.3.4 Travel new ways of working
	Energy intensity per revenue and employee	G4-EN5	D.5.3.3 Energy consumption and intensity ratios
	Reduction of energy consumption	G4-EN6	D.5.3.3 Energy consumption and intensity ratios
	Global PUE (Power Usage Effectiveness) of the Group's strategic datacenters	G4-EN7	D.5.1 Main challenges and achievements D.5.3.3 Energy consumption and intensity ratios
	GHG emissions - Scope 1 (tones of CO_2e)	G4-EN15	D.5.3.1 Main action plans and levers 5.3.2 Carbon emissions and climate change
	GHG emissions - Scope 2 (tones of CO_2e)	G4-EN16	D.5.3.1 Main action plans and levers D.5.3.2 Carbon emissions and climate change
	GHG emissions - "Operational" Scope 3** (tones of CO_2e)	G4-EN17	D.5.3.1 Main action plans and levers D.5.3.2 Carbon emissions and climate change
	Global GHG intensity ratios (by revenue and employee)	G4-EN18	D.5.3.1 Main action plans and levers D.5.3.2 Carbon emissions and climate change
	Total GHG reductions achieved (tones of CO_2e)	G4-EN19	D.5.1 Main challenges and achievements D.5.3.1 Main action plans and levers D.5.3.2 Carbon emissions and climate change
	Monetary value of significant fines for non compliance with laws and regulations concerning the provision and use of products and services	G4-PR9	D.5.3.5 Other environmental challenges
	Number of sites certified ISO 14001	AO14	D.5.1 Main challenges and achievements D.5.2.3 Environmental certification
	WEEE collected or recovered, and reused/recycled (in Kg)	AO19	D.5.3.5 Other environmental challenges

*** Operational scope 3*

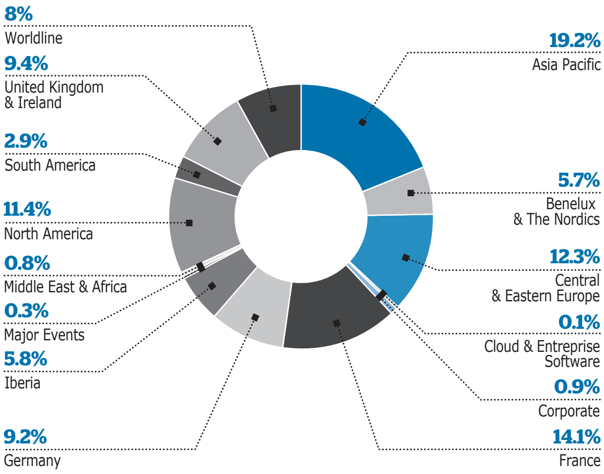
** The four digital solutions pillars are: Hybrid Cloud, SAP Hanna, Digital Workplace and Atos Codex*

D.2 Being a Responsible employer

D.2.1 Employees, Atos main asset

[G4-6] [G4-10] [G4-LA1] and [G4-DMA-Employment]

Atos employees' total population is composed by 92,438 employees [G4-9] with the following split per Business Unit [G4-10]:



LEGAL STAFF BREAKDOWN PER GENDER AND AGE
[G4-LA1]

	Female	% total employees	Male	% total employees	Female and Male	% total employees
<= 30	7,622	8%	15,003	16%	22,625	24%
30 > <= 50	12,630	14%	36,774	40%	49,404	53%
> 50	4,771	5%	15,638	17%	20,409	22%
TOTAL	**25,023**	**27%**	**67,415**	**73%**	**92,438**	**100%**

D.2.1.1 Attract and develop talents

[G4-DMA-Training and education]

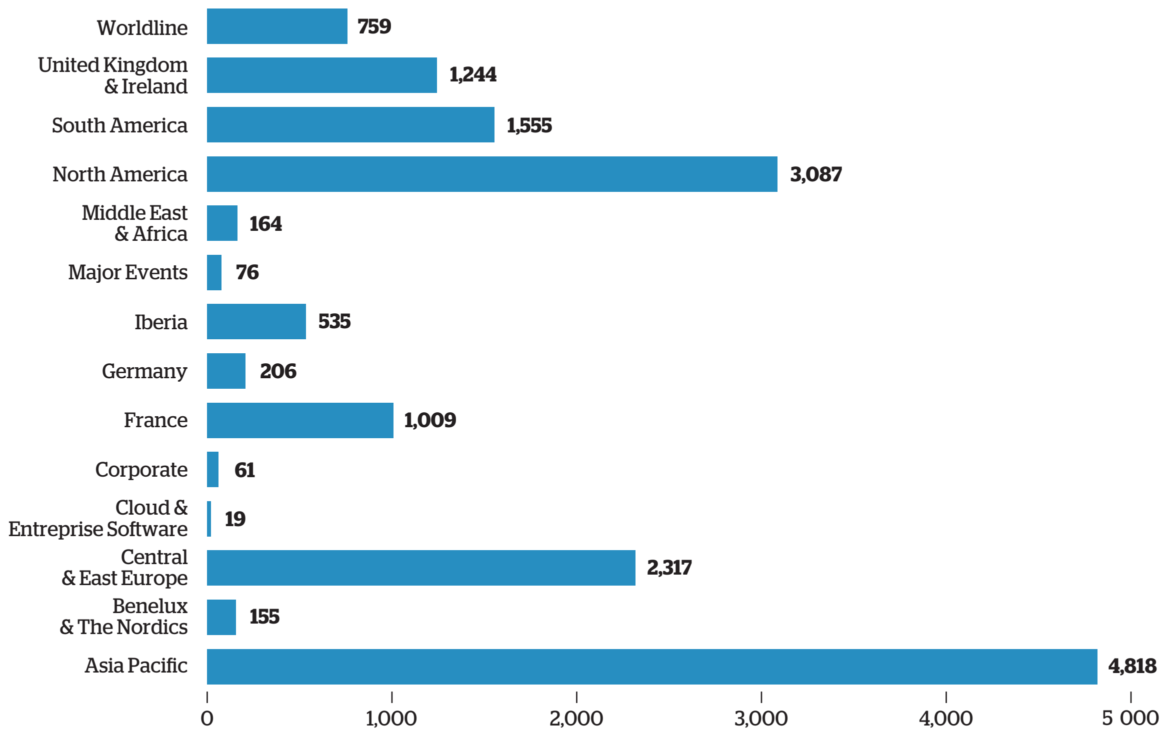
Recruitment

Across 2016, Atos hired 16,005 employees to support the Growth of the Group. As part of Atos commitment to hire young graduates, the Group continued its tier 1 University program which with sponsorship of Group Executive Committee, has formulated a plan to work with 100 top universities globally . Additionally, Atos has increased the hiring of interns and apprentices by over +25%, hiring over 4,000 students (interns and apprentices) to work on short term placements as well as work & learn new skills.

In 2016, Atos launched a new "Internal First" program to promote internal mobility for taking new positions. This initiative let employees to develop their experience and skills, which offers them opportunities of career development. As part of this program, Atos has been in filling 65% of its senior positions with its own employees in 2016.

The Atos Recruitment Centre of Excellence has a team able to drive cross-country initiatives, global strategies, as well as share and implement the best practices across the function. Key projects in 2016 include the creation of a new recruitment/career website, the implementation of a new recruitment tool (to go live in 2017), and the increased hiring in Atos' offshore centres across the Americas, Europe, and Asia in order to support the Group growth strategy in these regions.

NUMBER OF PEOPLE ENTERING IN THE COMPANY PER BUSINESS UNIT
[G4-LA1]

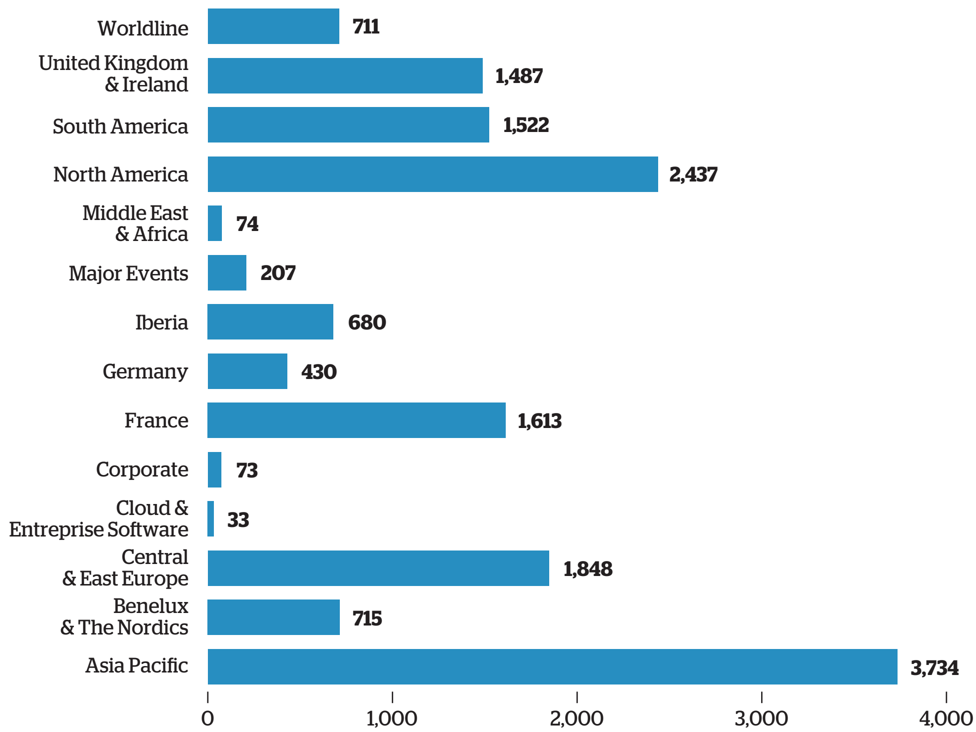


NUMBER AND RATE OF PEOPLE ENTERING IN THE COMPANY PER GENDER AND AGE
[G4-LA1]

	Female	Rate of total hiring	Male	Rate of total hiring	Female and Male	Rate of total hiring
<= 30	2,770	17%	6,357	40%	9,127	57%
30 > <= 50	1,486	9%	4,697	29%	6,183	39%
> 50	237	1%	458	3%	695	4%
TOTAL	**4,493**	**28%**	**11,512**	**72%**	**16,005**	**100%**

During the same period, 15,564 employees left the Company (more details on headcount evolution are provided in section E.1.7 Human Resources, including dismissals). The workforce turnover in 2016 was 17%.

NUMBER OF PEOPLE LEAVING THE COMPANY PER BUSINESS UNIT
[G4-LA1]



NUMBER AND RATE OF PEOPLE LEAVING THE COMPANY PER GENDER AND AGE
[G4-LA1]

	Female	Rate of total hiring	Male	Rate of total hiring	Female and Male	Rate of total hiring
<= 30	1,694	11%	4,307	28%	6,001	39%
30 > <= 50	1,716	11%	5,825	37%	7,541	48%
> 50	550	4%	1,472	9%	2,022	13%
TOTAL	**3,960**	**25%**	**11,604**	**75%**	**15,564**	**100%**

Talent Development

Atos has also built at Group level dedicated Talent development programs to help them to reinforce their capabilities and grow career fast. Each of these programs is directly sponsored by an Executive Committee member to ensure a strong link between Talent development and growth strategies. These programs include:

The Juniors Group

Part of Atos Talent management, the Juniors Group is a self-organized, international, where all Group functions are part of. Juniors Group mission is to develop the best individual potential of its 50 members thanks to a combination of personal development sessions, networking opportunities with top management and international colleagues, as well as work on innovative projects, that contribute to Atos global business performance.

Gold for Managers

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

The Atos Gold for Managers Program has been awarded by the European Foundation for Management Development (EFMD) in the Talent Development category in 2013.

PRM Master Class

In 2016, more than 50 Atos engineers were offered the possibility to increase their skills and knowledge in a project and program management Masterclass (PRM Masterclass), set up together with the Cranfield University School of Management. In addition to that, Atos has successfully trained more than 60 Senior Project Managers in a similar Program.

SDM Academy

In 2016, Atos launched the Service Delivery Management Academy in cooperation with ESCP Business School. This strategic training program around all aspects of Service Delivery and Client Management was conducted by 125 participants worldwide. It is planned to deploy this further and increase the number of participants in 2017.

Gold for Experts

The Gold for Experts Program was launched in 2013 in cooperation with the Institute for Manufacturing Education and Consultancy Services (IfM ECS) of Cambridge University in the United Kingdom, and the Paderborn University in Germany. The goal is to give to Atos Talents with expert profiles a vision and capability to define innovative end-to-end solutions, helping clients to gain competitive advantage.

Experts Policy

Development of expertise – attracting, retaining and growing key experts - it is essential to Atos leadership position in the digital market. This is the reason why Atos has developed and implemented an expert policy including a dedicated career path. Four levels of qualification have been established - Fellows, Distinguished Experts, Senior Experts - around 13 technology macro domains and 62 experts domains. Experts have been asked to propose themselves to be qualified as such. Candidates' files have been reviewed by Expert qualification internal bodies. This process allows Atos to identify more than 2,000 digital experts.

In addition, dedicated worldwide events sponsored by Executive Committee members, have been launched on key technology domains such as Internet Of Things, Security, Big data, Automation & Robotics. The objective was to share an end to end vision of these domains across Atos divisions from management of infrastructure to applications and functional systems. Such events included a 98% satisfaction rate.

D.2.1.2 Right People with the right skills

[G4-DMA-Training and education] [G4-LA9] [G4-LA10] [G4-LA11]

A vast training catalogue counting over 10,000 courses is proposed to every Atos employee, and a number of programs are being deployed by Atos University to develop the most critical skills such as Project and Service Delivery Management, Architecture, Sales and Leadership. Overall, the Atos workforce benefited from in average 18.47 hours of formal training per employee [G4-LA9].

Furthermore, because employees spend much more time learning *informally* on-the-job, in a digital environment such as 'YouTube' or collaboratively in coaching or peer communities, Atos is planning to report such learning based on the hours of education recorded in the ESS time-sheeting tool. In 2016, Atos estimated the number of hours of informal training being superior to 30 hours a year by employee. Accordingly, there were almost 3.3 million hours of education reported for 2016. This represents an average of 41.98 hours per employee. The Company plans to capture this effort more effectively in line with the clear path to digitization.

Sales capabilities

Selling digital services requires a trusted, consultative & digitally literate sales force. Atos has deployed a new Sales Methodology in addition to further key training programs within the Sales Academy. In addition to that, Atos has started to launch adaptive training courses around key portfolio offerings, so that the Atos Sales representatives can acquire the required knowledge as effective as possible.

Service Delivery capabilities

To equip its workforce with digital solutions design and delivery capabilities, Atos invests heavily in training and certifications programs focusing on key technologies and skills required for Digital Transformation (e.g. virtualization, Internet of Things, big data, hybrid cloud, high performance computing). This effort is also supported by Atos' eco-system of technology partners (e.g. EMC² Federation, Microsoft, SAP) and strategic alliances (Siemens, Xerox).

At the end of 2016, Atos had an average of 21 different skills identified per employee [G4-LA10].

Management capabilities

Atos growth ambition in digital services requires vision and thought leadership from its top management, innovation and change leadership coupled with consulting and advisory skills for most of its employees, as well as behavioral compliance with job agility for every one of them. A specific training program addresses each of these requirements to equip and grow managers and employees of Atos, and develops an agile organization in which "Service to Clients" and "Innovation" are at the heart, and which optimally offers managerial support to the performance and development of Atos employees.

Careers within Atos

In order to meet its strategic market development ambition, Atos needs to attract and develop talented professionals. Fo this, Atos needs to build end-to-end vision and processes related to career development and mobility. Career & Mobility department's role is to leverage career development for Atos employees by coordinating and driving career path and mobility initiatives across the organizations. By providing career perspectives, Career and Mobility contributes to reduce attrition and increase Atos attractiveness.

Every employee of Atos is entitled to an Individual Development Plan, as part of his/her regular career and performance conversations with the management. Atos reinforces systematic and consistent semester based objectives setting and appraisal reviews, supported by policies and tool. 83.90% of employees received regular performance and career development reviews in the last 12 months [G4-LA11]. This not only secures a solid basis for further development of Atos' employees, but it also helps alignment of people objectives across the organization, increases clarity and transparency in workforce capabilities, and help identifying potential gaps. Those gaps are intended to be filled primarily with internal candidates, and as such also further enhance the development opportunities for Atos' people. More than 15% of staff received a horizontal or vertical promotion in 2016.

Global mobility

2016 has seen globalization of the mobility function within Atos and professionalization of the service delivery model. This achievement has created a sustainable and risk managed delivery model providing more efficiency, clarity and accountability in supporting business' mobility requirements. This model also provides more flexibility to anticipate future needs and support Group strategy. On the other hand it also offers more transparency to employees on mobility options, and provides them the possibility to more pro-actively follow up in their career ambitions.

The media and collaboration platform "MyMobility", introduced in 2015, reached approximatively 20,000 followers and more than 30,000 visits per month, is a clear example of the efforts Atos is deploying in this area.

Throughout 2016 Atos feels that the economic climate will continue to place productivity and return on investment high on the agenda, and this accentuates the need to develop employees and to ensure smooth and fruitful international assignment experiences for the benefit of customers and employees.

D.2.1.3 Recognition and Loyalty

[G4-DMA-Market presence]

Minimum wage comparison

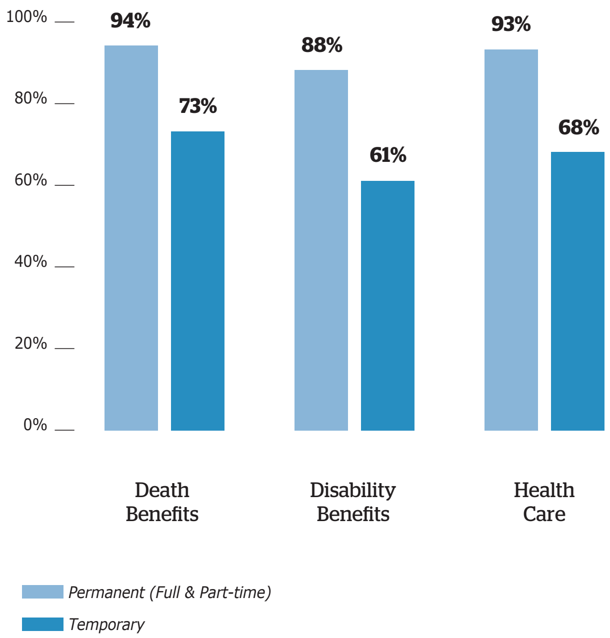
In all countries where the Group operates, Atos entry level wage (lowest wage in Atos paid to a permanent and full time employee) is in line with local policies and above local minimum wage. Atos is paying more than 50% above minimum wage in 59.78% of the countries where a minimum wage is set up by law. [G4-EC5].

Health care coverage, death and disability benefits

Health care is offered to 93% of permanent employees and disability benefits are offered to 88% of permanent employees [G4-LA2]. Additional occupational medical/health benefits are rare in Germany, Austria, Switzerland and Sweden. In these countries, the compulsory health insurance is fairly comprehensive, so supplementary medical benefits are generally not necessary.

Death Benefits are offered to 94% of the permanent employees [G4-LA2]. In Austria, Germany and Switzerland, death benefits are included in the pension plans and provided in the form of pension for spouse and children. In other countries, death benefits are mainly provided in the form of lump sum payments. The principal lump sum amount is sometimes increased according to the family status (France, Morocco, Denmark) and doubled for a death as a result of an accident (China, Japan, Thailand, Poland, Spain, Brazil, Chile, Mexico, and UAE).

EMPLOYEES PARTICIPATING IN RISK BENEFIT ARRANGEMENT PER CONTRACT TYPE
[G4-LA2]



Coverage of the organization's defined benefit plan obligations [G4-EC3]

Funding strategies for defined benefit pension plans vary per plan and country and are set up to reflect the relevant local funding requirements, respecting legally required timelines for recovery plans for plans in deficit.

Atos Group Compensation Policy

Atos' compensation policy is designed to support the Group 2016 Strategic Ambition to reinforce its position as Tier One Company for IT services and payments solutions, and to become a reference Wellbeing@work Company.

The Compensation policy is based on Atos Human Resources values and aims:

- to attract and retain talents;
- to reward performance and innovation collectively and individually in a balanced and competitive way.

To reach those objectives, which will be implemented in the countries where Atos operates according to local specificities and regulations, the Group conducts an annual benchmarking exercise with Atos competitors in the ICT (Information and Communication Technology) market to ensure the Group competitiveness, both in level and structure, and ensure that compensation packages are in line with market practices in every location.

The Atos Total Compensation Package includes a fixed salary, a variable bonus for eligible employees and benefits aligned with market practice. Key individuals may also receive Long Term incentives such as stock-options and performance shares.

Atos variable remuneration

For several years, Atos implemented a semester, and not annual, bonus policy, based on the Bonus Score Card principles. This approach fosters ambitious objectives setting, and contributes to the alignment of business and strategic goals with missions assigned to employees.

Targets are split in four major categories:

- Financial Objectives, cascading Group targets at employee's scope (mainly External Revenue, Order Entry, Free Cash Flow and Operating Margin);
- Quality, such as customer satisfaction survey results, applicable especially to Sales and Global Functions;
- Efficiency Objectives, such as individual objectives linked to TOP programs deployment;
- Managerial or individual objectives, focused on people development and also including the Wellbeing@work initiative roll-out.

Each semester, the Group Executive Committee reviews the Global Variable Compensation Policy to make sure that it is aligned with the Group's operational strategy and that objectives are SMART (Specific, Measurable, Achievable, Relevant and Time-related). The Executive Committee ensures that the Variable Compensation Policy encourages the Group employees to deliver the best collective and individual performance. The financial results of Atos have a real impact on bonus payouts at all levels and for all functions.

Reward and Recognition Programs

Recognition is a key motivating factor. In order to allow every great contributor to be recognized at fair value, the Group rolls-out major programs, as part of the Wellbeing@work initiative, such as:

- **"Accolade",** which empowers managers to instantaneously reward their teams according to three levels (Bronze, Silver and Gold) for exceptional performances. In 2016, 13,821 Accolades have been distributed over the countries in which Atos operates in the world;
- **"Success Story Awards"**, which rewards the best project teams working at clients' offices. Group Executive Committee selects the best projects after a first selection done at Geographic Business Units and Global Divisions' levels. This program is promoted through extensive communication and key players are invited to a dedicated ceremony with the Group Executive Committee.

Remuneration analysis

Atos ensures its competitiveness in the market . It results in 2016 that 25% of the Atos population working in a country where the ratio between the highest OTE and the median one is below 10 [G4-54].

Ratio between the highest OTE and the median OTE	% of the Headcount
Under 10	25%
10<x<20	54%
More than 20	21%
TOTAL	**100%**

[G4-55]

In 2016, in line with Atos' policy to reinforce evolution of remuneration's levels in local employment markets, both the categories of "<10" and "More than 20" have somewhat increased, with more employees now reflected in these two categories in comparison to 2015, and consequently a smaller percentage of the workforce is categorized in "10 < X > 20 ".

Employee stock ownership and management: long term incentive plans

Employee stock ownership plans

In 2011, 2012 and 2014, Atos has been running a large Employee Stock Ownership plan opened to a large number of employees. These plans, called Sprint, offered to employees the possibility to buy Atos shares according to two kinds of vehicles:

- Sprint Dynamic, which offered a 20% discount on Atos reference Share Price;
- Sprint Secure, which allowed employees to buy units of a leveraged product benefiting from the share value growth, providing also a capital guarantee in euro.

Sprint operations have been implemented with a significant increase of eligible employees (from 60,000 to 70,000) and participating countries (from 14 to 27). The number of subscribers has increased since 2012, with more than 2,700 Atos employees subscribing in 2014.

To make this success bigger and increase the number of participants, Atos worked out a new plan, Share 2016 a Sprint program, offering the possibility to its employees to buy Atos shares including again a 20% discount on the price plus, and this is new for Atos, company matching shares.

This plan has been a real success gathering more than 10,500 participants in 23 countries leading to a participation rate of more than 12%.

Atos ambition is to build on this success and continue on offering Employee Stock Ownership programs in the future.

Management Equity Plans

In order to reward and retain key talents and top managers, Atos regularly implemented stock options plans and performance share plans, detailed in the section G.4 Executive compensation and stock ownership (including former stock option plans).

On July 26, 2016, in line with the Group main strategic guidelines over the period 2016-2019, 983 Atos employees - mainly senior managers and executives, and also selected technical experts as well as high-potential employees - have been granted Atos performance shares. Ambitious and cumulative performance conditions have been set for this performance share plan. One of them is especially linked with the External Revenue Growth, as Growth is a key element of the Group strategy.

Atos performance shares plans are detailed in the section G.4 Executive compensation and stock ownership and more specifically the Corporate Responsibility's condition of the performance share plan granted in 2013, 2014, 2015 and 2016.

D.2.2 Enhance the Wellbeing@work

D.2.2.1 Working conditions

[G4-15] and [G4-16]

General statement of respect of international labor right
[G4-15]

The protection of labor rights has long been a part of Atos policy. Atos Code of Ethics confirms that Atos will always take decisions based on competences without consideration for nationality, sex, age, handicap or any other distinctive trait. Participating in the UN Global Compact since 2010 is another way of showing how Atos is willing to ensure such protection. As active participant, Atos ensure the respect of the following principles:

- supporting and respecting the protection of internationally proclaimed human rights;
- making sure that Atos is not complicit in human rights abuses;
- upholding the freedom of association and the effective recognition of the right to collective bargaining;
- elimination of all forms of forced and compulsory labour;
- effective abolition of child labour.

In addition, in order to apply to public tenders Atos has to follow the requisites of the local labor law: this has always been done and managed properly.

Atos initiated several initiatives which aim to guarantee a better balance between professional and personal lives of employees.

Health

A Health@work blueprint has been drawn up within Atos with the aim of promoting best practices and bringing together existing tools which are designed to support employees with their health and wellbeing. It also sets out the ambitions for this subject.

Atos is committed to ensure it complies with legal standards and also strives to meet best practice. For example, for the 4rd year in a row, the UK Royal Society for the Prevention of Accidents (RoSPA) rewarded Atos UK with a Gold Award for Health and Safety and a Silver Award in the MORR (Management of Occupational Road Risk) category. Atos US has also been rewarded by the American Heart Association Award and the Cigna Award.

One initiative to encourage physical activities has been designed through a website, "atosrevitalized. com": this multi-media and interactive health & wellbeing tool was launched in 2012 and has had now over 20,000 users within Atos, also including the App version.

With regard to average improvement in Wellbeing Score across 2016, the following has to be considered:

- the average improvement figure over 12 months has remained at around 9%;
- overall Wellbeing Score is almost 45% - which is firmly in the "Good" categorisation and some 7% higher than the average Wellbeing Score across entire Revitalized client base of some 400 organisations;
- there are more than 27,787 registered users at end of 2016, with over 18,000 of them logging in the previous 4 week period;
- revitalized business case ROI calculator indicates that 18,000 active users contributing to overall Wellbeing Scores 7% higher than average could result in potential financial benefit over £2.3 million per annum based on an increased working productivity when compared to workers with average wellbeing values.

On top of this, Atos offers a large variety of e-learning materials which cover health and wellbeing topics.

Even if Atos' activities are not of an industrial nature, and therefore have a low risk of generating occupational diseases, Atos ensures that an effective prevention program is put in place, especially regarding psychosocial risks, which are the first factor of occupational diseases in IT services.

E-learnings are part of the preventive actions, especially explaining employees how to understand and detect a psychosocial risk such as stress. These e-learnings are available in several countries, and in several languages, such as in France.

In addition, in France, Atos has put in place a "stress lab": during their medical check-up, employees are proposed to complete this anonymous online questionnaire, which will evaluate the levels of stress, anxiety and breakdown of the employee. In case of an identified risk, the results will be discussed between the doctor and the employee (since only they have access to the results) in order to find solutions to reduce the risk. Some additional actions may include the involvement of the management if the employee agrees.

As a concrete achievement, according to the Great Place To Work (GPTW) survey, employees have been satisfied regarding health program.

Smart working conditions

Atos privileges permanent and full time working relations with its employees: 98.80% of persons of the total workforce is under a permanent employment contract and 94.30% is in full time [G4-10]. Nevertheless, Atos accepts part time job when an employee considers that it is better for his work life balance.

Atos operates in collaborative mode, which allows remote working, which offer more flexibility for employees in their work life balance. The whole set of initiatives to improve a healthy and smart working environment has allowed reducing the absenteeism rate of the Company.

Thus, the absenteeism percentage regarding the direct operational workforce in 2016 was 2.53% [AO16]. In addition, the total work related accidents are 243.

D.2.2.2 Promote diversity

[G4-DMA-Diversity and equal opportunity] and [G4-DMA-Equal remuneration for women and men]

Atos is strongly convinced about the importance of Diversity as a key value driver for the Group's future continuous growth and competitiveness and Diversity is firmly embedded into our People Strategy. Diversity in Atos is about embracing people's differences and creating a productive environment in which everyone feels valued, where diverse talents are identified and retained and employees can thrive, strongly contributing to their professional development and our Group's future.

The Diversity Program contemplates four main dimensions: Gender, Cultural Diversity, Disability, and Senior Capital and it is targeted at the further development of diversity within the Group as a way to bring excellence in people management and to improve Group's operational performance. The Program is sponsored by a Steering Committee with Group Executive Committee members.

All along 2016, Atos has continued progressing in the further development of the Program with a clear focus on four main areas of action: "Engage" (taking firm commitments and making the Group's engagement in this domain more and more visible), "Exchange" (listening to our staff and making the Diversity Program a program made with and for the employees), "Embrace" (embedding Diversity in our Group's ways of working) and "Execute" with the implementation of a substantial number of initiatives both at Group level (transversal campaigns) and in the different geographies with a "Think Global and Act Local" approach.

In particular, in 2016 Atos organized a substantial number of initiatives in the Diversity domain, among others:

- signature of the Diversity Charters in numerous countries;
- launching of the Group Diversity Program Community in blueKiwi, the Atos Enterprise Social Network;
- implementation of Phase 1 of the setting up of GBU Diversity Committees under the strong sponsorship of the GBU Executive Committee members;
- organization of the Diversity Day within the Wellbeing@work Week at worldwide level;
- the Group Diversity Contest "Illustrating Digital Diversity" in the framework of the Wellbeing@work week;
- worldwide campaign "Invest 5' a month in Diversity" to increase internal awareness on all kind of diversity related topics;
- In addition, Atos organized or participated to new initiatives and events all across the Group (roundtables, conferences, meetings with employees, etc). Among others:
  - the Women in IT Campaign,
  - the IT Girls' Day,
  - the "Handi-Entrepreneurs Contest",
  - launching of campaigns on the Disability Digital Experience,
  - group Mentoring Programs including Reverse Mentoring,
  - workshops "Generations and the Digital Evolution",
  - cultural Induction Contests,

- beauty in Diversity Photo Collage Contests,
- participation at the "Printemps de la Mixité" in France,
- hosting Global Accessibility Awareness days for disability groups, both internally and with customers,
- setting up of the Atos Adapt Employee disability network.

Although Atos has a major part of its staff in Europe, Atos employs people from 143 different nationalities [G4-LA12]. 6 nationalities are represented in the Board of Directors.

In addition, Atos supports territorial anchor having 92.98% of the senior management coming from the local communities [GA-EC6].

14,656 national employees were recruited in 2016 [G4-EC6].

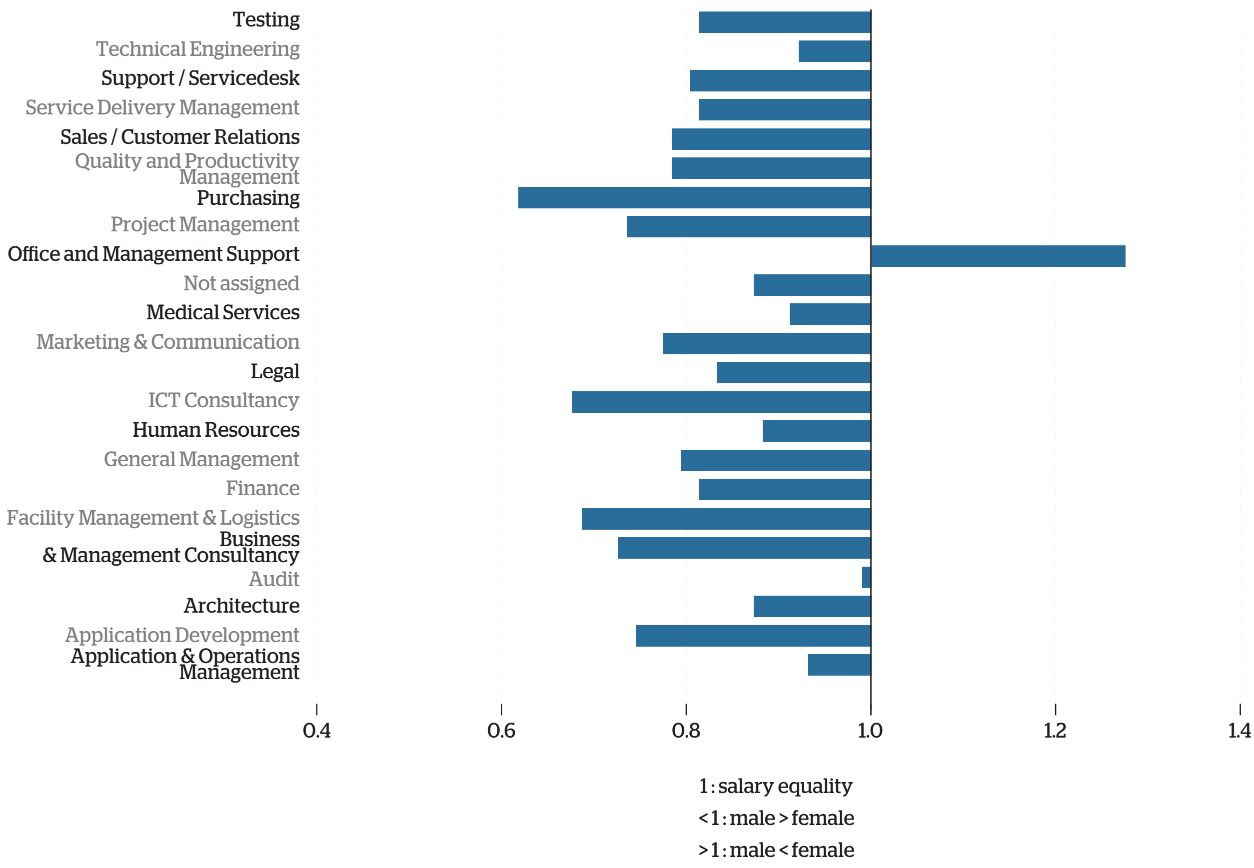
Promoting gender
[G4-LA12]

Despite the fact that engineering and IT education are mainly followed by males, Atos share of females is 27.07% globally and Atos tries to continuously improve its efforts.

In addition, as at December 31, 2016 the Board of Directors was composed of 45% of women. The Company is fully complying with the 20% rate of women Directors set forth by the French law n°2011-103 dated January 27, 2011.

Atos is of course adhering to the legal frameworks related to diversity and fight against discrimination. Many countries have introduced legislation to enforce the principle of equal pay for work of equal value. This issue is supported by ILO Convention 100 on "Equal Remuneration for Men and Women Workers for Work of Equal Value".

Ratio of total remuneration of women to men by Job Family
[G4-LA13]



The differences of salary between females and males are explained by several factors: males are the most numerous in the senior management and have on average a higher seniority.

Take in account disabled people

Being in charge of the IT support for the Paralympic Games, Atos is always impressed by the fact that Paralympic athletes show outstanding performance in many different disciplines whatever difficulties they have to face. The same applies in the business where disabled employees accomplish also remarkable achievement within Atos teams. Specific programs have been implemented in different locations, in collaboration with union representatives, to attract and develop handicapped people into meaningful employment. Again, the goal of this initiative is both to support this population and also open people's mind to consider opportunities for disabled persons. In May 2013, in France, Atos signed with French trade unions representatives a collective agreement related to the employment and development of disabled people.

In 2016, Atos Group employed 1,227 people with a disability.

D.2.3 Building a Great Place to Work

D.2.3.1 Social collaboration

The Social Collaboration and Knowledge Sharing department is an outcome of the Zero Email initiative [AO11].

During second half of 2015, this new function was established in order to take responsibility for the design and implementation of an Atos-wide social collaboration and knowledge sharing culture, processes, policies and tools. This global team ensures further adoption by continuing to develop processes that enable employees to work together across organizational, geography and time boundaries in a flexible and organized way. One of the key responsibilities is to support the integration of newly acquired businesses. The ESN (Entreprise Software Networks) communities used to share the Atos way of working and its values, as well as the different expert communities have proven to be instrumental for the onboarding of new employees, both coming from acquisition as well as due to organic growth.

At the end of 2016, all employees are registered on the Atos enterprise social network, making it one of the largest ESN's in the world, with 24% of employees actively using the landscape of 3,824 active communities.

During 2016, the average size of collaborative communities on Atos' platform continued to increase from 194 in 2015 to 341 members at the end of 2016. This brings further efficiencies to global collaboration and sharing of expertise on a wide variety of topics throughout Atos.

The 2016 MAKE award, second in row for us after winning the award in 2015, is all the more special as Atos being the only IT services company among the winners. The award is given to companies which continuously demonstrate shareholder's value creation through superior management of knowledge and collaboration. Atos is seen as one of very few IT companies worldwide that is efficiently sharing & replicating best practices across the global ecosystem of clients and partners. This award bears testimony to Atos strong culture of collaboration.

Together with the acquisition of Unify, Atos has announced the next step in its ambition to provide a best in class digital workplace by pursuing the convergence of its blue Kiwi ESN and Unify's award winning Unified Communication and Collaboration platform called Circuit.

D.2.3.2 Awareness and involving employees

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

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

Communication with the employee representatives is a permanent and constructive dialogue within the employee representative bodies at European and country levels. The major project during 2016 was the integration of Anthelio, Unify and Equens.

The social dialogue is very constructive and positive and it can be illustrated by effective social discussions at European and country levels.

A culture of permanent social dialogue

The SEC (Societas Europaea Council) representing circa 63,000 people across Europe in 24 different countries is deeply involved in all the events concerning the Company. They get the information related to any transformation or acquisition as soon as it is possible before communicating the information to all the Group employees and most of the time before top management. This demonstrates high level of mutual trust and strong wish to have the SEC as a key partner acting in a complete transparency.

It was planned in the Societas Europeas Council agreement to schedule at least 3 meetings per years. During 2016, six meetings were scheduled and effectively took place (both ordinary and extraordinary).

For 2016, five meetings have already been planned.

From social dialogue to social effective collaboration

On top of the organization of the meetings with Societas Europeas Council, the Management and the Employees representatives have agreed to set up additional Commissions that work very closely with management in order to have a productive, useful and profitable dialogue. On top of the commissions created last year, Atos has created additional ones and has now very regular meetings with them:

- Diversity;
- Bull SEC commission.

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

- Participating Body;
- Well Being At Work;
- Diversity;
- Offshore;
- Economics.

In addition, Atos recognizes the role of collaboration of the social representatives for the biggest and most confidential topics within the Company. As an evidence of this mindset, Thierry Breton, Chairman & CEO of Atos Group, presented to the employee representatives of the SEC the Atos 2019 Ambition, before presenting it to the financial community and the industry analysts.

Social dialogue at local level

Next to the extensive discussions with the SEC on European and multinational issues in many countries regular consultations sessions take place with local employee representatives in work councils and/or unions.

Beyond the regulatory and legally required obligations, Atos values this social dialogue as an important mean, one of the communication channel, ensuring that the employees are informed and involved in the development of the Company. The local implementation of acquisitions or integrations, like Xerox ITO, Unify and Equens, through presentations to local work councils are important elements of this. Next to this, local organization structures, and working conditions are often an important topic in these consultations and negotiations.

These are the most important topics discussed in France during 2016:

- teleworking (4 meetings);
- employment and integration of disabled workers (8 meetings);
- economic and Social Databases (5 meetings).

Collective bargaining agreements

Atos thinks that job security contributes to the psychological health of its workforce. Therefore, Atos follows local and international regulations concerning minimum notice period(s) regarding significant operational changes. Also, 54% of employees are covered by collective bargaining agreements [G4-11]. Collective bargaining agreements are agreements regarding working conditions and terms of employment concluded between an employer, a group of employers, or one or more employers' organizations [G4-LA3].

Atos collective agreements cover for example health and safety matters, length of maternity/paternity leave, working time, wages, notice periods, vacation time (usual and exceptional such as wedding, birth, house moving…) or training.

Taking into account employees' expectations [AO2]

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

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

In 2016, 63 Atos countries took part in the Great Place To Work (GPTW) survey, with 56,458 employees participating, representing 63% of the persons invited to take part to the survey (90,025 employees).

The average score communicated by GPTW on the 59 statements showed 60% positive answers. This result of the Trust Index score demonstrates the commitment and involvement of employees to share their views and to help building a great working environment together.

Compared to 2015, Atos has improved 2016 results in the two improvement areas:

Management behavior and leadership style		Reward and recognition	
Management makes its expectations clear.	+5%	Everyone has an opportunity to get special recognition.	+5%
Management makes its expectations clear.	+5%	Management shows appreciation for good work and extra effort.	+5%
Management has a clear view of where the organization is going and how to get there	+5%	I'm proud to tell others I work here.	+6%

The internal Atos Wellbeing@work program set-up dedicated actions in each geographies participating to the survey aiming to improve well-being and as a consequence, the GPTW results in 2017.

Atos is in a continuous improvement plan regarding people well-being at work, GPTW results improvement by 3 points being a clear priority for each Business Unit CEO and Business Unit HR Director for the 5th year in a row.

Develop awareness and encourage dialogue

The Wellbeing@work program has global and local governance in place. About 10 initiatives are developed with action plan and KPIs. Each initiative is led by a global initiative leader and implemented through a local team in Business Units and countries.

These 10 initiatives - Working environment; Recognized & reward; Communication & collaboration; 3 years development plan; Corporate responsibility & sustainability; Wellbeing@work for clients; Great place to work; Social collaboration & Knowledge sharing; Diversity; Internship - are discussed and best practices from Business Units are presented in regular Wellbeing@work monthly Workshops, fitting to Atos collaborative company culture.

The global Wellbeing@work program develops and implements many initiatives, has set-up a community on the Atos entreprise social network blueKiwi, throughout the year to encourage an open dialogue with and active participation of employees to help create a great place to work together. Each employee could submit through this community any ideas to improve well-being at work in Atos. A dedicated international team is organized to follow-up the ideas and implement them.

D.2.4 Being a responsible employer - KPI overview

		2016	2015	2014	2016 PERIMETER		2015 PERIMETER	
GRI code	KPI Name	GROUP	GROUP	GROUP	Per employee	Per revenue	Per employee	Per revenue
G4-LA9	**Average training hours per employee**							
G4-LA9_c1	Average hours of formal training per employee	18,47	21,29	16,87	92,08%	---	100,00%	---
G4-LA9_c2	Average hours of formal training per male employee	17,58	19,13	16,59	92,08%	---	100,00%	---
G4-LA9_c3	Average hours of formal training per female employee	20,89	27,11	17,57	92,08%	---	100,00%	---
G4-LA9_c5	Average hours of training per employee	41,98	Not disclosed	Not disclosed	78,11%	---	---	---
G4-LA9_c6	Average hours of training per male employee	37,98	Not disclosed	Not disclosed	78,11%	---	---	---
G4-LA9_c7	Average hours of training per female employee	53,21	Not disclosed	Not disclosed	78,11%	---	---	---
G4-LA9_c4	Number of internships	2,720	Not disclosed	Not disclosed	N/A	---	---	---
G4-LA10	**Employability initiatives**							
LA10_A_b1	Number of different Certifications owned by at least one Atos employee	4,422	3,692	2,943	92,35%	---	100,00%	---
LA10_A_b2	Total number of certifications registered	217,333	139,227	72,406	92,35%	---	100,00%	---
LA10_A_c2	Average number of certifications per Employee	2,35	1,70	0,95	92,35%	---	100,00%	---
LA10_A_b3	Number of different skills owned by at least one Atos employee (excluding certifications)	7,237	6,291	5,451	92,35%	---	100,00%	---
LA10_A_b4	Total number of skills registered	2,085,758	1,706,084	1,402,214	92,35%	---	100,00%	---
LA10_A_c4	Average number of skills per employee	22,56	20,98	18,32	92,35%	---	100,00%	---
LA10_A_b5	Number of employees who updated their profile during the year	60,571	47,215	37,800	92,35%	---	100,00%	---
LA10_A_c5	Percentage of employees who updated their profile during the year	66%	58%	49%	92,35%	---	100,00%	---
G4-LA11	**Career development monitoring**							
LA11_A_c1	Percentage of employees receiving performance appraisal in the last 12 months	83,90%	86,86%	92,39%	80,80%	---	87,75%	---
LA11_A_b1	Number of female who received a regular performance and career development review during the reporting period.	17,114	17,392	17,117	80,80%	---	87,75%	---
LA11_A_b2	Number of male who received a regular performance and career development review during the reporting period.	43,965	43,696	42,765	80,80%	---	87,75%	---
LA11_A_c2	Number of employees with an Individual Development Plan	62%	Not disclosed	Not disclosed	N/A	---	---	---
LA11_A_c3	Internal Fulfilment	65%	Not disclosed	Not disclosed	6,56%	---	---	---
G4-LA1	**Organizational workforce in headcount and Employee Turnover**							
LA1_A_c2	Number of employees at the end of the Reporting Period (Legal staff)	92,438	81,917	76,556	92,35%	---	100,00%	---
LA1_A_b1	Females at the end of the Reporting Period (Legal staff)	25,023	22,190	21,330	92,35%	---	100,00%	---
LA1_A_b2	Males at the end of the Reporting Period (Legal staff)	67,415	59,727	55,226	92,35%	---	100,00%	---
G4-10_C	**Total Employees (including supervised workers: interims + interns + subcos)**	**101,737**	**90,445**	**83,728**	**92,35%**	**---**	**100,00%**	**---**

GRI code	KPI Name	2016 GROUP	2015 GROUP	2014 GROUP	2016 PERIMETER Per employee	2016 PERIMETER Per revenue	2015 PERIMETER Per employee	2015 PERIMETER Per revenue
G4-10_A_c1	Percentage of employees with a permanent contract	98,80%	98,23%	98%	92,35%	---	100,00%	---
G4-10_A1	Males with a permanent contract	66,637	58,718	54,399	92,35%	---	100,00%	---
G4-10_A3	Females with a permanent contract	24,696	21,748	21,001	92,35%	---	100,00%	---
G4-10_A_c2	Percentage of employees with a temporary contract	1,20%	1,77%	1,51%	92,35%	---	100,00%	---
G4-10_A2	Males with a temporary contract	778	1,009	827	92,35%	---	100,00%	---
G4-10_A4	Females with a temporary contract	327	442	329	92,35%	---	100,00%	---
G4-10_A_c3	Percentage of employees in Full Time working	94,30%	91,98%	90,91%	83,33%	---	100,00%	---
G4-10_B2	Number of male in full time employment	58,530	55,868	52,214	83,33%	---	100,00%	---
G4-10_B4	Number of female in full time employment	20,136	18,147	17,386	83,33%	---	100,00%	---
G4-10_A_c4	Percentage of employees in Part Time working	5,70%	8,02%	7,31%	83,33%	---	100,00%	---
G4-10_B1	Number of male in part time employment	1,926	2,850	2,132	83,33%	---	100,00%	---
G4-10_B3	Number of female in part time employment	2,825	3,601	3,464	83,33%	---	100,00%	---
	Employee Hiring							
LA1_A_c1	New employees hired during the Reporting Period	16,005	13,048	12,417	92,35%	---	100,00%	---
LA1_A_a1	Males hires during the Reporting Period	11,512	8,814	8,409	92,35%	---	100,00%	---
LA1_A_a2	Females hires during the Reporting Period	4,493	4,234	4,008	92,35%	---	100,00%	---
	Employee Turnover							
LA1_B_c1	Number of employees leaving employment during the Reporting Period	15,564	13,838	12,177	92,35%	---	100,00%	---
LA1_B_b1	Males leaving employment during the Reporting Period	11,604	10,160	8,881	92,35%	---	100,00%	---
LA1_B_b2	Females leaving employment during the Reporting Period	3,960	3,678	3,296	92,35%	---	100,00%	---
LA1_B_c2	Percentage of voluntary attrition	11,52%	Not disclosed	Not disclosed	92,35%	---		---
G4-LA3	**Return to work and retention rates after parental leave**							
LA3_A_c1	Total number of employees that were entitled to parental leave	198	228	287	8,18%	---	10,13%	---
LA3_B	Total number of employees that took parental leave	305	380	404	8,18%	---	10,13%	---
LA3_C	Total number of employees who returned to work after parental leave ended	40	37	35	8,18%	---	10,13%	---
LA3_D	Total number of employees who returned to work after parental leave ended who were still employed twelve months after their return to work	93,10%	62,16%	93,48%	8,18%	---	10,13%	---
G4-LA12	**Diversity and Equal Opportunity**							
LA12_C	Percentage of female in Governace bodies (Board of Directors)	45%	45%	36%	100,00%	---	100,00%	---
LA12_B_c3	Number of nationalities within Atos	143	134	137	92,35%	---	100,00%	---
LA12_B_c4	Percentage of females within Atos	27,07%	27,09%	27,86%	92,35%	---	100,00%	---
LA12_B_b1	Disabled employees	1,227	1,257	1,116	72,06%	---	100,00%	---
LA12_B_c1	Percentage of disabled people	1,26%	1,53%	1,46%	72,06%	---	100,00%	---
LA12_B_b0	Female ratio within the top management team	16,54%	15,16%	14,15%	92,35%	---	100,00%	---
LA12_c12	Percentage of women that had promotions during the year	17,25%	16,87%	16,27%	57,09%	---	100,00%	---
LA12_c13	Percentage of men that had promotions during the year	15,63%	16,94%	16,03%	57,09%	---	100,00%	---
G4-LA13	**Salary rate between men and women**							
LA13_A_c1	General ratio woman/men in Annual Basic Salary within the Atos´ job families	0,78	0,74	0,77	83,55%	---	100,00%	---
LA13_A_c2	General ratio woman/men in Total Remuneration within the Atos´ job families	0,77	0,73	0,75	83,55%	---	100,00%	---
AO6	**Diversity Perception (GPTW)**							
AO6_c4	People here are treated fairly regardless of their age	65%	61%	61%	56,40%	---	61,74%	---
AO6_c5	People here are treated fairly regardless of their gender	77%	75%	80%	56,40%	---	61,74%	---
AO6_c6	People here are treated fairly regardless of their race or ethnicity	81%	80%	75%	56,40%	---	61,74%	---
AO6_c7	People here are treated fairly regardless of their sexual orientation	80%	79%	78%	56,40%	---	61,74%	---
AO6_c8	People here are treated fairly regardless of disability	77%	76%	76%	56,40%	---	61,74%	---

		2016	2015	2014	2016 PERIMETER		2015 PERIMETER	
GRI code	KPI Name	GROUP	GROUP	GROUP	Per employee	Per revenue	Per employee	Per revenue
AO6_c9	Average on Diversity Perception (GPTW survey questions)	76%	74%	74%	56,40%	---	61,74%	---
AO2	**Employee Satisfaction**							
AO2_A	Number of people participating in satisfaction surveys (Employees answering GPTW surveys)	56,458	50,576	49,866	56,40%	---	87,71%	---
AO2_B	Percentage of Responses to Great Place to Work surveys (Average of Response rate)	63%	63%	73%	56,40%	---	87,71%	---
AO2_C	Percentage of positive responses to "Taking everything into account, I would say this is a great place to work"	50%	52%	55%	56,40%	---	87,71%	---
AO2_D	Atos Trust Index® informed by Great Place to Work (GPTW)	54%	56%	56,00%	56,40%	---	87,71%	---
G4-EC3	Coverage of the organization's defined benefit plan obligations	Qualitative						
G4-EC5	**Minimum wage comparison**							
EC5_A_c3	Percentage of "Atos countries" with minimum national wage, where Atos entry wage > minimum national/ IT sector wage [>50%]	59,78%	58,21%	58,57%	98,10%	---	100,00%	---
EC5_A_b3	Number of "Atos countries" where Atos entry wage > minimum national/ IT sector wage [>50%]	55	39	41	98,10%	---	100,00%	---
EC5_A_b4	Number of "Atos countries" where Atos entry wage > minimum national/ IT sectorwage [10%-50%]	26	21	21	98,10%	---	100,00%	---
EC5_A_b5	Number of "Atos countries" where Atos entry wage > minimum national/ IT sector wage [0%-10%]	11	7	8	98,10%	---	100,00%	---
EC5_A_b6	Number of "Atos countries" where Atos entry wage < minimum national/ IT sector local wage	0	0	0	98,10%	---	100,00%	---
EC5_B	Number of "Atos countries" with no minimum national wage	10	11	12	98,10%	---	100,00%	---
EC5_A_b3a	Number of "Atos countries" where the Atos female entry wage > minimum national/ IT sector wage [>50%]	57	45	47	94,20%	---	100,00%	---
EC5_A_b4a	Number of "Atos countries" where the Atos female entry wage > minimum national/ IT sectorwage [10%-50%]	22	14	16	94,20%	---	100,00%	---
EC5_A_b5a	Number of "Atos countries" where the Atos female entry wage > minimum national/ IT sector wage [0%-10%]	9	8	5	94,20%	---	100,00%	---
EC5_A_b6a	Number of "Atos countries" where the Atos female entry wage < minimum national/ IT sector local wage	0	0	0	94,20%	---	100,00%	---
EC5_A_b3b	Number of male in "Atos countries" where Atos male entry wage > minimum national/ IT sector wage [>50%]	59	39	43	97,10%	---	100,00%	---
EC5_A_b4b	Number of male in "Atos countries" where Atos male entry wage > minimum national/ IT sectorwage [10%-50%]	24	24	21	97,10%	---	100,00%	---
EC5_A_b5b	Number of male in "Atos countries" where Atos male entry wage > minimum national/ IT sector wage [0%-10%]	8	4	3	97,10%	---	100,00%	---
EC5_A_b6b	Number of male in "Atos countries" where Atos male entry wage < minimum national/ IT sector local wage	0	0	0	97,10%	---	100,00%	---
G4-LA2	**Benefits to employees**							
LA2_A_C15	Percentage of Permanent employees participating in Death Benefits	94%	94%	94%	68,95%	---	100,00%	---
LA2_A_C16	Percentage of Temporary employees participating in Death Benefits	73%	79%	73%	68,95%	---	100,00%	---
LA2_A_C17	Percentage of Permanent employees participating in Disability benefits	88%	89%	90%	68,95%	---	100,00%	---
LA2_A_C18	Percentage of Temporary employees participating in Disability benefits	61%	70%	72%	68,95%	---	100,00%	---
LA2_A_C19	Percentage of Permanent employees participating in Health Care	93%	82%	82%	68,95%	---	100,00%	---
LA2_A_C20	Percentage of Temporary employees participating in Health Care	68%	70%	68%	68,95%	---	100,00%	---
AO11	**Collaborative technologies development (Zero mail)**							
AO11_c1	Percentage of active Community users	24%	30%	10%	100,00%	---	100,00%	---

		2016	2015	2014	2016 PERIMETER		2015 PERIMETER	
GRI code	KPI Name	GROUP	GROUP	GROUP	Per employee	Per revenue	Per employee	Per revenue
AO11_c2	Percentage of Collaborative Communities	23%	29%	22%	100,00%	---	100,00%	---
AO11_c3	Percentage of Dormant Communities	53%	59%	41%	100,00%	---	100,00%	---
AO11_b1	Number of active users in Communities	23,880	24,620	7,264	100,00%	---	100,00%	---
AO11_b3	Number of Collaborative communities	1,847	2,480	2,305	100,00%	---	100,00%	---
AO11_b4	Number of Dormant communities	4,270	4,981	4,324	100,00%	---	100,00%	---
AO11_b5	Total number of communities	8,094	8,513	10,547	100,00%	---	100,00%	---
AO16	**Lost working days / Absenteeism rate**							
AO16_B	Global absenteeism rate	2,53%	2,79%	2,98%	59,00%	---	69,31%	---
AO16_A_b3	Number of staff seriously injured work related	243	228	186	99,62%	---	99,62%	---
AO16_A_b4	Number of Atos staff´s dead work related	1	0	3	99,62%	---	99,62%	---
G4-11	**Collective bargaining coverage**							
G4-11_A_c2	Percentage of employees covered by collective bargaining agreements	54%	66%	67%	90,12%	---	100,00%	---

G4-LA1: rhe perimeter by employee has decreased from previous year since this year is calculated based on the financial perimeter. The decrease is mainly due to the fact that Unify, Equens (including ex-Worldline employees) and Anthelio are excluded from the indicators of Human Resources in 2016.

G4-LA9: excludes Unify, Equens and Anthelio. Includes the hours registered in the Atos formal training tools (SABA, McGaw-Hill…).

G4-LA10: excludes Unify, Anthelio & Equens.

G4-LA3: includes only France.

AO2 and AO6: includes the countries which performed Great Place to Work surveys during the year.

AO2: change in methodology, see AO2 Note in D.6.1.5 Methodological detailed information.

AO16_B (Global absenteeism rate): exclude Amesys, Elexo, Serviware, TRCom, India, Worldline India, Mexico, United Kingdom BPS, Germany and Corporate Germany.

G4-LA11: excludes Unify, Equens (including ex-Worldline employees), Anthelio, Germany, Corporate Germany & Austria.

LA12_B: exclude Unify, Equens (including ex-Worldline employees) and Anthelio.

LA12_c: exclude Unify, Equens (including ex-Worldline employees), Anthelio, India and Germany.

EC5 _A: exclude Unify, Equens (including ex-Worldline employees), Anthelio and Germany.

D.3 Generating value for clients through innovative and sustainable solutions

D.3.1 Meeting client needs and expectations

[G4-DMA-Product and service labeling] [G4-PR5]

D.3.1.1 Permanent improvement of the clients satisfaction

Client satisfaction is a major Atos objective, part of its business goals to support its long term growth. Associated governance includes quarterly review at the Executive Committee to focus on processes execution, objectives and results.

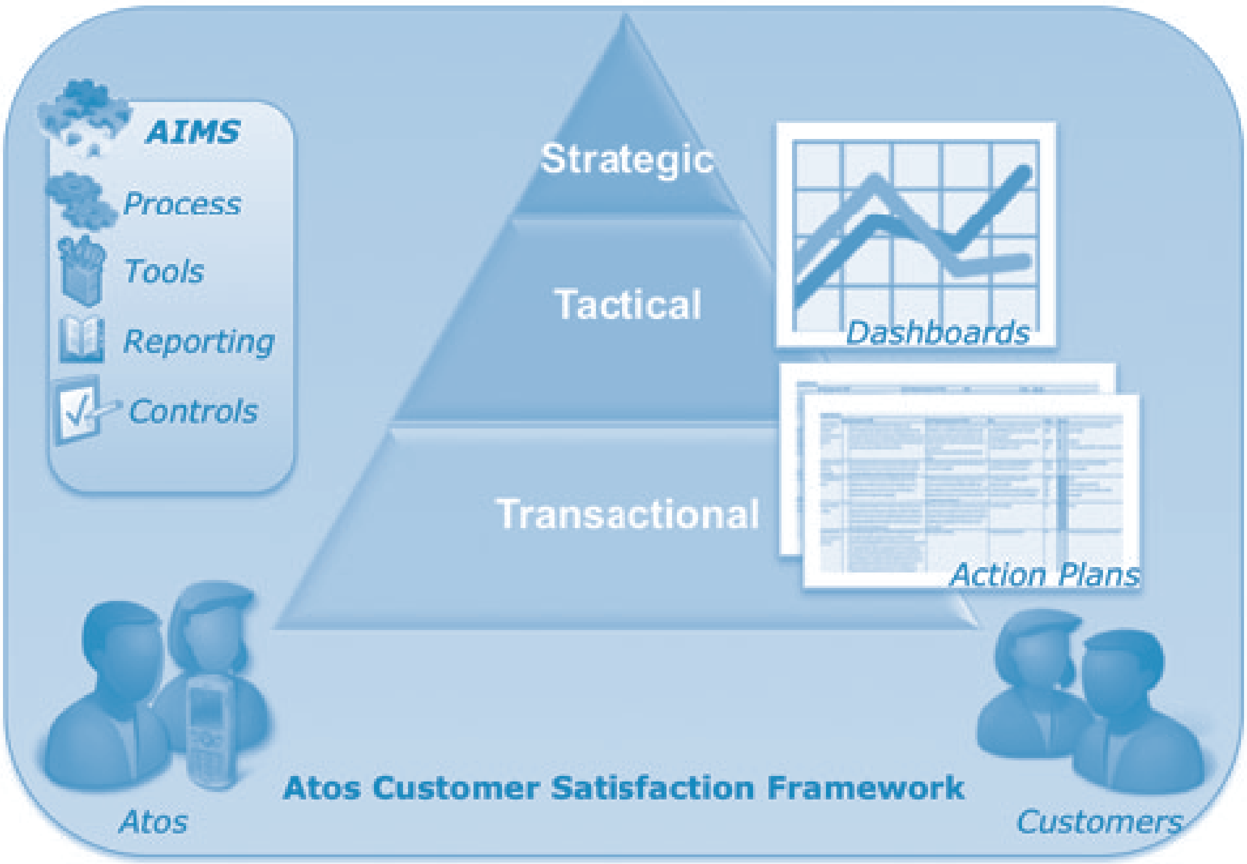
Improving client experience and associated satisfaction is the n°1 objective of Atos quality policy and the primary focus of Atos Quality Steering Committee, chaired every 2 months by the SEVP Global Operations.

As part of Atos 3-year plan Atos tracked two KPIs at global level:

- the Overall Customer Satisfaction;
- the Net Promoter Score as defined in Atos industry.

A comprehensive improvement loop is built from three layers survey engine to drive action plans accordingly as described below. It works from the strategic level, with actions like innovation workshops or innovative proof of concept, to tactical actions for quality and productivity improvement or customer journey mapping to ease client interactions, to continuous improvement on the "shop floor" operations.

Atos three layers satisfaction survey process and the improvement framework are represented as follow:



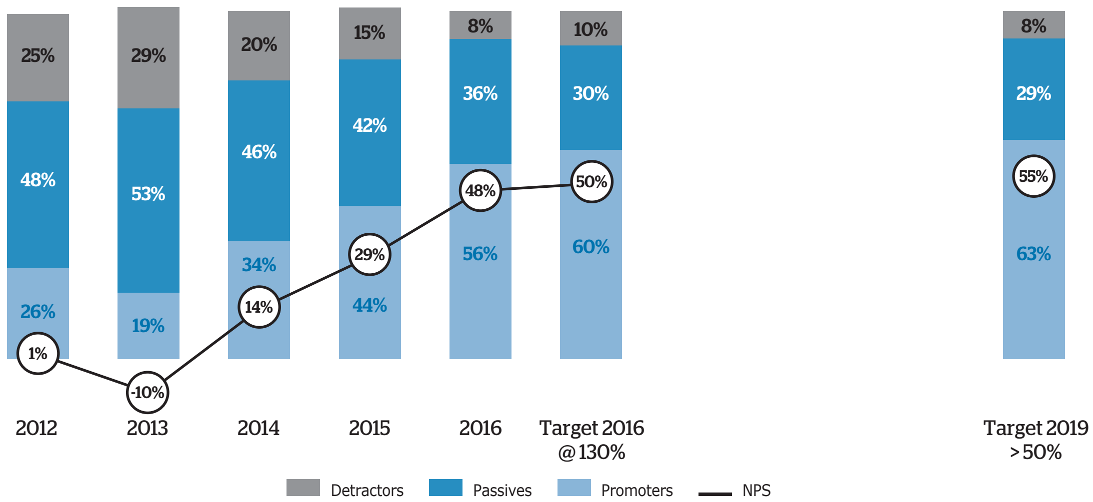
The strategic surveys are handled by Atos executive representatives (management and / or sales) and covered Atos top accounts (200) through face to face interviews.

The tactical surveys are driven by the Divisions and allow getting feedback at contracts level from the clients team on Atos services or project deliverables and overall performance.

For large account serviced by Atos, an immediate feedback is asked from the end-users following a service request. This allows monitoring of service performance perception and driving daily operations.

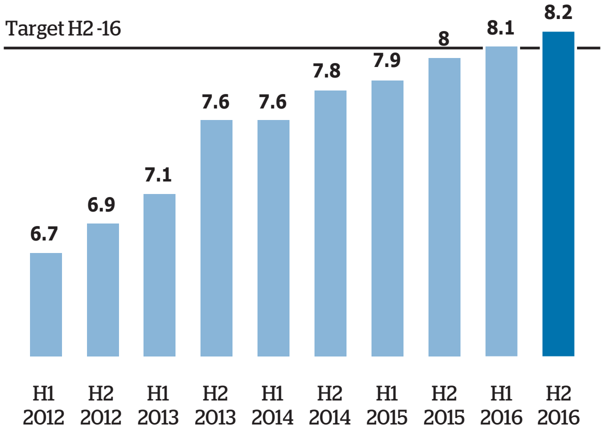
The overall improvement loops, associated tools, specific workshops, cook books on most repetitive situations are described in Atos customer experience framework deployed worldwide. The whole program is driven by Group quality with sales operations and the client executives for the strategic survey, related intimacy and relationship improvement actions. It is driven with the Divisions quality customer experience team for the tactical surveys and associated improvement loops. Progress and feedback tracking are part of account quarterly reviews and of division monthly reviews.

At Strategic level, Atos 3-year plan for 2017/2019 is aiming at reaching and sustaining an overall Net Promoter Score (NPS) above 50% while enlarging the Clients based engaged in this process from 55% today to more than 80% of the External Revenues as shown below:

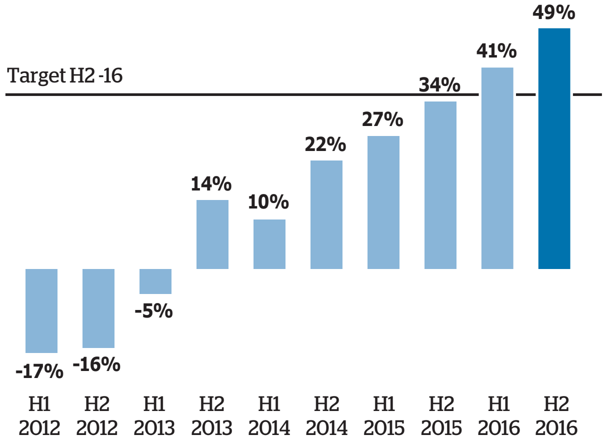


OVERALL CUSTOMER SATISFACTION FOR THE INFRASTRUCTURE & DATA MANAGEMENT:

So with 4 years background now, Atos can display a positive trend and confirmed effectiveness of the first phase of Atos Satisfaction management program across Infrastructure & Data Management Division.

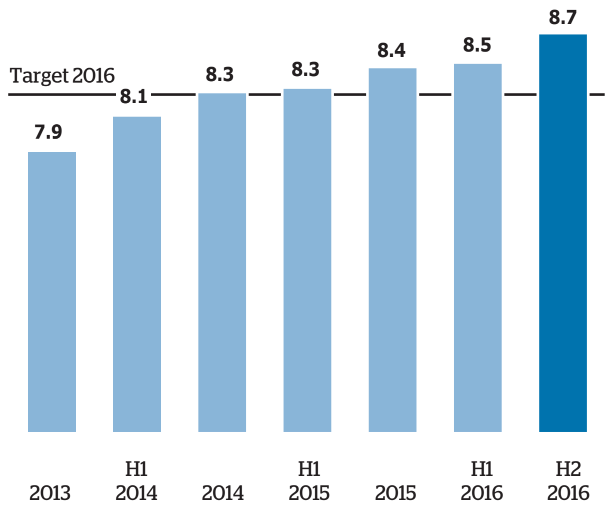


NET PROMOTER SCORE FOR THE INFRASTRUCTURE & DATA MANAGEMENT:

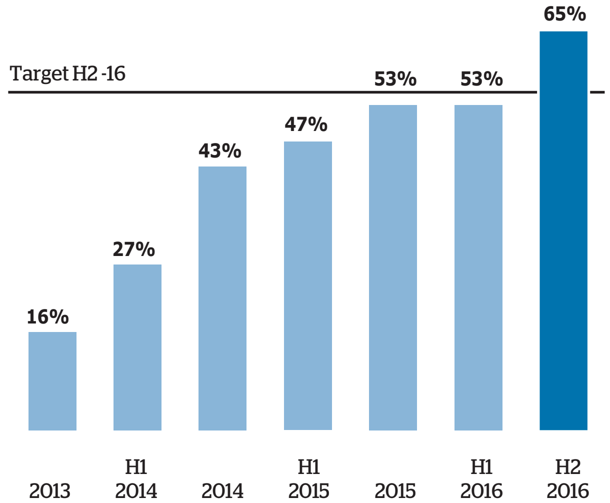


Atos can now also display similar trend for the Division Business Platform & Solutions, leading to similar conclusion.

OVERALL CUSTOMER SATISFACTION FOR BUSINESS PLATFORM & SOLUTIONS



NET PROMOTER SCORE FOR BUSINESS PLATFORM & SOLUTIONS



Overall past 3 years results confirmed this customer experience improvement process to be a key contributor to Atos sustainable business.

Along 2016 Atos integrated newly acquired businesses as part of this process, and continued to build the core components of the second step: "Driving loyalty, thanks to satisfactions, trust, service behaviors, value delivered" and so going one step further at building these loyalty drivers in the Group account management.

D.3.1.2 Building client trust

To deliver to its clients the same experience, whatever the organization working on the projects, services or solutions across the world is the goal of Atos division. Worldwide divisions secure the deployment of standardized processes across all geographies.

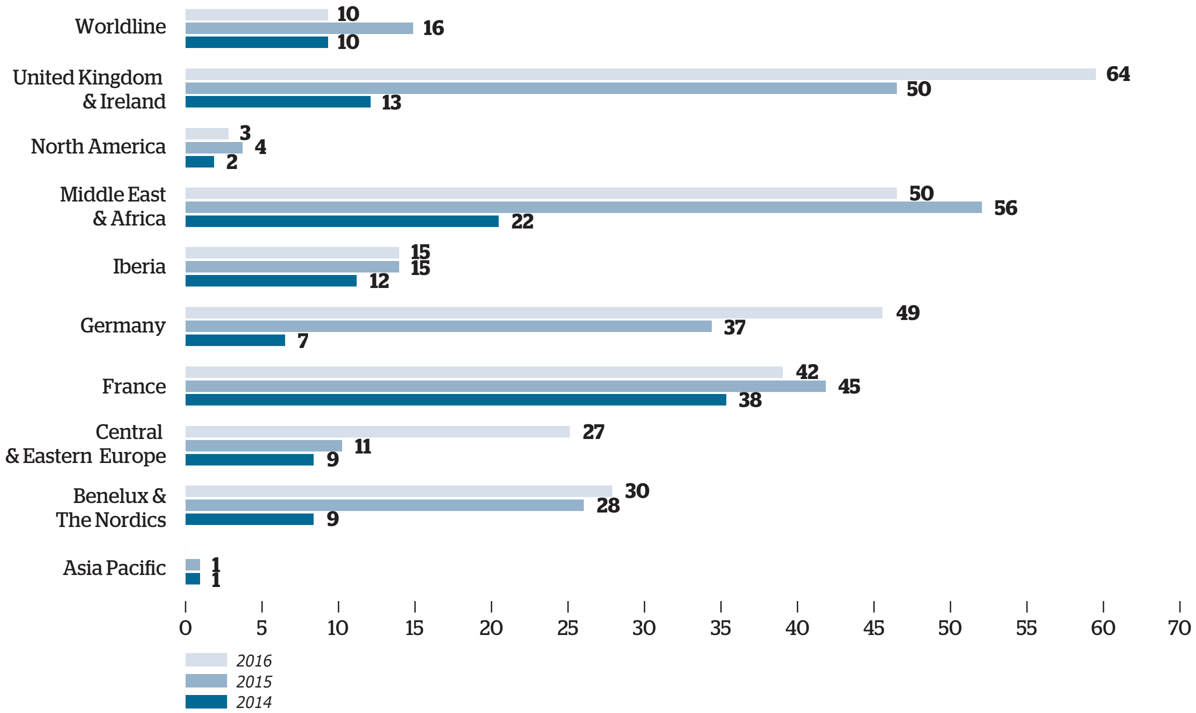
Such commitment at the heart of clients trust in Atos capabilities is assessed through:

- Atos ISO multi sites certification covering 95%+ of Atos activities and locations worldwide for ISO 9001 and 27001 (Security), and most of its services activities for ISO 20000;
- Atos Controls continual assessment program to secure that process controls points are systematically implemented.

D.3.1.3 Innovative approach of sustainable business

The Client Innovation Workshops Program described in section C.6 is a collaborative adventure which brought to life multiple creative solutions to the challenges that the Group and its clients face both today and in the future. Atos has been delivering more than 250 workshops per year, i.e. 264 workshops in 2015 and 290 workshops in 2016 [AO10].

NUMBER OF INNOVATION WORKSHOPS PER BUSINESS UNIT
[AO10]



Mobilize worldwide talents on digital shockwaves

Sustainable development is an inspiration for digital innovation. Whether frugal innovations, corporate-funded projects or internationally funded research, digital talent is increasingly focusing on sustainable issues of the Group. Integrating young start-ups into the Atos ecosystem or mobilizing the digital potential of youth is a considerable asset. This allows on the one hand to detect digital talents and accelerate their development, but also to feed the Group offerings with the most creative ideas. Digital innovation abounds in all the countries where the Group operates. Atos' approach is to identify them and support their development or to set up the basis of collaboration that will produce innovative solutions. In the same manner, Atos organizes on a yearly basis the IT Challenge, an international contest on a disruptive technology, accessible to all schools and universities in the world. The objective is to detect, reward, and support the best idea.

D.3.2 Meeting sustainability challenges of clients through offerings

[G4-EC7] and [G4-DMA-Indirect economic impacts]

Digital solutions are in major cases an ally of organizations (public and private) to meet sustainability challenges. They help clients to meet their own CSR challenges and objectives in domains such as Environment and Climate change, Social progress and citizen comfort, Research and Education, Security and Governance (Ethic trust and compliance) or Economic development (business performance). The ambition of Atos is to share and leverage this value added with clients.

As described in section "B.3.6 Maintain excellence in Human Resources and CSR", Atos CSR principles are totally embedded in Atos strategy, with internal medium term extra-financial objectives but also with the ambition to help its clients to meet their own CSR challenges and objectives with innovative solutions enabling more sustainability. This vision is at the heart of the Atos Digital Transformation Factory.

In this respect, Atos has designed a methodology including a process to estimate the contributions of Atos digital offers to the sustainability performance of clients. The objective is to provide an estimated business value, supported by a formal process of evaluation. In this respect, each "sustainable offer" is screened against a detailed of 24 criteria, supported by the offering's experts able to provide their views. The process is deployed in coordination with the global offering leaders. The information is consolidated and communicated through the KPI AO7.

D.3.3 Shape the digital future with the Group partners

[G4-23] and [G4-EC7]

The Atos ecosystem of partners described in section C.6.2 contributes to accelerate the sustainability performance of the Group offerings. It helps to comply with sustainability requirements and gain competitive advantage through operational efficiency, worldwide capacity, digital security, mobility and reputation.

The collaboration with a selected eco-system of partners, steadily strengthened according to market expectation, leverage an extensive technology portfolios to ensure the delivery of world-class solutions that deliver real and tangible business benefits to clients across almost all markets and sectors. Alliances (e.g. Siemens, Dell-EMC Federation, SAP) and strategic partnerships are part of this approach.

SAP and Atos expertise support sustainability challenges

SAP and Atos partner together to provide customers with state of the art solutions in the areas of sustainability and IT, relying on Atos recognized digital leadership in sustainability and SAP® solutions for sustainability.

These solutions, widely cloud based, help clients to boost profitability with reduced energy consumption, improved product safety and stewardship, and safer workplaces.

Atos runs a comprehensive Sustainability portfolio based on SAP software including environment, health, and safety management; risk management and compliance; sustainability reporting; and energy management. In 2016, Atos and SAP strengthened their Global Partnership helping customers to achieve their sustainability goals, operational excellence, profitable growth and business continuity.

Atos & Siemens, accelerating the future

Within the framework of their strategic alliance, Siemens and Atos recently put a special emphasis on fields as cybersecurity for industrial companies. The offer ranges from security assessment, installation of protective mechanisms to the continuous monitoring of plants and offices.

In 2016, in conjunction with its 5th anniversary, Siemens and Atos have decided to further strengthen their strategic alliance by increasing the funding of their joint innovation investment program by an additional €80 million to €230 million to deliver the best services in accompanying customers in the massive data-ization of their businesses. The new funding will be used to explore further opportunities for joint collaboration in the fields of Industrial Security, Industrial Data Analytics, Machine Intelligence, Service Enhancing Technologies and the Web of Systems. This program also serves the issues of sustainable development, including those related to climate issues.

Atos strengthens the relationship with the Dell-EMC Federation

The partnership with the Dell-EMC Federation demonstrates that digitalization of a company contributes to improving its sustainability performance. Indeed, Atos Canopy Orchestrated Hybrid Cloud strongly relies on technologies of the Dell- EMC Federation.

As explained in B.3.3, the shared nature of cloud computing infrastructures drive IT efficiency, avoiding the duplication of resources and low utilization rates usually found in traditional IT. Additionally, the automation and standardization inherent in cloud computing allow the consolidation of resources and increases in performance while also introducing greater flexibility and scalability. Globally, cloud-based infrastructure reduces the environmental negative externalities and improves the bottom line.

Many of the Atos' projects are the fruitful results of the cooperation with the Enhanced Alliance with the Federation. One iconic project is the partnership with Dell-EMC Federation to deploy a secured cloud IT infrastructure used to power the RIO Olympic Games in 2016. The same year, Atos has received two Global VMware Partner Innovation Awards in the Global System Outsourcer and Global Federation SI/SO categories at the VMware Partner Leadership Summit 2016. Last but not least, Atos was recognized as the first global service provider to complete the EMC² Enterprise Hybrid Cloud Federation Ready certification.

D.3.4 Generating value for clients through sustainable and innovative solutions – KPI overview

		2016	2015	2014	2016 PERIMETER		2015 PERIMETER	
GRI code	KPI Name	GROUP	GROUP	GROUP	Per employee	Per revenue	Per employee	Per revenue
G4-PR5	**Customer satisfaction survey**							
PR5_A_c1	Overall Customer Satisfaction from Strategic surveys (score from 0 to 10)	7,9	7,7	7,6	---	100,00%	---	100,00%
PR5_A_c0	Net Promoter Score	48%	Not disclosed	Not disclosed	---	100,00%	---	---
G4-EC2	**Financial implications and other risks and opportunities due to climate change**	**Qualitative**			**---**	**---**	**---**	**---**
G4-EC7	**Development and impact of infrastructure investments and services supported**	**Qualitative**			**---**	**---**	**---**	**---**
AO7	**Sustainable projects with clients in M Euros**							
AO7_total	Total Revenue of "sustainability offering" (M Eur)	1,670	Not disclosed	Not disclosed	---	100,00%	---	---
A012	**Digital Transformation Factory**							
AO12_c1	Digital Transformation Factory revenue (M Eur)	1,500	Not disclosed	Not disclosed	---	100,00%	---	100,00%
AO10	**Initiatives regarding innovative services / product developments**							
AO10_c1	Customer innovation workshops delivered in GBUs	290	264	123	---	100,00%	---	100,00%
G4-PR8	**Customer complaints**							
PR8_A1_c1	Number of third party complaints regarding breaches of customer privacy, higher than 100000€	0	0	0	---	100,00%	---	100,00%
PR8_A1_c2	Number of customer complaints regarding breaches of customer privacy, higher than 100000€	0	0	0	---	100,00%	---	100,00%
PR8_A1	Total number of material complaints regarding breaches of customer privacy and losses of customer data resulting in judicial action	0	0	0	---	100,00%	---	100,00%
AO3	**Data Security Incidents**							
AO3_c2	Percentage of Open Security Incidents open vs closed	1,54%	27,87%	6,23%	---	100,00%	---	87,75%
AO3_c3	Percentage of employees who successfully performed the Safety & Security E-learning	89%	71%	71%	---	100,00%	---	100,00%
AO3_c4	Percentage of employees who successfully performed the Data Protection E-learning	89%	38%	65%	---	100,00%	---	100,00%
AO3_c5	Percentage of Compliance to Virus Defence Policy	93%	89%	86%	---	100,00%	---	87,75%
AO3_c9	Percentage of coverage of ISO 27001 certifications	100%	100%	100%	---	100,00%	---	87,75%

AO3 e-learning excludes Germany.
AO7: Change in methodology, see AO7 Note in D.6.1.5 Methodological detailed information.

D.4 Ethical excellence in Atos' sphere of influence

D.4.1 Ethical excellence within the entire group

D.4.1.1 Compliance

[G4-DMA-Anti-corruption] and [G4-DMA-Compliance]

Tone from the Top

Having received mandate from the Group Executive Committee of Atos on 2015, the Group Compliance Steering Committee, composed of Group Executive Committee members and key Directors, focuses on strategies and priorities of Atos Compliance program, as defined by the Group Legal Compliance Team. It approved the Compliance Strategy plan to be deployed in all Atos Business Units on December 7, 2016.

Compliance Committees at Business Unit level ensure a consistent approach to Compliance at Atos, by rolling-out and monitoring compliance matters into the local operations.

Atos enhanced the compliance governance framework by way of several concrete measures initiated and implemented by the Group Legal Compliance Team:

- creation of a Global Legal Compliance Board involving all the General Counsels of Atos, aiming to strengthening the local leadership of compliance matters under the guidance of the Group Legal Compliance Team;
- development of Country Compliance Dashboards, composed of compliance KPIs, aiming to improve the reporting to the Group Compliance Steering Committee, and the monitoring of the effectiveness of the compliance program within the Business Units Compliance Committees.

Code of Ethics

Atos Code of Ethics which introduces Atos' commitment to comply with highest standards of business integrity, business ethics and latest regulations, was approved by Atos Group Board of Directors, demonstrating promotion of ethical excellence at the highest level of Atos Group (detailed information on the Code of Ethics in section G.6.2). The Code has been attached to all employment contracts concluded as from January 1, 2011.

Since 2012, an Ethics Committee, composed of independent and highly respected external professionals, has been created with the mission to strategize on the role of ethics generally, and particularly within Atos' operations. The Ethics Committee is sponsored by the Group Chief Compliance Officer, the Group Human Resources Director and the Global Legal Compliance team. In revising the Code of Ethics, this Committee was consulted and several recommendations were incorporated into the new Code of Ethics, deployed in 2015 and 2016.

Policies, processes and Internal controls to prevent non-compliance risk

[G4-56], [G4-57] and [G4-58]

Participant since 2010 to the UN Global Compact, Atos has implemented several internal policies:

- AP11 Contributions Policy;
- AP16 Dawn raids Policy;
- AP19 Export Control Policy;
- AP20 Anti Fraud Policy;
- AP35 Competition in business;
- AP36 Roundtable Policy;
- AP38 Business Partners Policy.

Atos has implemented several measures to prevent bribery and corruption, in support of Atos's Code of Ethics principles relating to business integrity [G4-SO5].

- Atos Business Partners, including agents, intermediaries, consortium partners and consultants assisting Atos in developing and retaining its business are subject to a due diligence and validation process supported by an automated tool, the Business Partner Tool (BPT). The BPT collects the various elements necessary for the assignment of a risk assessment to the business partner, as well as the requisite validation process. The level of risk assessment will identify the appropriate validation process, involving a simple approval process by the Business Unit Head of Sales for low-risk business partners to complex approval processes by the Group CFO and Group General Counsel, in addition to the Business Unit management, for high risk business partners. In addition, Atos strictly complies with international sanction laws and regulations and in the event a business partner matches with any of the main international sanction lists, it will be rejected by the BPT.
- In addition, the AP11 Atos Contribution Policy further enhances the compliance efforts relating to bribery and corruption. The Policy prevents Atos' employees from accepting or offering any disproportionate gift, invitation, hospitality package or any other similar contribution. When in doubt, an employee is required to seek approval from management.

Atos is continually reviewing its compliance policies to ensure adherence to laws and regulations, as well as relevance and usefulness in guiding the behaviors of its employees and key stakeholders.

In addition, compliance internal controls are put in place and managed by Internal Control Team. In 2016, the Group Legal Compliance Team reviewed the compliance internal controls to improve the monitoring of our compliance program in all the Group Business Units.

Some internal audits are performed on compliance matters, and internal audits on specific regions, countries or activity include compliance checks

In 2016, 1 significant fine of € 160 thousand for non-compliance with laws and regulations were levied against the Group [G4-SO8]. No client or supplier claim related to corruption was levied against the Group [G4-SO5].

Risk assessment and mapping process

Atos has put in place a legal and compliance risk management process, which was fully integrated to the Enterprise Risk Management in 2016. This risk management process consists in evaluation by members of the Atos Legal, Compliance and Contract Management department and relevant non-legal stakeholders (Human Resources, IT, security) of a series of legal risks (i.e. risks with a legal cause) that allows Atos entities to implement adequate remediation actions where necessary as well to understand how the risks identified are perceived within the organization.

As integrated to the Atos Enterprise risk management, the results of the Legal risk management exercise are presented to the Audit Committee of the Group, with a clear mapping of the legal risks of the Group.

In addition, the review of core compliance issues in assessing business opportunities is an important part of the overall risk assessment framework. The compliance review process of transactions is well established within Atos, similar to the review systems for credit, commercial and legal risks, through the Rainbow Process, which sets out defined steps and escalation procedures [G4-SO3].

Improvement of compliance awareness [G4-56]

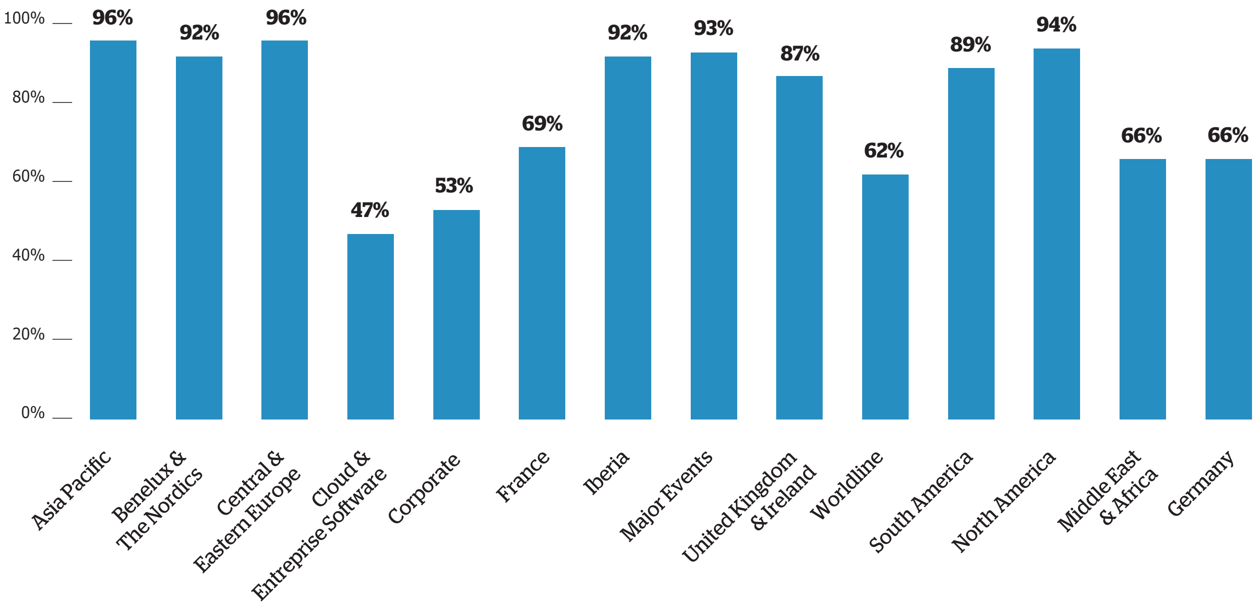
Regarding training, the launch in September 2013 of specific e-learning on the Code of Ethics has made it possible for Atos to achieve another step in the improvement of its compliance program. This specific training on the Code of Ethics' principles ensures a better understanding of the Code of Ethics and promotes fair practices in the daily business activities. This e-learning is mandatory for all employees, regardless of their job, function, country and hierarchical level.

In 2016, a new version of the e-learning was elaborated and will be launched in January 2017.

To complement this e-learning module on the Code of Ethics, specific classroom training sessions on the Code of Ethics are organized in some Business Units for top managers: ETO²S training ("Ethics in Tier One Organization School") presents the responsibilities and the risks of non-compliance for Atos and the managers related to the principles of the Code of Ethics, explains the main Atos policies and processes to ensure compliance with these principles, and gives concrete examples of ethical behaviors of manager in their daily work.

In 2016, 86% of employees completed the e-learning on the Code of Ethics and 642 managers were trained in classroom trainings [G4-SO4].

NUMBER OF PEOPLE WHO COMPLETED THE E-LEARNING ON THE CODE OF ETHICS IN 2016
[G4-SO4]



Group Legal Compliance Team ensure that new policy, procedure or tool is appropriately communicated, with specific communication and training sessions: during the first semester of 2016, training sessions on the Business Partner Tool were organized for all the Business Units. In addition, full alignment of the different Business Units Compliance Programs with the corporate one is made possible through harmonized communication and awareness on several programs and initiatives taken, within different channels, from highest executive body (Group Compliance Steering Committee), to all the General Counsels of the Group (Group Legal Compliance Board), and through specific expert network (Legal Compliance Experts Network).

Through the Atos Enterprise Social Network, Group Compliance ensures an up-to-date communication channel directly with employees who can join a specific community, called "Legal Compliance Organization", to learn about Atos policies, be informed about training sessions, receive compliance newsletter and interesting information on compliance and ethics.

A whistleblowing procedure and internal investigations

Atos Code of Ethics, as described in Section G.6.2, establishes the right of all employees to raise an alert in the event of a suspected non-compliance with the values and principles of the Code of Ethics. The Code of Ethics alert system has been established in compliance with the requirements of the French Data Protection Authority [G4-57 and G4-58]. Local General Counsels, management, and Group Compliance are points of contact for any employee raising an alert, and ensuring that the rights of employees, the sender or subject of the alert, are protected accordingly.

Any allegations of non-compliance detected within the Company are to be reported to the Head of Compliance and/or to the Group Head of Internal Audit, who will launch the Internal Investigations procedure [G4-49]. Such procedure was reviewed in 2016, to reinforce the governance of any internal investigation, enhance collaboration between global function and local teams and provides clear guidelines on how to conduct internal investigation.

Such Internal Investigations are properly tracked at corporate level, and communicated to Group Executive Committee, through the annual review of internal investigations during a Group Compliance Steering Committee.

For 2016, 11 alerts were reported and monitored at the Group Compliance level [G4-50].

D.4.1.2 Data Protection

[G4-16] and [G4-DMA-Customer privacy]

Atos' commitment to the protection of personal data is long-standing and publicly known. The evolutions brought by the adoption of new legislation (most notably the European General Data Protection Regulation – the "GDPR") present new challenges and opportunities for Atos which perceives these evolutions as welcome improvements to the legal regimes applicable globally. Its top management closely follows such topics, is duly informed and gives orientations on these challenges and opportunities.

For these very reasons, Atos' existing commitments towards its employees and clients remain strong as well as its involvement and support to legislations and operational tools both offering strong levels of protection to individuals but also favoring compliant business practices will remain unchanged.

The first element of proof of this commitment is the dedication of significant resources to the management of this topic.

With a Group Chief Data Protection Officer, who reports directly to the Group Head of Compliance – one of the key executives of the Group Legal, Compliance and Contract Management ("LCM") department and an 80-member strong Personal Data & Privacy Protection Organization, established in close cooperation by the Group LCM department and Group Security, significant resources have been allocated to the management of the topic.

This organization, which has been restructured in close cooperation with the Group Security Organization in order to improve its efficiency and the reach of personal data protection policies, practices and tools is a fundamental element in the continued implementation and extension of this strategy.

Atos' focus is clearly on ensuring compliance with the legal evolutions imposed by new rules and for this it will continue to rely on what has made its strength over the past years, namely strong and innovative policies, procedures, guidelines and commitments.

The Atos Binding Corporate Rules (the "Atos BCR") and of the Atos Group Data Protection Policy remain at the core of this strategy and have proved to be an significantly positive tool not only to justify international transfers of personal data within the Group but also in strengthening Atos' customers' trust in the reliability and compliant nature of its services.

Training remains another fundamental element, either to the Personal Data & Privacy Protection Organization (which now benefits from an in depth 11-hour training) or to all of the employees of the Group who are required to complete their mandatory e-learning module on data protection.

In 2016, 89% of Atos employees completed successfully this Data Protection e-learning [AO3].

Finally the deployment and use of practical and effective tools such as Privacy Impact Assessments both for its own internal projects and for customer projects has allowed Atos to remain at the forefront of data protection compliance, even by anticipation, integrating both the "accountability" principle (through a register of processes, etc.) and the data protection or privacy by design approach in the creation and implementation of its systems and services.

The results of these commitments and principles governing Atos' approach to the protection of personal data generate concrete benefits both for Atos but also for its ecosystem generally. Indeed, this commitment continues to incite the Group providers and clients to adopt similar standards of protection of personal data, therefore creating a virtuous circle of compliance. Furthermore and from an operational perspective, in 2016, Atos did not receive any complaints regarding breaches for customer privacy [G4-PR8].

D.4.1.3 Asset Protection

A comprehensive approach to the protection of assets

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

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

The main Atos security policies are part of the Atos "Book of Internal Policies":

- AP90 Atos information Security Policy;
- AP91 Atos information Classification Policy;
- AP92 Atos Safety Policy;
- AP96 Atos IT acceptable use Policy.

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

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

Security management system, organization and governance

Atos' Information Security Management System (ISMS), built in 2001, is mandated across all the Group Business Units and Divisions. The Security organization is aligned with the continuous improvement cycle related to this ISMS. Planned enhancements to the ISMS include a single set of security policies that are harmonized across all areas of Atos Worldwide and will be:

- written in clear English, at a level that allows Atos staff worldwide to understand and comply with;
- consistent in structure & terminology;
- easy to use & maintain.

This will be supported by a streamlined document review and approval process.

Following 2013 initiatives, Security organization and governance continued to be reinforced in Atos Divisions (e.g. Infrastructure & Data Management and Business & Platforms Solutions) as well as further assignment or set up of Security Management teams and roles to address specific areas (e.g. creation of a Computer Security Incident Response Team). Group security Governance is structured around weekly calls under the responsibility of the Group Chief Security Officer – Head of Security, with all Group and Business Units security officers, representatives from all Atos entities.

During weekly calls, Chief Security Officers (CSO) from all part of the Group organization are working all together on:

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

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

Security key performance indicators and reporting

From a security performance management perspective, Atos is monitoring the deployment of ISO27001 at all the Atos business activities.

In 2016, the External Certifier (Ernst and Young) audited a total of 19 locations in the GBUs: Asia Pacific, Iberia, Meaddle East and Africa, Central and East Europe, France, Benelux and The Nordics, South America, Germany for selected Divisions for each chosen location. Atos performed 121 internal audits at further sites.

In addition to these high-level indicators, technical monitoring and reporting are in place to act proactively on security anomalies (weekly security watch analysis, monthly monitoring of firewall configurations, weekly vulnerability scans, yearly penetration tests, reviews of access rights, intrusion detection systems, and monitoring and logging of system events). All these measures are part of the Atos security framework [AO3].

D.4.2 Ethics in the Supply Chain

[G4-DMA-Procurement practices]

D.4.2.1 A permanent dialogue with Atos suppliers

[G4-12]

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

- Global Categories;
- Global Process & Development;
- Business Unit Procurement departments.

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

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

Since mid-2014, Atos Global Procurement has taken the lead on the development of purchasing with sheltered workshops ("Entreprise Adaptée" et "Etablissement et Service d'Aide par le Travail": French companies employing at least 80% of disabled people) for France.

In 2016, in Atos France and Worldline France the spend with sheltered workshops was € 140 thousands.

In Spain, thanks to the involvement of the Atos local procurement team, the spend with sheltered workshops ("Centros Especiales de Empleo") was € 834 thousand in 2016.

In Worldline Belgium the terminal business spent represents € 3.6 million. This is the company where Atos terminals are customized and packed prior to delivery to the customers.

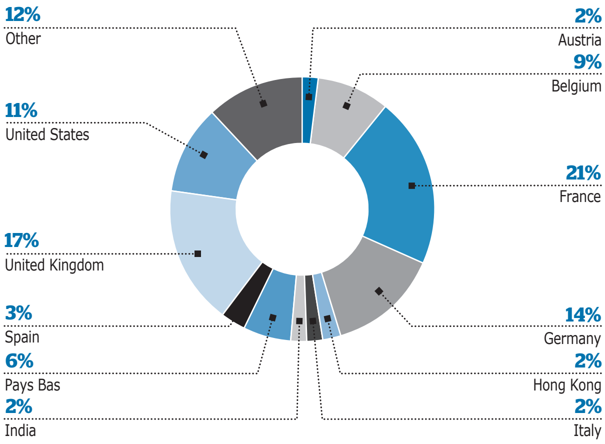
During 2016 the integration of Xerox ITO was completed and new projects focused on synergies and integration started for Unify (MSCCS), Equens and Anthelio. This work involves contract novation supplier rationalization and process standardization.

As stated in the Atos 3 year plan 17/18/19' one, objective of the Atos Procurement organization is to concentrate spend on fewer suppliers (Globally and at Country level), thus reducing the number of suppliers to manage. By 2019, 80% of Atos total spend should be transacted with 450 suppliers; at the end of 2016 80% was transacted with 577 suppliers.

On the 60+ Countries where Atos Procurement is operating, 6 countries (United-Kingdom, Germany, France, Netherlands, USA and Belgium) represent 78% of the spend while 46 countries represent less than 10% of the total spend. The 7 largest countries representing 81% of Atos spend are under control in terms of sustainability and all located in Europe and North-America.

ATOS SPEND BY COUNTRY

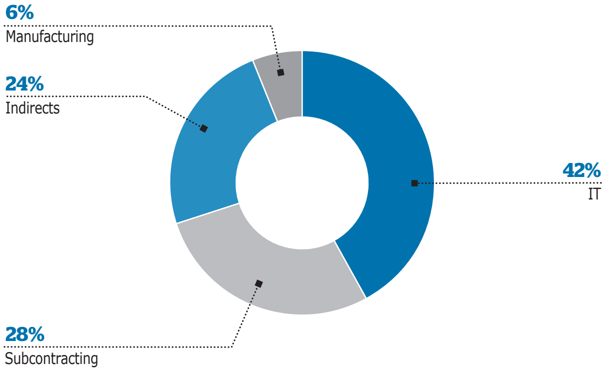
[G4-EC8]



Since we are a service company, a large part of our purchases are concentrated on people-related categories. Indeed, 28% of Atos total spend is dedicated to Staffing & subcontracting. Indirects including Facility management and Professional services, it represents 24% of Atos total spend. These categories indirectly generate employment in countries where strong labor laws are in place. On the other hand, IT spend represent 42% of Atos total spend and is sourced from the largest IT tier one suppliers, which are all fully in line with Atos sustainability objectives.

Manufacturing in Atos now represents 6% of spend and is mainly sourced from ECMs (Electronic Contracts Manufacturing) and or tier one suppliers though a small proportion of spend is sourced from a supply chain in Asia Pacific.

Atos' spend 2016 by category
[G4-12]



Finally, although Global Procurement teams aims to centralize spend and sign global agreements with larger suppliers, 85% the delivery of goods and services are done at local level, reducing our impact on the environment. This is explained by the usage of vendors located in numerous countries or the usage of distributors for IT materials [G4-EC9].

D.4.2.2 Enhance Sustainable relation

Atos Sustainable Supplier Charter is available on Atos website to anyone interested to know more about Atos sustainable procurement values. It is distributed to all suppliers participating to a request for proposal with Atos and is attached to all contracts. The charter's objective is to summarize principles and actions undertaken by Atos Procurement department for Corporate and Social Responsibility. It encourages Atos' suppliers to follow the principles of the UN Global Compact in the areas of human rights, labour, the environment and anti-corruption. In the context of Request for Proposals, suppliers are also informed that they should respect these principles to be able to work with Atos. Moreover, they should be prepared to be assessed by EcoVadis on their Corporate Responsibility performance at any time during their contract with Atos.

As explained in section D.4.2.1, Atos Procurement's objective is to strengthen the relationship with key suppliers (Top 250) and have all of them assessed by EcoVadis on their Corporate Responsibility performance by end of 2019. EcoVadis assessments are done on four levels: Environment, Labor practices, Fair business practices and Supply chain. Suppliers are asked to answer to a detailed questionnaire about their engagement in Corporate Responsibility and required to provide documents supporting their answers. Then, a team of CSR experts analyses the answers and documents in detailed in order to give a global score (out of 100), a score per area and detailed comments including improvement schemes.

In 2016, 103 suppliers have been scored or reassessed by EcoVadis representing 49% of the total spend and 41% of our strategic suppliers [AO17 and G4-SO3]. The selection was based on the level of spend, the category risk level and the geographic risk. With the usage of ZEN (Atos ESN), the entire purchasing community is aware about the relationship with EcoVadis and the status of the ongoing assessments of strategic suppliers. In total, at the end of 2016, Atos had a vision on 450 suppliers EcoVadis scorecards.

The average score is 53.7 which confirm the following assessment:

- a structured and proactive Corporate Responsibility approach;
- policies and tangible actions on major topics;
- basic reporting on actions or performance indicators;
- company embraces continuous performance improvements on corporate responsibility and should be considered for a long-term business relationship.

Suppliers with insufficient scores (below 40/100) are required to implement corrective action plans and to be re-evaluated after 12 months. In 2016, less than 17% of our panel had low scores, usually because of a misunderstanding of EcoVadis assessment process and platform. However, if a supplier refuses to participate to EcoVadis assessment or is not willing to cooperate with Atos to improve its CSR performance this will, in most cases, lead to very few or no contracts being placed with that vendor.

Atos objective in 2016 is to carry out assessments on key new suppliers from Unify, Equens and Anthelio and other planned acquisitions.

In 2016, Atos has been reassessed by EcoVadis on its Corporate Responsibility performance and obtained the score 78/100, improving last year score by 4 points.

D.4.3 Responsible company in the territorial anchor

[G4-EC1] [G4-EC8] and [G4-DMA-Economic performance]

As a leading digital company, Atos has identified that it can make the most positive and sustainable contributions to society in three main areas: improving access to education, increasing the skills and employability of underprivileged youth, and working to include disadvantaged communities into the digital world.

Atos expanded its corporate citizenship actions across several geographies and continued to develop social initiatives in partnership with non for profit organizations at local level.

In 2016, 1,093 employees took part in several programs worldwide [G4-EC1]. The initiatives ranged from social engagement through free IT teaching, volunteering in schools in deprived areas, delivering ICT projects, to sporting activities that help raise funds for charities.

In total, Atos has spent € 5.58 million on funding for social communities in 2016. This amount includes the donations to charity and social communities, plus the commercial initiatives and the community investments as defined in the London Benchmark Group (a reference model used for by Atos to report on the Social Contribution) [G4-EC1], [G4-EC7]. A total amount of € 82.52 million was received in financial assistance from governments in 2016 [G4-EC4].

To find out examples of Corporate citizenship's actions taken at local level, please refer to the "Ethics and Supply chain" Chapter in the 2016 Corporate Responsibility report.

D.4.4 Being an ethical and fair player within Atos' sphere of influence – KPI overview

		2016	2015	2014	2016 PERIMETER		2015 PERIMETER	
GRI code	KPI Name	GROUP	GROUP	GROUP	Per employee	Per revenue	Per employee	Per revenue
G4-SO4	**Percentage of employees trained to the Code of Ethics**							
SO4_B_b1	Number of employees trained in Code of Ethics - (Elearning + Classroom)	72,584	20,286	40,395	100,00%	---	100,00%	---
SO4_B_c1	Percentage of employees trained in Code of Ethics - Elearning	86%	24%	53%	100,00%	---	100,00%	---
SO4_D_b1	Number of management employees trained in Code of Ethics - Classroom training	642	358	466	100,00%	---	100,00%	---
SO4_D_b2	Number of targeted management employees	1311	830	645	100,00%	---	100,00%	---
SO4_D_c1	Percentage of management employees trained in Code of Ethics - Classroom training	49%	43%	72%	100,00%	---	100,00%	---
SO4_E_b1	Number of employees who successfully completed the web based Code of Ethics training	71,942	19,928	39,929	100,00%	---	100,00%	---
SO4_E_c1	Percentage of employees who successfully completed the web based Code of Ethics training	86%	24%	53%	100,00%	---	100,00%	---
G4-SO5	**Actions taken in response to incidents of corruption.**	**Qualitative**			**Qualitative**			
SO5_A1_c2	Number of claims with clients or suppliers related to corruption, higher than 100000€	0	0	0	100,00%	---	100,00%	---
G4-SO8	**Significant fines for non-compliance**							
SO8_A1_c1	Total value of significant fines (higher than 100K EUR)	160,000	0	0	---	100,00%	---	100,00%
SO8_c3	Number of significant fines (higher than 100K EUR)	1	0	0	---	100,00%	---	100,00%
G4-EC6	**Proportion of senior management hired from the local community**							
EC6_A_b1	Number of national senior managers	2,436	2,292	2,189	92,35%	---	100,00%	---
EC6_A_b2	Total number of senior managers	2,620	2,465	2,348	92,35%	---	100,00%	---
EC6_A_c1	Percentage of national senior managers	92,98%	92,98%	93,23%	92,35%	---	100,00%	---
EC6_A_b3	Number of national employee	79,469	71,263	65,970	92,35%	---	91,98%	---
EC6_A_b4	Total number of employees	92,438	75,348	69,600	92,35%	---	91,98%	---
EC6_A_c2	Percentage of national employees	85,97%	94,58%	94,78%	92,35%	---	91,98%	---
EC6_A_b5	Number of national employees recruited	14,656	11,953	11,343	92,35%	---	100,00%	---
EC6_A_b6	Total number of employees recruited	16,005	12,882	12,096	92,35%	---	100,00%	---

		2016	2015	2014	2016 PERIMETER		2015 PERIMETER	
GRI code	**KPI Name**	**GROUP**	**GROUP**	**GROUP**	**Per employee**	**Per revenue**	**Per employee**	**Per revenue**
EC6_A_c3	Percentage of national employees recruited (Excluding acquisitions)	91,57%	92,79%	93,77%	92,35%	---	100,00%	---
G4-EC1	**Community investments (Economic value distributed)**							
EC1_A6_c1	Total community investments (Eur)	5,578,214	3,961,485	1,266,097	---	88,53%	---	71,03%
EC1_A6_c3	Donations to Charity	436,070	248,835	815,825	---	88,53%	---	71,03%
EC1_A6_c4	Contribution to Commercial initiatives for good causes	232,776	87,130	173,308	---	88,53%	---	71,03%
EC1_A6_c8	Contribution to Universities and similars	4,813,851	3,625,520	183,008	---	88,53%	---	71,03%
EC1_A6_c9	Contribution to Responsible IT Projects	95,517	0	93,956	---	88,53%	---	71,03%
EC1_A6_c0	Management Cost of Social Contribution initiatives	405,765	23,209	67,483	---	88,53%	---	71,03%
EC1_A6_c2	Total number of employees involved in the main social iniciatives	1,093	796	Not disclosed	84,61%	---	73,69%	---
G4-EC4	**Financial assistance from governments**							
EC4_A_c1	Financial assistance from governments (EUR)	82,520,499	54,545,001	35,155,809	---	99,61%	---	52,52%
G4-EC9	**Proportion of spending on local suppliers**							
EC9_A_c1	Percentage of local spending	85%	92%	90%	---	100,00%	---	86,69%
G4-SO3	**Total number and percentage of operations assessed for risks related to corruption**	**Qualitative**						
G4-EC8	**Significant indirect economic impacts, including the extents of impacts**	**Qualitative**						
AO17	**Supplier Screening**							
AO17_A_c0	Number of strategic suppliers assessed by Ecovadis	103	Not disclosed	Not disclosed	---	70%	---	---
AO17_A_c1	Percentage of strategic suppliers evaluated by EcoVadis	41%	Not disclosed	Not disclosed	---	70%	---	---
AO17_A_c2	Total spend evaluated evaluated by EcoVadis (EUR)	2,642,106 240	Not disclosed	Not disclosed	---	70%	---	---
AO17_A_c3	Total percentage of spend assessed by EcoVadis	49%	Not disclosed	Not disclosed	---	70%	---	---

G4-EC9: The value includes Equens.

AO17: Change in methodology, see AO17 Note in D.6.1.5 Methodological detailed information.

D.5 Managing the corporate environmental footprint and tackling climate change

D.5.1 Main challenges and achievements

[G4-DMA-Energy] and [G4-DMA-Emissions]

Atos main environmental ambitions and challenges with related objectives are described in the Environmental table included in section 1.3.2 "Atos materiality matrix", and stated in the introduction part of the Environment Chapter of the Corporate Responsibility report 2016.

In 2016, Atos was recognized by many key players such as the CDP or the DJSI, as a global leader within the IT sector for its actions to reduce carbon emissions and mitigate the business risks of climate change. Notably, on the 2016 CDP Climate Performance Leadership Index, Atos was recognized as a global leader within the IT sector and was among the top 9% of companies to be awarded an "A" grade worldwide.

In 2016, Atos demonstrated great achievements, meeting its objectives in all areas described in section D.1.3.2:

- after major acquisitions, requiring further optimizations or implying new consolidations, Atos' average PUE (Power Usage Effectiveness) for all its datacenters was estimated at 1.74 and 1.62 in its strategic datacenters (scope: Infrastructure Data Management data centers); [G4-EN7]
- 90% of the electricity consumed by Atos' strategic datacenters (owned and operated by Atos, co-location excluded) was supplied by decarbonized sources (63% nuclear and 27% renewable sources) (scope: Infrastructure Data Management data centers); [G4-EN3]
- as Atos achieved 50% of carbon reduction both in absolute and in intensity during the period 2008-2015, it set up new carbon intensity reduction targets: a carbon reduction by 5 to 15% by 2020 (tCO_2 per € million revenue, 2016 base line, for operational scopes 1, 2 and 3A); [G4-EN19]
- since 2010, Atos has compensated 100% of its datacenters energy residual CO_2 emissions; [G4-EN19]
- 124 sites (datacenters and offices) were certified ISO 14001, taking into account the Group's acquisition and consolidation program. [AO14]

D.5.2 Environmental management

[G4-DMA-Energy], [G4-DMA- Emissions] and [G4-15]

D.5.2.1 Governance

In addition to the governance on Corporate Responsibility Program explained in section 1.1.3 which includes environmental aspects, environmental challenges are monitored by the Group Environmental Manager and the environmental team. Within the Business Units, the heads of CR&S are also in charge of monitoring the environmental challenges at regional and local level.

D.5.2.2 Environmental Policy

In 2016, a new version of the Group's Environmental Policy has been formalized and published. The Policy is aligned with the Group's strategic ambitions and with the Group's Corporate Responsibility & Sustainability program.

The purpose of the Policy is to provide high-level principles, over the short and long term, regarding the Group's main environmental challenges. The Policy is applicable to all Atos' entities and operations, all office sites and datacenters regardless of their location. The entire Atos organization is covered. The Policy is also a reference document for our external stakeholders to better understand the engagement of Atos in favor of the environment.

The Policy is complemented by a book of operational guidelines and objectives per environmental challenge.

D.5.2.3 Environmental certification

[AO14]

The ISO 14001 certification of Atos' major sites is a key element of Atos' Environmental Program. All Atos' main sites - meeting the Group's certification criteria (strategic datacenters operated by Atos plus targeted co-located sites and main office sites with more than 500 employees) must progressively enter into the certification process to achieve certification.

Due to both the Group's acquisition program and the Group's consolidation program, the numbers of eligible sites (datacenters and offices) and the total number of certified sites evolve over time.

In several Business Units, sites, which do not formally fulfill the Group's certification criteria, are still certified to be recognized as leaders on environmental issues, to anticipate regulations or meet local market expectations.

Further information related to Global Multi site certification process in Environment Chapter of the Corporate Responsibility report 2016.

D.5.2.4 Main opportunities and specific risks

[AO7]

Improving Atos' performance regarding environmental challenges represents opportunities leading to new ways of working, improved internal processes, better operating efficiency and potential savings.

The Group is also acutely aware of the business and environmental challenges that its clients face from consuming energy and emitting greenhouse gases. Atos innovates and delivers new digital solutions (smart solutions, green datacenters, and carbon neutral hosting…) that help its clients tackle both their business and environmental challenges. In particular, Atos' carbon-neutral hosting services enable its IT intensive clients (like banks, travel or digital service companies…) to drastically reduce their scope 3 emissions by writing zero (0) for the IT solutions they outsource with us.

In 2016, the total revenue of the sustainability offerings represented € 1.67 billion. Further information on such offerings in section D.3. [G4-EC2]

For Atos, the specific risks in connection with the main environmental challenges concern climate change, natural disasters and regulatory compliance. Atos monitors these specific risks through complementary tools and processes: the Enterprise risk management Process (monitoring main risks that can impair the achievement of the Group's objectives); the Book of Internal Control (BIC) and the Legal Risk Mapping.

It must also be noted, that extensive business continuity strategies have been implemented with as a result, the ability to provide services from different locations. These business continuity strategies can minimize the effects of local phenomena and aim to mitigate wider natural events as well as other disruption causes like fires or civil disturbances.

Environmental risks are covered in section F.1.3.

D.5.2.5 Communication and training process

In terms of internal communication and awareness, Atos has made available several resources for the employees about environmental challenges:

- the environmental Policy is publicly available and downloadable on atos. net;
- the deployment of the global reporting process is supported by dedicated training on environmental challenges and KPIs;
- the ISO 14001 certification program implies an awareness program engaging employees on environmental challenges;
- several blueKiwi collaborative communities cover sustainability topics such as environmental challenges, market trends, stakeholder expectations, innovations, business challenges and best practices;
- e-learning modules (in English, French, German, and Spanish) accessible to all employees address sustainability topics.

D.5.3 Environmental Challenges

D.5.3.1 Main action plans and levers

[G4-EN15] [G4-EN16] [G4-EN17] [G4-EN18] [G4-EN19]

Atos' main environmental challenges have mobilized the attention of the senior management and have been transformed into specific action plans:

- focus the environmental program on these main challenges first;
- involve internal functions to integrate the challenges into processes, entities, operations, Business Units and Divisions;
- monitor main office sites' and strategic datacenters' environmental impacts through the ISO 14001 certification program;
- set ambitious objectives about carbon, leading the way of the IT sector;
- offset 100% of our datacenters' energy to make our hosting services carbon neutral;
- take concrete steps to improve energy efficiency and reduce consumption;
- switch to renewable or decarbonized energy sources wherever it is practical;
- encourage low-carbon travel and new ways of working;
- share our ambition with employees in all the countries where Atos operates;
- publicly communicate about climate and environmental objectives, progress and achievements.

D.5.3.2 Carbon emissions and climate change

After great achievement in carbon reduction between 2008 and 2015, Atos took new public commitment at the end of 2016 during the Investors Day on November 8, as described in section 5.1 and in Environment Chapter of the Corporate Responsibility report.

The Group's fast changes and both its internal and external rapid growth rates, have direct impacts on its carbon absolute and intensity emissions. To stay in line with the reality of the Group, Atos needs to keep the flexibility to adjust its targets to take into account new companies joining the Group, new activities in new countries, and new additional production capacities with their associated absolute emissions. Similarly, Atos needs to keep the possibility to realign its baseline to accommodate new acquisitions with very different intensity profiles (e.g. new industrial activities versus services). Triggers such as the % of new absolute emissions data available (e.g. > 15%) and/or new high-intensity activities will be considered at regular time intervals.

On the long term, Atos is part of the platform designed by CDP and the "We Mean Business Coalition" to act and be recognized for leadership on climate change. In this framework, Thierry Breton, CEO of Atos, has endorsed four initiatives concerning long-term CO_2 emission targets in line with the world effort to limit the rise of climate change below 1.5°C /2°C; carbon price; engagement with stakeholders and public information.

Absolute CO_2 emissions

[G4-EN15], [G4-EN16], [G4-EN17] and [EN18]

Due to the Group's acquisition policy (new companies, new activities in new countries, additional production capacities and associated absolute emissions…), the absolute carbon emissions can hardly be compared from year to year.

In 2016, Atos' emissions covering Scopes 1, 2 and 3 - part A (Operational Scope 3) amounted to 253,000 tons CO_2, for all activities worldwide. Scope 1 represented 12% of the overall emissions, Scope 2 represented 40% and Scope 3 - part A represented 48%.

Emissions covering these Scopes 1, 2 and 3 - part A are also sub-categorized by business activities and in 2016, the datacenters represented 48% of the overall emissions, the offices 29% and travel 23%.

In 2016, within the Scope 3 – part B covering the "Other Scope 3 emissions", the most significant categories representing circa 90% of the total Group's emissions (all scopes combined) were the upstream categories 1 "Goods and services" and 2 "Capital goods" (circa 70%) and the downstream category 11 "Use of sold products" (circa 20%). These emissions have been estimated using the GHG Protocol Scope 3 Evaluator for the categories 1 and 2 and sectorial surveys for the categories 11. In all cases, in terms of emissions, the level of uncertainty remains high and the results must be considered as orders of magnitude.

The emissions linked to Scope 3 categories 1 and 2 are related to Atos' supply chain. The monitoring of Atos' supply chain's CSR progress is done through EcoVadis, as described in D.4.2.

For category 11 "Use of products sold", progress is being made by continuously improving the energy efficiency ratios of Atos' solutions, but the volume of emissions largely depends on where the solutions are implemented and of the local energy mix that is used.

Intensity CO_2 emissions
[G4-EN18]

Carbon intensity figures (emissions per revenue or employees) are more significant than absolute figures to understand the trends and progress achieved at constant scope but have been in 2016 significantly impacted by the carbon high-intensity profile of the new entities entering the Group (new major acquisitions with high-intensity datacenter activities).

Based on the new 2016 enlarged scope including new entities and new activities (through new major acquisitions), Atos' intensity emissions covering Scopes 1, 2 and 3 - part A were 22.14 tons CO_2 per € million and 2.90 tons per employee (respectively 17.81 and 2.17 based on the previous 2015 reduced scope).

Carbon-saving initiatives
[G4-EN19]

The amount of CO2 emissions saved in the offices and data centers due to energy-saving initiatives can be found in the KPI overview section.

Decarbonized energy
[G4-EN19]

Atos has launched a program to gradually and when possible migrate from carbon-based electricity (generated by fossil fuels) to low-carbon electricity (renewable and decarbonized energy including nuclear). The main objective is to progressively reduce the Group's carbon emissions.

Atos' ongoing objective is, wherever possible (local offer availability, end of contracts, technical and economic feasibility), to consume 100% of decarbonized electricity in the strategic datacenters operated by Atos (co-location excluded), and to progressively switch to renewable energy.

Concretely, upon the renewal of energy and electricity supply contracts, Atos Division managers and Procurement managers must systematically consider a shift towards decarbonized energy sources (renewable or nuclear) and/or towards the less impacting energies.

The progress accomplished in recent years is very significant but also strongly conditioned by local energy market capacities and constraints. At local level, the program implementation depends on several criteria such as the type of local supply or the availability and price per KWh. It also implies taking into consideration local, national or international environmental regulations and tax regulations such as carbon tax for instance.

At the end of 2016, several large countries hosting main datacenters and offices, such as Brazil, France, Germany, the Netherlands and the United Kingdom, are mainly being supplied with decarbonized electricity. For 2016 achievements, please refer to section D.5.1 and Environment Chapter of the Corporate Responsibility report 2016, especially regarding Carbon Offsetting Program for Atos but also for its client through "carbon neutral hosting" services.

D.5.3.3 Energy consumption and intensity ratios
[G4-EN3] and [G4-EN5]

Since 2008, as part of its Environmental Program, Atos closely monitors this challenge and in particular, aims to decouple the growth of its activities and the energy required. All countries in all Business Units measure and report their energy consumption for all their office sites and datacenters.

Offices: Energy efficiency and saving initiatives
[G4-EN5] and [G4-EN6]

Since 2014, a global consolidation and optimization program has been underway in the Offices. Each year the program leads to the migration, the closure of existing offices or the opening of new ones.

In 2016, the optimization program continued, with the further integration of Bull's and Xerox ITO's and newly acquired Unify sites. At the end of 2016, Atos sites represented more than 1.2 million m² distributed in more than 516 locations worldwide (449 locations in 2015). In 2016, this program saved more than 10% (10% in 2015) of the real-estate expenditure.

The global Real-Estate/Logistic and Housing Policy promotes strict guidelines and processes for real-estate management. All Business Units must apply the Policy guidelines. In particular, the policy promotes energy-efficiency criteria for the selection of new locations and for the extension and rationalization projects. Energy-efficiency criteria such as smart design and low-energy building techniques; "efficiency-label" certifications and standards (LEED; BREEAM; HPE; THPE; DGNB); highly energy-efficient appliances or public transport availability are considered.

In addition, the Atos Smart Campus concept includes new ways of working, such as open spaces, desk-sharing, digital tools, home mobile and co-working. These new ways of working positively contribute to the environmental footprint of the offices and employees. Thus, the reduced number of square meters used for performing specific activities also reduces the lighting, heating or cooling needs.

All Atos' main office sites also benefit from the ISO 14001 certification program and closely monitor their energy consumption. Over the years, in terms of energy optimization, numerous actions have been taken by the sites.

Datacenters: energy Efficiency and saving initiatives [G4-EN5] and [G4-EN7]

Since 2014, a global consolidation and optimization program has been underway in the datacenters (migration, closure and opening).

Business Units systematically apply Infrastructure & Data Management Division guidelines and processes impacting energy consumption, energy efficiency and energy-saving initiatives. They also consider "energy-efficiency criteria" in the decision-making process when selecting new locations or in extensions and rationalization projects.

At the end of 2016, Atos managed 108 multi-customer datacenter sites (115 in 2015 and 85 in 2014) in 31 (30 in 2015) countries.

Over the years, in terms of energy optimization, numerous actions have been taken by Atos at its datacenters. The best practices introduced include: the rationalization of electrical installations; the installation of slabs preventing air loss through suspended floors; a rise in supply air temperature; the ability to use fresh air or water for cooling; the introduction of containment corridors to create cold air zones; the use of management tools for regular measurement of power use effectiveness (PUE); the adoption of green IT solutions to optimize hardware and its usage (consolidation, virtualization, cloud)…

The Atos-Siemens alliance has also invested in a "Datacenter Infrastructure Management" (DCIM) solution with strong capabilities for optimizing and reducing energy consumption, including asset management for improved datacenter floor and rack utilization.

The PUE is among the "7 strategic business criteria" part of the datacenter consolidation and optimization program and also a key indicator when choosing a new location.

For further information on achievements, please refer to section D.5.1 and to Environment Chapter of Corporate Responsibility report 2016.

Atos' supercomputers: energy optimization [G4-EN7]

For many years, Atos' bullx energy-aware supercomputers have been listed among the leaders in the world Green 500 list which grades the most energy-efficient supercomputers in the world. Their energy efficiency has also clearly been attested by results (Megaflops/W) on the Linpack test, used to rank supercomputers. Thanks to a steady stream of green innovations like the patented direct warm water cooling system, each new generation is more energy-efficient than the previous one. Today's Atos' supercomputers transform energy into computing power in a highly efficient way.

Atos is also designing of the future European supercomputer capable of reaching the exaflop in the 2020s. To keep energy consumption and costs down, the Atos Exascale program has fixed an upper limit of 20 MW per supercomputer. A limit in line with the environmental standards set by bodies such as the US Department of Energy for new system designs. The new generation will include high-definition energy efficiency monitoring based on multiple and fine-grain sensors. The prototype, which will be fully operational in 2017, will have a computing capacity of 25 petaflops, and with respect to capacity, electricity consumption 20 times lower than the "Tera 100" which was turned on in 2010.

D.5.3.4 Travel and new ways of working [G4-EN4]

The Business Units/Divisions travel practices must aim at moderating the number of trips and favor the less polluting / less carbon-emitting means of transportation (e.g. favor train travel over car or plane for business trips and encourage car sharing for commuting). In 2016, the average number of Km travelled by employee was 5,614 (6,114 in 2015). In some countries such as France or Germany, electric cars are provided to employees. In France, the "MyCar" electric fleet has been available for employees' business travel since 2012.

The Group's car leasing policy stipulates that leased cars shall have a CO_2 emission level below 120 g CO_2/km. In 2016, after major acquisitions, Atos' fleet was estimated at 124,02 g CO_2/km. The actual EU target of 130 g CO_2/km will progressively move to 95 g/km by 2020 and to 68-78 g/km by 2025. Atos' fleet will adjust accordingly and the regular renewal of the fleet ensures that new technologies and standards related to lowering pollution and emissions are progressively adopted.

For further information on how Atos Digital Workplace reduces travel needs, please refer to the Environment Chapter of the Corporate Responsibility Chapter 2016.

D.5.3.5 Other environmental challenges

Even if they are not identified as "material" due to nature of Atos business, some other environmental challenges are monitored by Atos, because they have to according to French legal environmental reporting requirements or they can be of significance for some Business Units, Divisions or stakeholders.

Paper

The "new ways of working" promoted by Atos intensively use digital collaboration tools. These tools progressively reduce the use of paper within the Group. Furthermore, the printing policy, the shared printers and the "follow me printing" solution give each individual a sense of responsibility in reducing paper consumption.

In 2016, based on publicly available estimations of paper consumption per employee in the tertiary sector, Atos' global consumption was estimated at 7,300 tons for 97,003 employees.

Waste and e-waste
[AO19]

Atos' office waste is mainly made up of cardboard, paper, cups, plastic bottles or other tertiary sector waste. Atos' Real-Estate policy favors the rent of office spaces and frequently the offices are shared among multiple tenants. Office waste is managed globally by the landlord or external subcontractors according to the local legal obligations.

Concerning e-waste, through the leasing practice now globally implemented within the Group and in compliance with local laws, the suppliers remain responsible for the end of life of their IT equipment, as required through the signature of the Sustainable Supplier Charter.

In compliance with the European Waste Electrical and Electronic Equipment Directive (WEEE Directive 2012/19/EU), in France, since July 2013, Atos Division Big Data & Cybersecurity has joined EcoLogic, a collective system certified by the French Ministry of the Environment.

In the ISO 14001 certified datacenter and office sites the volume of waste, e-waste, batteries and accumulators is tracked among other environmental indicators. In 2016, based on publicly available estimations of waste per employee in the tertiary sector, Atos' global office waste worldwide was estimated at 11,700 metric tons for 97,003 employees.

Water
[GRI-EN8]

In offices, Atos water consumption is that of the tertiary sector. In datacenters, water is mainly necessary for cooling servers but the water used for this purpose flows in specific closed water loop sealed circuit. During heat waves, water can also be used to supply some datacenters cooling units as water spray can reduce units' peak power consumption.

Regarding Atos Big Data & Cybersecurity, specific hardware technologies, even though the operations include engineering activities (R&D, conception, design and component assembly), the Division does not manufacture components or only marginally. The main sources of water use are to be found upstream with the manufacturers of electronic cards and processors.

In the ISO 14001 certified datacenter and office sites, the volume of water is tracked: in 2016, using actual Atos' UK data based on metered sanitary consumption per employee, and consistent with estimation based on global water spend at Group level Atos' water consumption worldwide was estimated at 0.36 million M3 for 97,003 employees.

Biodiversity and land use, air emissions and pollution, catering and food waste

As for the other environmental challenges mentioned in D.5.3.5, biodiversity is not material: Atos does not have a significant direct impact on biodiversity.

ODS ozone-depleting substances (ODS), sulfur oxides (SOx) and nitrogen oxides (NOx) have not been identified as primary in Atos activities and materiality test assessment.

Catering providers working at Atos facilities must optimize the use of resources (water, electricity…), combat food waste and wherever possible implement recovery practices and waste recycling.

Big Data & Cybersecurity Hardware Technologies
[G4-PR9]

As a hardware provider (products, servers), Atos Big Data & Cybersecurity faces specific challenges:

- comply with the specific laws, regulations- or best standards (REACH, RoHS, WEEE, ASHRAE…);
- limit the impact of products manufactured thanks to eco-design practices;
- pay attention to origin of raw materials while minimizing their usage;
- consider circular economy challenges and best practices;
- implement quality, safety and environment (QSE) practices and lean manufacturing in plants;
- minimize risks on the supply chain through regular CSR assessments of suppliers;
- favor eco-friendly transport and freight to mitigate the footprint of logistics.

Atos Big Data & Cybersecurity main manufacturing site located in Angers is one of the top 100 companies in France to have developed an integrated QSE quality management system. The QSE certification (ISO 9001 quality, OHSAS 18001 and ILO-OSH 2001 health and safety, ISO 14001 environment) was renewed in 2014 and joined by ISO 50001 v2011 certification for energy management. Within this certification framework, the site monitors regulations to ensure that its activities comply with the environmental, technical and legal provisions.

The design process for the servers integrates European directives such as: the CE standard, the REACH Directive on eliminating pollutants; the RoHS Directive on eliminating hazardous substances; the American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) standards on maximum temperature and humidity for server functionality.

Over the years in terms of ecodesign, numerous actions have been taken, incorporating the evolution of the environmental regulatory obligations and of the customer expectations with respect to product functions, delivery, quality, service and end of life management. They imply constant progress in design, substances, power supply and batteries, packaging, disassembly, recycling and specific innovations to improve the energy efficiency like the patented Direct Liquid Cooling system (DLC), the "cold door", the ultra-capacitor or the data centre in containers. Atos BDS promotes products lifespan that takes the form of innovations facilitating the maintenance (i.e.plug & play functions) and promoting products scalability.

In early 2013, the Group embarked on a consultation process with its major suppliers on the origin of the raw materials they use, in view of the issue of "conflict minerals" and in order to prevent impacts on Bull computers.

Atos considers that these specific challenges are monitored. Their potential impact is also marginal compared to the whole activity of the Group.

In relation to the challenges set out above, during the 2016 financial year there were no fines, administrative, judicial or arbitration proceedings (including any proceedings of which the Group is aware and may be threatened by) for non-compliance with laws and regulations concerning the provision and use of Big Data & Cybersecurity products that had, or might have had, significant effects on the financial position or profitability of the Group [G4-PR9].

D.5.4 Managing the corporate environmental footprint – KPI overview

		2016	2015	2014	2016 PERIMETER		2015 PERIMETER	
GRI code	**KPI Name**	**GROUP**	**GROUP**	**GROUP**	**Per employee**	**Per revenue**	**Per employee**	**Per revenue**
G4-EN3	**Energy consumption within the organization**							
EN3_E_c1	Total direct* and indirect* energy consumption (GJ)	2,748,247	2,240,714	2,072,483	---	93,44%	---	91,80%
EN3_A	Total Direct Energy Consumption in Data Centers & Offices (GJ)	153,403	170,563	186,854	---	93,44%	---	91,80%
EN3_A-Off	Direct energy consumption in Offices (GJ)	124,407	148,849	169,139	---	93,44%	---	91,80%
EN3_A-DC	Direct energy consumption in Data Centers (GJ)	28,996	21,714	17,715	---	93,44%	---	91,80%
EN3_C	Total Indirect Energy Consumption in Data Centers & Offices (GJ)	2,594,844	2,070,151	1,885,629	---	93,44%	---	91,80%
EN3_C-Off	Indirect Energy Consumption in Offices (GJ)	772,388	629,258	608,154	---	93,44%	---	91,80%
EN3_C-DC	Indirect Energy Consumption in Data Centers (GJ)	1,822,456	1,440,893	1,277,475	---	93,44%	---	91,80%
EN3_C1_c10	Total electricity consumption from renewable sources (GJ)	368,751	698,125	Not disclosed	---	93,44%	---	91,80%
EN3_C1_c9	Share of electricity supplied by decarbonized sources in Atos' strategic Data Centers	90%	Not disclosed	Not disclosed	---	82,88%	---	---
EN3_C1_c8	Share of electricity supplied by renewable sources in Atos' strategic Data Centers	27%	Not disclosed	Not disclosed	---	82,88%	---	---
G4-EN4	**Energy consumption outside of the organization**							
	Global travel intensity							
EN4_c1	Total KM Traveled per Employee	5,614	6,114	6,180	77,48%	---	85,54%	---
EN4_c2	Total km travelled per revenue (in Millions of Euros)	35,850	42,733	53,623	---	94,85%	---	90,22%
G4-EN4	Distances travelled							
EN4_A6_c93	Total KM Traveled by Car	194,025,973	220,423,475	191,226,514	77,48%	---	85,54%	---
EN4_A6_c50	Total KM Traveled by Train	36,812,261	50,820,255	43,201,759	77,48%	---	85,54%	---
EN4_A6_c57	Total KM Traveled by Taxi	3,507,159	2,308,629	1,814,641	77,48%	---	85,54%	---
EN4_A6_c92	Total KM Traveled by Plane	159,319,623	154,867,923	102,057,808	77,48%	---	85,54%	---
	GHG emissions for company's cars							

		2016	2015	2014	2016 PERIMETER		2015 PERIMETER	
GRI code	KPI Name	GROUP	GROUP	GROUP	Per employee	Per revenue	Per employee	Per revenue
EN4_A6_b70	Number of company cars	6,860	7,770	7,357	---	100,00%	---	100,00%
EN4_A6_b71	Number of cars below 120 g CO_2/km	6,064	6,112	4,208	---	100,00%	---	100,00%
EN4_A6_c1	Percentage of company cars below 120 g CO_2/km	88%	79%	57%	---	100,00%	---	100,00%
EN4_A6_b82	Average of emissions in company´s fleet cars (gr CO_2/km)	124,02	104,72	111,20	---	100,00%	---	100,00%
G4-EN5	**Energy Intensity**							
EN5_A_c1	Energy intensity by revenue (GJ per € Million)	243,41	236,82	262,68	---	93,44%	---	91,80%
EN5_A_c2	Energy intensity by employee (GJ per Employee)	32,18	29,05	30,84	88,07%	---	93,05%	---
G4-EN6	**Energy Saving Initiatives**							
EN6_A_c1	Estimated Energy savings in Data Centres (GJ)	2,486	20,487	9,051	---	30,76%	---	62,76%
EN6_A_c3	Cost savings due to energy savings in Data Centers (EUR)	133,485	685,670	5,307,882	---	30,76%	---	62,76%
EN6_A_c5	Estimated Energy savings in Offices (GJ)	17,830	91,847	34,095	---	30,76%	---	62,76%
EN6_A_c6	Cost savings due to energy savings in Offices (EUR)	187,381	2,653,364	3,954,247	---	30,76%	---	62,76%
G4-EN7	**Reductions in energy requirements of products and services**							
EN7_A	Global estimated average PUE for strategic Data Centers	1,62	1,64	Not disclosed	---	82,88%	---	
G4-EN15	**Direct greenhouse gas emissions (DCs & Offices)**							
EN15_A_c2	GHG emissions (scope 1) in *tCO_2	30,048	31,116	34900,4215	---	95,53%	---	91,32%
G4-EN16	**Indirect greenhouse gas emissions (DCs & Offices)**							
EN16_A_c1	GHG emissions (scope 2) in tCO_2	100,376	43,879	32409,9242	---	95,53%	---	91,32%
G4-EN17	**Other indirect greenhouse gas emissions ("Operational" Scope 3)**							
EN17_A_c1	GHG emissions ("Operational" Scope 3) in tCO_2	122,576	95,366	81855,4558	---	95,53%	---	91,32%
G4-EN18	**Greenhouse gas emissions intensity**							
EN18_A_c3	Global GHG emissions (tCO_2)	253,000	170,361	149,166	---	93,98%	---	91,32%
EN18_A_c4	GHG emissions in Data Centers (tCO_2)	122,315	52,144	42,089	---	93,98%	---	91,32%
EN18_A_c5	GHG emissions in Offices (tCO_2)	72,758	58,083	57,429	---	93,98%	---	91,32%
EN18_A_c6	GHG emissions in Travels (tCO_2)	57,927	60,133	49,648	---	93,98%	---	91,32%
EN18_A_c1	GHG emissions by revenue (tCO_2/M €)	22,141	17,806	19,639	---	93,98%	---	91,32%
EN18_A_c2	GHG emissions by employee (tCO_2/employee)	2,901	2,165	2,262	85,92%	---	89,69%	---
G4-EN19	**Reduction of greenhouse gas (ghg) emissions**							
EN19_A_c2	Estimation of GHG reductions achieved (tCO_2)	2,757	11,030	2,627	---	65,00%	---	62,76%
EN19_A_cmp20	GHG emissions reduction due to the Energy saved in Data Centers (tCO_2)	308	2,267	557	---	65,00%	---	62,76%
EN19_A_cmp40	GHG emissions reduction due to the Energy saved in Offices (tCO_2)	2,449	8,763	2,070	---	65,00%	---	62,76%
New	**GHG emissions offsetting program**							
EN19_A_c3	Offsetting of all Data Centers GHG emissions (%)	100%	100%	100%	---	100,00%	---	100,00%
G4-PR9	**Significant fines for non-compliance concerning the provision and use of products and services**							
G4-PR9_A	Significant fines for non-compliance concerning the provision and use of products and services	0	Not disclosed	Not disclosed	---	100,00%	---	---

		2016	2015	2014	2016 PERIMETER		2015 PERIMETER	
GRI code	KPI Name	GROUP	GROUP	GROUP	Per employee	Per revenue	Per employee	Per revenue
AO14	**ISO 14001 certification of Atos main sites (offices and DC)**							
AO14_c5	ISO14001 certified sites (Offices plus Data Centers)	124	95	65	---	100,00%	---	100,00%
AO19	**Waste Electrical and Electronic Equipment (WEEE)**							
AO19_A9_b3	WEEE collected or recovered (Kg)	325,735	457,546	132,665	---	69,90%	---	80,88%
AO19_A2_b3	WEEE reused/recycled (Kg)	325,619	446,079	115,294	---	69,90%	---	80,88%

All environmental KPIs exclude Antelio, Equens, Paysquare and Cataps scope.

G4-EN3, G4-EN5, G4-EN15, G4-EN16, G4-EN17, G4-EN18 for Offices include Argentina, Austria, Belgium, Brazil, Bulgaria, Canada, Colombia, Czech Republic, Denmark, Finland, France, Germany, Hong Kong, Hungary, India, Ireland, Italy, Luxembourg, Malaysia, Mexico, Morocco, Netherlands, Philippines, Poland, Portugal, Romania, Russia, Senegal, Serbia, Singapore, Slovakia, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, United Kingdom, Uruguay, USA, Worldline Argentina, Worldline Belgium, Worldline France, Worldline Germany, Worldline Spain and Worldline United Kingdom.

G4-EN3, G4-EN5, G4-EN15, G4-EN16, G4-EN17, G4-EN18 for Data Centres include Argentina, Canada, China, Denmark, Finland, France, Germany, Netherlands, Poland, Serbia, Slovakia, Spain, Switzerland, Thailand, Turkey, UK, USA, Worldline Belgium, Worldline France and Worldline Germany.

G4-EN4, G4-EN15, G4-EN17, G4-EN18 for Travels include Argentina, Austria, Brazil, Bulgaria, Canada, China, Croatia, Czech Republic, Corporate France, Corporate Germany, Corporate Netherlands, Corporate UK, Corporate Switzerland, Finland, France, Germany, Hong Kong, Hungary, Italy, Luxembourg, Major Events, Spain, Malaysia, Morocco, Netherlands, Philippines, Poland, Portugal, Romania, Russia, Serbia, Singapore, Slovakia, Sweeden, Switzerland, Taiwan, Thailand, Turkey, United Arab Emirates, UK, Uruguay, USA, Worldline Argentina, Worldline Belgium, Worldline France, Worldline Germany, Worldline Hong Kong and Worldline Spain.

EN3_C1_c9 and EN3_C1_c8: Approximated values. Strategic Data Centers managed by Atos in Infrastructure Data Management scope.

EN3_E_c1: direct: gas, fuel, diesel, coal…

EN3_E_c1: indirect: electricity and heating energy consumption.

EN15_A_c2: tCO2: Tons of CO2.

EN17_A_c1: "Operational" Scope 3 includes the same emission categories as 2015 scope 3 (emission from business travel and 3rd Party energy consumption).

D.6 Information about the report

D.6.1 Scope of the report

[G4-13], [G4-17], [G4-22], [G4-23], [G4-28], [G4-29], [G4-30], [G4-32] and [G4-33]

This chapter describes the scope of Atos 2016 Integrated report and the guidelines on which it is based. It also addresses how Atos reports according to globally-accepted reporting standards, and the process used to obtain the information presented in this report.

D.6.1.1 French legal requirements related to the CR reporting

[G4-15]

With Grenelle 2 law, the French Companies must report a higher number of information related to the Corporate Responsibility.

Any information required by this law must be reported; any omission must be justified.

With the Materiality methodology, Atos has defined objectively and according to the practices of reporting within IT Companies Sector the list of information which is "material" and need to be reported, and the list of the one for which a justification of its omission must be given.

This methodology ensures to the external auditors, who will certify the presence of the information and the fairness of the justification, to release their Audit Report in accordance with the French law.

In 2016, and in alignment with the modification of the article L. 225-102-1, alinea 5, of the French Commercial Code, information about main greenhouse gas emissions sources generated by the activities of the Company, including through the use of goods and services has been added in Environmental chapter.

D.6.1.2 Respect of the AA1000 standard

[G4-15]

Atos uses the AA1000 SES (2011) standard as framework to structure its stakeholder's dialogue, in alignment with the following principles:

Inclusivity

Collecting and integrating the opinions of Atos stakeholders is key in defining Atos materiality assessment and main challenges. To ensure the Atos Corporate Responsibility strategy meets the expectations of its stakeholders (employees, clients, partners, suppliers and shareholders), regular meetings, discussions, and surveys are organized to share views and get inputs on different areas of concern. The aim is to work together and by doing so to create a more sustainable environment for Atos, its main partners and the community as a whole. A global stakeholder's workshop is organized yearly to address key subjects for Atos and also regular consultations with different parties. As example, in 2016 the increasing working meetings with the Societas Europeas Council (SEC) have been performed compared with previous years.

Materiality

The sustainability challenges considered to be the most significant for Atos activities are selected on a yearly basis. Atos materiality assessment process is described thoroughly in section D.1.3. The materiality assessment is established based on Atos' stakeholders' expectations as well as Atos' internal prioritization which is developed based on objective criteria related to its markets, opportunities and actions.

Responsiveness

Since 2013 (2012 results) the Atos Registration Document contains the extra-financial KPIs that Atos monitors. In addition, a separate communication document, the Corporate Responsibility report, is produced annually highlighting the four sustainability challenges and focusing on the main KPIs that Atos monitors as well as interviews and case studies. Since 2013, Atos has a steady commitment to adhere to Integrated Reporting international principles. Atos aims to have a conductive reporting environment to articulate their strategy, which must help to drive performance internally and better explain to investors the value creation over time.

D.6.1.3 Alignment with Global reporting initiative G4 guidelines

[G4-6], [G4-15], [G4-18], [G4-20], [G4-21], [G4-23], [G4-28], [G4-29], [G4-32], [G4-47] and [G4-48]

In 2016, Atos consolidated the results from the extensive material assessment performed in 2014, which had confirmed the most relevant topics (aligned with G4 aspects) in order to review the prioritization of its sustainable issues and its strategic axes.

Interviews are yearly conducted in order to evaluate the importance of each challenge in relation to its significance for Atos business strategy, its relationship to existing regulations as well as its link with targets set by the Group.

Material issues and new strategic axes are validated by the members of the Corporate Responsibility and Sustainability Program and approved by the Group Executive Committee.

This global review in 2016 confirmed that the issues previously identified in Atos sustainability strategic axes were still relevant. Nevertheless, it helped the Group to focus on more specific subjects and to reprioritize some aspects within this strategy. In this context, Atos decided to redesign its materiality matrix to be more precise and better connected to its specific activities and challenges than the Global Reporting Initiative-defined aspects. The materiality matrix presented in D.1.3.2 better emphasizes the prioritization of Atos corporate responsibility challenges and restructures the strategic axes into four main focus areas according to these priorities.

Atos reports on the full general disclosures and a total of 38 Performance Indicators clustered into management disclosures and six categories (economic, environment, labor practices & decent work, human rights, society, product responsibility) plus 8 specific Atos Performance indicators. Atos has produced its 2016 Corporate Responsibility Integrated report 'In accordance' with the GRI G4 Guidelines "Comprehensive" option. Atos has successfully completed the GRI Content Index Service. Atos aims to demonstrate that the extra financial performance disclosures are accurate and exhaustive in line with the GRI-G4 requirements.

Atos has applied the "Guidance on Defining Report Content" following the Principles of Materiality, Stakeholder Inclusiveness, Sustainability Context and Completeness.

Atos is committed to transparent and public reporting on sustainability. This report covers the period from January 1, 2016 to December 31, 2016 in a comparable period (one year) to the previous 2015 report. In term of scope the geographical perimeter has changed compared to 2015. Detailed explanations are provided in next paragraphs.

Anthelio, the Company recently acquired by Atos, is not taken into account as part of the Corporate Responsibility reporting scope.

D.6.1.4 Process for defining report content

The selection of the corporate responsibility challenges and KPIs is aligned with Atos business strategy and based on a materiality assessment (See section D.1.3.3). Corporate Responsibility strategy includes a prioritization of topics which is an essential requirement for our performance dashboard and internal project follow up.

The GRI Content Index table can be found in the Corporate Responsibility Report. It states which subjects have been considered applicable and then included in the report. The required profile information and an overview of the management approach for each indicator category is also provided.

Aspects Boundaries

[G4-17]

The following aspects of GRI 4 are material for the Group for the overall Atos organization at the exception of the "product responsibility compliance" aspect, which is only material for Bull within the organization. Outside the organization, these aspects are material for the mentioned stakeholders.

Aspects	Aspect boundaries outside the organization
Economic Performance	Clients, Investors and analysts, Communities and NGOs
Market Presence	Business partners, research institutions and universities, communities and NGOs
Indirect Economic Impacts	Suppliers, Communities and NGOs
Procurement Practices	Suppliers, Business partners, research institutions and universities
Energy	Clients, Investors and analysts
Emissions	Clients, Investors and analysts
Employment	Not material outside the organization
Training and Education	
Diversity and Equal Opportunity	
Equal remuneration for women and men	
Anti-corruption	Clients, Investors and analysts, Suppliers, Public entities
Society Compliance	Investors and analysts, Communities and NGOs, Public entities
Product and Service Labelling	Clients
Customer Privacy	Clients
Product responsibility Compliance	Not material outside the organization

Reporting scope for the indicators resulting from the materiality study

Atos obtains its Corporate Responsibility (CR) data from internal measurement and from external sources (third parties). Data relating to subcontractors are not reported here, but can be found in section F.1.5 Partnerships and subcontractors.

For the year 2015, the Group is organized as follows:

- APAC (Asia Pacific): Australia, China, Hong Kong, Japan, Malaysia, Philippines, Singapore, Taiwan, Thailand, New Zealand, Korea and India;
- CEE: Austria, Bulgaria, Croatia, Czech Republic, Hungary, Lithuania, Greece, Poland, Romania, Russia, Serbia, Slovakia, Turkey, Italy and Switzerland;
- BTN (Benelux and the Nordics): The Netherlands, Belgium, Luxembourg, Denmark, Estonia, Finland, Sweden;
- France: France;
- Germany: Germany;
- Iberia: Portugal, Spain and Andorra;
- MEA: Morocco, South Africa, Qatar, United Arab Emirates, Egypt, Kingdom of Saudi Arabia, Senegal, Algeria, Ivory Coast, Gabon, Madagascar and Lebanon;
- SAM (South America): Argentina, Brazil, Colombia, Peru, Uruguay, Venezuela and Chile;
- UK&I: The United Kingdom and Ireland;
- NAO (North America Operations): Canada, USA, Mexico, NAO China, NAO Philippines, Guatemala, Puerto Rico and Israel;
- "Worldline": Argentina, Austria, Belgium, China, Chile, France, Germany, Hong Kong, India, Indonesia, Luxembourg, Malaysia, Netherlands, Spain, United Kingdom, Singapore, and Taiwan subsidiaries;
- CORPORATE: France, Germany, Netherlands, Switzerland and United Kingdom;
- MAJOR EVENTS: Brazil, France, Spain, Switzerland, United Kingdom, South Korea and Japan;
- CES (Cloud & Enterprise Software): blueKiwi and Agarik.

On the basis of this context, the perimeter (countries under scope) of the indicators does not vary significantly on the 2016 reporting period. The tables in sections D.2.4, D.3.4, D.4.4 and D.5.4 specify the perimeter associated to each indicator.

Reporting tool

Atos' Corporate Responsibility & Sustainability Office is the contact point for questions regarding the report and includes representatives from each Business Unit/Division and representatives from the global functions. Representatives are responsible for the collecting process and evidence archiving.

Since 2011, Atos uses a SAP Sustainability Performance Management (SuPM) tool to facilitate the gathering of information, global workflows, validations, exploitation and visualization of KPIs results. Atos' challenge is to report every year with the global tool.

The most of the indicators are gathered through the sustainability global tool (SuPM) at country level. Most of HR indicators data (category "LA") have been extracted from a Group HR tool (Clarity) and uploaded into SuPM via linking and interfaces. Some other indicators are still not gathered into the sustainability global tool but have been collected at group level in other tools.

All the procedures, templates and final data are stored on the Atos Collaborative tools (blueKiwi and SharePoint) with worldwide access.

D.6.1.5 Methodological detailed information

[G4-20] and [G4-21]

Information related to G4-22

No restated information from last year, on FY 2015 reporting.

Detailed information related to G4-EC1 and G4-EC7 KPIs.

The information required in G4-EC1 is mostly included in financial statement (A.2. Revenue Profile, Notes in E.4.7.4, and G.7.3 Dividend Policy), but for the part relating "Community Investment" Atos reports the total Social Contribution reached in 2016.

Atos Social Contribution is the accountability of initiatives under the Corporate Citizenship program. That accountability is aligned with the London Benchmark Group (LBG) framework for measuring Corporate Community Investment. Atos accounts their Businesses' voluntary engagement with charitable organizations or activities within four categories: Donations to Charity, Commercial initiatives for good causes, Contribution to Universities and similar institutions, and Responsible IT Projects. The last two categories correspond to what LBG considers "Community Investment". The total cost of Atos categories is detailed in table of part D.4.4 (Being an ethical and fair player within Atos' sphere of influence – KPI overview).

The forms of contribution are Cash, Time (employee volunteering during paid working hours), In-kind (including pro bono) and Management costs. In 2016 the total cost of social initiatives in cash was €4,909,493, in time was €250,665, in-kind was €14,497, and in Management cost was €405,765 [G4-EC7_C].

Detailed information GHG Protocol Scopes 1, 2 and 3 [G4-EN15], [G4-EN16], [G4-EN17]

Atos calculates its carbon footprint using the most widely adopted standard: the "GHG Protocol". All Business Units monitor their carbon emissions and must put in place the proper action plans to progressively reduce their carbon intensity emissions (tCO_2/€m) (sections D.5.3.3 and D.5.3.4).

As defined within the GHG Protocol, Atos' emissions are sub-categorized between Scopes 1, 2 and 3 and the Scope 3 is again sub-divided into fifteen distinct categories. For operational and monitoring purposes Atos' Scope 3 has been regrouped into 2 parts (part A and part B):

Atos' Scope 3 – part A. This sub-scope called "Operational Scope 3" regroups categories covering Atos' main challenges and activities under operational control or direct influence. The categories include emissions from energy for offices, datacenters and travel (planes, cars, trains and taxis). For these emissions a sound reporting process externally verified has been in place since 2008. The coverage was 95.53% in 2016 compared to 91.32% in 2015 and 82.75% in 2014.

Atos' Scope 3 – part B. This sub-scope called "Other Scope 3 emissions" regroups other categories not under Atos' direct control or influence. The most significant emissions are coming from categories 1 and 2 "Goods and services" and "Capital goods." For these emissions, estimations were made using the GHG Protocol Scope 3 evaluator. The most significant emissions are coming from the categories 1 "Goods and services", 2 "Capital goods" and 3 "Use of sold products".

Detailed information related to G4-EN3 KPI

The data collection related to the environmental KPIs involves all the Business Units. With few exceptions, countries provided the information necessary to get a reliable estimation of the carbon footprint. In order to align the GRI collecting process to the Carbon Disclosure Abatement Project, Atos used a methodology of collecting based on the GHG protocol and the GRI guidelines. In this way the two processes can be integrated and the data for both reports can be gathered.

For the CO_2 calculations, country regulations and calculation methods have been applied.

The conversion factors have been adjusted according to the country and the type of energy consumed (fuel oil, diesel, gas, electricity).

Conversion factors are based on Defra: Guidelines to Defra/DECC's Greenhouse Gas Conversion Factors for Company Reporting, available at: http://www.ukconversionfactorscarbonsmart.co.uk/. For the figures, Atos used Electricity/Heat Conversion Factors from those last updated for 2014. [G4-EN3_G]

The methodology used is provided directly through the local power supplier or landlord:

- regarding electricity, meters are installed at site level to measure the energy consumed in kWh. The measurement recorded by the meters is used by suppliers or via landlords to issue invoices;
- regarding gas, meters are installed at site level to measure the energy consumed in M3 and converted in kWh according to local conversion ratios, in many cases directly by the supplier. The invoice is provided directly by the gas supplier or via the landlord. [G4-EN3_F]

Invoices state the total amount consumed in kWh and/or its monetary value (local currency). If only the monetary value is provided, the respective consumption in kWh is calculated by using a respective cost per unit rate.

Atos has included some assumptions and techniques for underlying estimations applied to the compilation of the Indicators and other information in the specific KPIs.

For example, in case of unavailability of actual consumption data, estimations based on previous period consumptions are used to calculate the actual consumption. In case of unavailability of consumption data, estimations based on footage and average consumptions from other sites are used to calculate the actual consumption. The corresponding data is entered into the organization's application for each site. [G4-EN3_F]

The cooling purchased through local district cooling schemes, for DC and offices is 0 GJ [G4-EN3_C3].

Atos do not sell electricity, heating, cooling, nor steam to third parties. [G4-EN3_D1, G4-EN3_D2, G4-EN3_D3, G4-EN3_D4]

Detailed information related to G4-EN5 KPI

The Energy intensity ratio is calculated by dividing the absolute energy consumption during the reporting year (the numerator) by the revenue metric expressed in millions of € (the denominator) produced by the organization, in the same reporting year. The Energy intensity expresses the energy required per unit of activity. [G4-EN5_A]

For the Energy intensity ratio the denominator for revenues is the complete organization, however, reporting is restricted to the baseline scope measured in 2016. Within that scope, the revenue is corresponding to the turn over generated by all countries within the baseline (all Divisions) during the year (reporting period: January 1 to December 31) under analysis. [G4-EN5_B]

For the Energy intensity ratio the denominator for employees is the total headcounts registered at the end of the financial year (as on December 31) for all countries within the baseline. [G4-EN5_B]

The types of energy included in the intensity ratio are: electricity, gas, district heating, backup generator fuel (diesel and fuel oil). [G4-EN5_C]

The ratio uses energy consumed only within the organization (energy required to operate) [G4-EN5_D].

Detailed information related to G4-EN6 KPI

The types of energy included in the energy reductions are: electricity, gas, district heating, backup generator fuel (diesel and fuel oil). [G4-EN6_B]

Atos reports on initiatives that were implemented during the reporting period, and that have the potential to contribute significantly to reducing energy consumption. As these primarily arise through investment in infrastructure changes, the savings published are based upon full-year savings and will usually continue over several years (although each initiative is only published in its first year). [G4-EN6_C]

The reduction is calculated as follows:

- For data centers, where multiple small activities take place savings are calculated through PUE reductions measured in conjunction with site energy consumption.
- For offices, individual initiatives are justified based upon energy savings (cost savings), and are implemented based upon their merits. Those that are implemented are recorded and consolidated for this value. Data Centre and Office totals are then combined. [G4-EN6_D]

Detailed information related to G4-EN7 KPI

The scope of G4-EN7 is the strategic datacenters (DCs) of Atos Infrastructure & Data Management (IDM).

The electricity consumption avoided due to Power Usage Effectiveness (PUE) improvement in Atos' strategic datacenters during the reporting period is 2,584,311 kWh [G4-EN7_A]. Their weighted 12 months average PUE was 1.62 in 2016 compared to 1.64 in 2015 and 1.69 in 2014.

Because the PUE decreased 2.4%, the DC facilities were 6% more efficient in energy consumption in 2016 compared to 2015. The avoided power consumption was calculated by multiplying the overall 3.2% average reduction of facility power with the actual facility power of end 2016.

Initial data required: Current IT Load (kWh), Current PUE, PUE reduction (in %), new PUE after reduction:

- (a) Calculation of the kWh per year before PUE reduction= current IT load x 730 x 12 months x current PUE;
- (b) Calculation of the kWh per year after PUE reduction= current IT load x 730 x 12 months x new PUE;
- kWh saving per year = (a)-(b).

The base year is the reporting period (January 1 to December 31). Considering the external growth of the Company, the geographical scope can progressively change to include additional countries. [G4-EN7_B].

The PUE is a standard calculation: total kWh consumed by the entire site infrastructure divided by the kWh consumed by the IT infrastructure. The PUE, a measure defined by the Green Grid, is the industry standard indicator used to measure and monitor the energy efficiency of a Data Center. [G4-EN7_C].

Detailed information related to G4-EN15, G4-EN16, G4-EN17 and G4-EN18 KPIs

The base year is the reporting period (January 1 to December 31). Considering the external growth of the Company, the geographical scope can progressively change to include additional countries. [G4-EN15_D]

Atos is applying the GHG protocol methodology for all GHG Scopes (scope 1, 2, 3). The Greenhouse Gas (GHG) Protocol, developed by World Resources Institute (WRI) and World Business Council on Sustainable Development (WBCSD), sets the global standard for how to measure, manage, and report greenhouse gas emissions. [G4-EN15_E, G4-EN16_D, G4-EN17_F, G4-EN19_D].

The gases included in G4-EN16 - scope 2 are CO_2. [G4-EN16_B] The gases included in the calculation of Gases included in G4-EN15 a (CO_2) - scope 1, in G4-EN17 a (CO_2) - scope 3, and G4-EN18_D, G4-EN18_B, are CO_2.

Where possible, we use conversion factors provided by the energy generating company. Where this is not available, the conversion table used is based on the DEFRA table which provides country average ratio. The table is available here: http://www.ukconversionfactorscarbonsmart.co.uk/.

The chosen consolidation approach for emissions is based on an operational control. Site related data are collected at site level, then consolidated with travel data which is collected at country level. This is then consolidated at Business Unit level then Global level. [G4-EN15_G].

For the GHG emission intensity ratio the denominator for revenues is the complete organization, however, reporting is restricted to the baseline scope measured in 2016. Within that scope, the revenue is corresponding to the turn over generated by all countries within the baseline (all Divisions) during the year (reporting period: January 1 – December 31) under analysis. [G4-EN18_B].

For the GHG emission intensity ratio the denominator for employees is the total headcounts registered at the end of the financial year for all countries within the baseline as on December 31. [G4-EN18_B].

Atos is not producing any biogenic CO2 emissions. [G4-EN15_C, G4-EN17_C].

Detailed information related to G4-EN19

The reductions in GHG emissions occurred in direct (Scope 1), energy indirect (Scope 2), other indirect (Scope 3) emissions. [G4-EN19_E].

Detailed information related to AO6 KPI (Diversity Perception)

The KPI AO6 related to Percentage of Diversity perception is calculated by taking the arithmetic averages of the following 5 individual scores provided in the Great Place To Work (GPTW) survey:

- people here are treated fairly regardless of their age;
- people here are treated fairly regardless of their race or ethnic origin;
- people here are treated fairly regardless of their sex;
- people here are treated fairly regardless of their sexual orientation;
- people here are treated fairly regardless of disability.

Each one of these 5 individual scores are calculated by GPTW survey as the weighted average of responses in each country.

Detailed information related to Human Resources KPIs

All the Human Resources indicators derived from the HR Information System (G4-LA1, G4-LA2, G4-LA3, G4-LA9, G4-LA10, G4-LA11, G4-LA12, G4-LA13, G4-EC5, G4-EC6, and AO6) are based on an extraction made in January 2017. Due to late and retroactive entries on staff movements into the HR Information System, the actual situation as of December 31 is different from the one presented through the HR dedicated indicators. This difference however remains limited: it is about 1% of the total workforce at the end of the period.

Unify, Equens (including ex-Worldline employees) and Anthelio are excluded from the indicators of Human Resources in 2016.

Detailed information about the Net Promoter Score

"Net Promoter Score" : Percentage of "Promoters" minus Percentage of "Detractors".

"Promoters" are ready to recommend us (Score of 9 or 10 answering the recommendation question), "Detractors" are not likely to (Score below or equal to 6).

Detailed information related to LA1

The turnover is calculated as the total leaving excluding outsourcing divided by total headcount at the end of the year.

Detailed information related to AO16

Working accidents: Since 2013, Atos publishes data related to working accidents. In 2016, the scope covers 99.62% of the headcount, excluding Algeria, Gabon, Ivory Coast, Senegal, UAE, Qatar, Saudi Arabia, Egypt, Mali and Lebanon.

Detailed information related to G4-LA9

The calculation of the average training by employee is done using the headcount closing 2016. Includes the hours registered in the Atos formal training tools (SABA, McGaw-Hill…)

Detailed information related to G4-SO4

SO4 includes:

- the web based training for all employees: mandatory, it is available on the Training platform of Atos;
- classroom training or with remote participation: for all managers N-1, N-2 et N-3 of the Company – N meaning the Executive Vice Presidents of the Group. It is performed by lawyers with a same content: ETO²S.

Detailed information related to G4-SO8

The reporting of the significant fines for non-compliance is linked to a Global procedure called "Litigation Docket", which requires the reporting from the Countries to the Group Litigation Department all fines, claims and sanctions higher than € 100,000. The reporting for SO8 follows this procedure and the results of 0 means that Atos has not fines for non-compliance higher than €100,000. Compared to other companies, this threshold is very low, and enables Atos to have a clear and efficient control of the litigation issues within the Group.

Detailed information related to AO2

This indicator is based on the Great Place to Work survey. After recommendation by the Great Place to Work Institute, the calculation method has been changed for the Trust Index. In 2016 a weighted average of the scores is provided by taking into account the number of people answering the GPTW survey by country. For that reason this value is not comparable to previous years (until 2015 it was an arithmetical average).

ISO 27001 Audits

The percentage coverage of ISO 27001 audits demonstrates the number of on-boarded sites that have passed an external 27001 audit and the number of already certified sites that have passed an external 27001 audit in the reported year. All Atos worldwide sites with greater than 50 staff are in scope, however due to mergers & acquisitions, not all sites will be ready for inclusion and are therefore waiting to be on- boarded [AO3].

Detailed information related to AO17 and G4-SO3

AO17 information contains data provided by Ecovadis. Ecovadis assessment is not only on corruption, but also on HR and environment. Atos works with Ecovadis to assess strategic suppliers risks related to corruption (G4-SO3: Total number and percentage of operations assessed for risks related to corruption and the significant risks identified).

The data is not comparable with the result of previous years as the definition of strategic supplier was changed to reflect the Atos procurement supplier consolidation strategy. According to the new three year plan Atos is focusing on the top 250 vendors which represent circa 70% of the total spend.

AO17_A_c0 Number of strategic suppliers assessed by Ecovadis: Number of suppliers assessed by Ecovadis during the current year out of the Strategic suppliers (representing 80% of revenues spent).

AO17_A_c1 Percentage of strategic suppliers evaluated by EcoVadis = Number of ATOS's strategic suppliers evaluated by EcoVadis / number of ATOS's strategic suppliers.

AO17_A_c2 Total spend evaluated by EcoVadis (EUR) = Total spend assessed by Ecovadis (regardless if spent on strategic suppliers).

AO17_A_c3 Total percentage of spend assessed by EcoVadis = Total spend assessed by EcoVadis / global ATOS spend during the year.

Detailed information related to AO7

AO7 KPI is calculated based on the revenues of the sustainability oriented offers that Atos sells to its clients. Atos growth strategy revolves around our Digital Transformation Factory; a portfolio of 4 end-to-end offerings which solicits all of Atos expertise and experience for its customers: Atos Canopy Hybrid Cloud, SAP HANA by Atos, Atos Digital Workplace and Atos Codex, supported by our Digital Payments and e-Transactions & Cybersecurity technologies across all Atos offerings. These revenues are multiplied by an index that assesses the degree of sustainability within each offer (from 20%-100%). Sustainability oriented offers are identified and the associated indexes (degrees of sustainability) are set by Atos Group Solution Managers based on the screening of offerings on 24 aspects (regrouping economic benefits, social impact and human being, environmental footprint and climate change, governance trust and compliance provided by the offering). This methodology assesses the main positive impacts of ATOS's offers in terms of sustainability, yet some impacts that are difficult to assess may not be taken into account. The overall process is coordinated by a dedicated person at Group level. Atos portfolio continually evolves and the KPI definitions are subject to updates.

KPI AO7 - 2016	Revenue (in M Euros)
AO7_a1 CODEX	450
AO7_a2 CLOUD	490
AO7_a8 DIGITAL WORKPLACE	90
AO7_a11 SAP HANA	55
AO7_b0_WL	585
TOTAL SUSTAINABLE REVENUE ESTIMATED	**1,670**

Detailed information for the no reporting of some Grenelle 2 information

The amount of the provisions and guarantees for environment-related risks: it is not reliable compared to the activity sector.

Noise affects or any other form of specific pollution: Materiality matrix assessment has highlighted that Atos Group operations do not have a significant or critical impact on other forms of pollution including noise nuisances for instance. As a consequence, no relevant and appropriate actions or measures need to be taken in this area.

Biodiveristy and land use: Atos's operations don´t impact significantly biodiversity or land use as we are operating within areas already zoned for economic activities (business / commercial / industry zones). This subject has not been identified as essential/priority in Atos materiality assessment.

The consequences concerning the adaptation to the consequences of climate change: this have been assessed and the conclusion is that the risk is marginal for Atos.

Working accidents, including accident frequency and severity rates: Since 2013, Atos publishes data related to working accidents. In 2016, the scope represented 99.62% of the Headcount excluding Algeria, Gabon, Ivory Coast, Senegal, UAE, Qatar, Saudi Arabia, Egypt, Mali and Lebanon. Due to the small value gathered the detail of the frequency and severity is considered not relevant to be monitored in the Group.

D.6.2 Report by one of the statutory auditors, appointed as independent third party, on the consolidated human resources, environmental and social information included in the management report for the year ended December 31, 2016

This is a free English translation of the statutory auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of ATOS SE, (the "Company"), appointed as independent third party and certified by COFRAC under number(s) 3-1048[(1)], we hereby report to you on the [*when applicable* consolidated] human resources, environmental and social information for the year ended December 31st, 2016 included in the management report (hereinafter named "CSR Information"), pursuant to article L. 225-102-1 of the French Commercial Code (Code de commerce).

Company's responsibility

The Board of Directors is responsible for preparing a company's management report including the CSR Information required by article R. 225-105-1 of the French Commercial Code in accordance with the reporting protocols used by the Company (hereinafter the "Guidelines"), summarised in the management report and available on request from the company's head office.

Independence and quality control

Our independence is defined by regulatory texts, the French Code of ethics (Code de déontologie) of our profession and the requirements of article L. 822-11 of the French Commercial Code. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

Statutory Auditor(s)'s responsibility

On the basis of our work, our responsibility is to:

- attest that the required CSR Information is included in the management report or, in the event of non-disclosure of a part or all of the CSR Information, that an explanation is provided in accordance with the third paragraph of article R. 225-105 of the French Commercial Code (Attestation regarding the completeness of CSR Information);
- express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information);
- to express limited assurance on the fact that the description made by the Group in chapter "Respect of the AA1000 standard" of the management report on the compliance with AA1000 APS (2008) principles of inclusivity, materiality and responsiveness in the process of developing the chapter "Corporate Responsibility" in the management report ("the Report" and the "Principles"), is fair in all material aspects (Report of assurance on the process of development of social information, environmental and other sustainable development).

Our work involved nine persons and was conducted between December 2016 and February 2017 during an elven week period. We were assisted in our work by our sustainability experts.

We performed our work in accordance with the order dated May 13, 2013 defining the conditions under which the independent third party performs its engagement and the professional guidance issued by the French Institute of statutory auditors (Compagnie nationale des commissaires aux comptes) relating to this engagement and with ISAE 3000[(2)] concerning our conclusion on the fairness of CSR Information.

(1) whose scope is available at www.cofrac.fr
(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information

1. Attestation regarding the completeness of CSR Information

Nature and scope of our work

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding human resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programmes arising from them.

We compared the CSR Information presented in the management report with the list provided in article R. 225-105-1 of the French Commercial Code.

For any consolidated information that is not disclosed, we verified that explanations were provided in accordance with article R. 225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, i.e., the Company, its subsidiaries as defined by article L. 233-1 and the controlled entities as defined by article L. 233-3 of the French Commercial Code within the limitations set out in the methodological note, presented in the management report.

Conclusion

Based on the work performed given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

2. Conclusion on the fairness of CSR Information

Nature and scope of our work

We conducted around thirty interviews with the persons responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate;
- verify the implementation of data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the human resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

Regarding the CSR Information that we considered to be the most important[1] :

Qualitative information: Absolute CO_2 emissions.

- at parent entity level, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the management report;
- at the level of a representative sample of entities/divisions/sites selected by us[2] on the basis of their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that procedures are properly applied, and we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents. The selected sample represents on average between 29% and 100% of the quantitative social and societal data disclosed and between 43% and 45% of quantitative environmental data disclosed.

For the remaining consolidated CSR Information, we assessed its consistency based on our understanding of the Company.

We also assessed the relevance of explanations provided for any information that was not disclosed, either in whole or in part.

(1) Quantitative information: Global estimated average PUE for strategic datacenters; Energy intensity (revenue); Energy intensity (employee); CO2 emissions by revenue; CO2 emissions by employee; ISO 14001 certified sites; Average hours of formal training per employee; Percentage of management employees trained in Code of Ethics - Classroom; Percentage of employees receiving performance appraisal; Percentage of females within Atos; Percentage of female in Governance bodies (Board of Directors); Turnover; Global absenteeism rate; Total number of employees hired during the Reporting Period; Atos Trust Index informed by GPTW; Average on Diversity Perception (GPTW); Percentage of Responses to Great Place to Work surveys (Average of Response rate); Number of active users in Communities; Net Promoter Score; Contribution to Universities and similar institutions; Contribution to Responsible IT Projects; Percentage of local spending; Percentage of strategic suppliers evaluated by EcoVadis; Total percentage of spend assessed by EcoVadis; Number of customer complaints regarding breaches of customer privacy, higher than € 100.000; Total value of significant fines for non-compliance (higher than € 100.000); Costumer innovation workshops delivered in GBUs; Percentage of coverage of ISO 27001 certifications; Total community investments (in €); Donations to Charity; Contribution to Commercial initiatives for good causes; Management Cost of Social Contribution initiatives; Total number of employees involved in the main social initiatives; Percentage of "ATOS countries" with a minimum national wage where Atos's salary > 50%.
(2) France, Netherlands, United States, Worldline Belgium and Worldline Spain

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

Conclusion

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

3. Limited assurance report on the development process of social, environmental and societal information regarding the AA1000 principles

Nature and scope of procedures

We conducted the following procedures, which correspond to the requirements of a Type 2 verification in accordance with the AA1000 AS (2008) standard, that lead to obtain a moderate assurance on the fact that the description of the Principles has no significant anomalies that call into question its fairness, in all material aspects. A higher level of assurance would have required more extensive review.

We met the people contributing to the identification of key issues, facilitation and reporting of Corporate Responsibility (Executive Committee, Head of Corporate Responsibility and Human Resources), in order to assess the implementation of the report's preparation process as defined by the Group.

We interviewed the persons responsible of the "Global Business Unit" representing different geographical areas in order to understand how they deploy the policies defined by the Group's Corporate Responsibility, to assess the consistency of the issues identified by the Group with local CR issues and identify possible specific local issues existence.

We conducted tests at corporate level on the implementation of the procedure related to:

- identification of stakeholders and their expectations;
- identification of material Corporate Responsibility issues;
- implementation of policies and guidelines of Corporate Responsibility.

Conclusion

Based on our work, we did not identify any material anomaly likely to call into question the fact that the description made by the Group in the chapter "Respect of the AA1000 standard" on the compliance with principles of inclusivity, materiality and responsiveness as set out in the AA1000 APS (2008) standard in the process of developing the management report has been presented fairly, in all material aspects.

Neuilly-sur-Seine, March 30, 2017

One of the statutory auditors

Deloitte & Associés

Jean-Pierre Agazzi
Partner

Erwan Harscoët
Director

E Financial

E.1 Operational review

E.1.1 Executive summary

Revenue in 2016 reached € 11,717 million, +9.7% compared to 2015 on a statutory basis (+12.8% at constant exchange rates) and +1.8% organically. The Group reached a +1.8% organic growth in the second semester of 2016 with a fourth quarter hitting +1.9%, continuing the positive trend observed in the first semester. In addition to the organic growth which strongly improved compared to last year, the year-on-year growth benefitted from the contribution of Xerox ITO acquired in July 2015, Unify since February 2016, of which only the Communication & Collaboration Services (CCS) business has been transferred to Atos continuing operations, more specifically to Infrastructure & Data Management (IDM), and is included in the figures presented hereafter. The Group also benefitted from the acquisitions completed at the end of Q3, in North America with Anthelio, and Equens, Paysquare and Kormercni Smartpay by Worldline. The Unify Software and Platforms (S&P) business has been accounted for as discontinued operations from the date of acquisition and is therefore not consolidated in the figures presented in the operational review. Currency exchange rates negatively contributed to revenue for a total of €-299 million, mainly coming from the British pound depreciating versus the Euro while American dollar had almost no effect on a full year basis.

Operating margin reached € 1,104 million in 2016, up +24.9% year-on-year mainly thanks to productivity gains from industrialization programs, the effect of recent acquisitions and related costs synergies, notably Bull, Xerox ITO and Unify CCS which impacted positively IDM, as well as the organic growth acceleration. Profitability reached 9.4% of revenue, +110 bps compared to 8.3% in 2015 at constant scope and exchange rates. The improvement even increased to +140 bps excluding pension one-offs, as the amount recorded in the second semester of 2016 was comparable to that recorded in the second half of the prior year, and over the full year that amount was close to half of the amount recorded over the full year 2015, as planned.

Representing 56% of the Group activity, **Infrastructure & Data Management** (IDM) revenue reached € 6,595 million, up +16.6% year-on-year. At constant scope and exchange rates, revenue grew by +0.9% in 2016 (vs +0.4% in 2015) with an accelerated growth of +1.1% in the second half (vs +0.6% in the first semester). The Division continued the transformation of classic infrastructure to cloud based environment. Revenue significantly increased in transitional and transformation services as well as new services such as cloud orchestration. These additional services together with volume increases and market share gains largely offset unit price decreases from hybrid cloud transformation. This trend materialized particularly in North America with a strong commercial dynamism fueled by increased volumes in cloud with several long standing but also new large customers within Public & Health and Telecom, Media & Utilities sectors. Germany confirmed the healthy trend recorded in the first semester within all markets. Asia Pacific also contributed to growth mostly thanks to higher volumes in Financial Services and in the Telco, Media & Utilities. In the UK, after a first semester where growth was affected by an unfavorable comparison basis (NS&I outstanding volumes in 2015), the Business Unit generated a +4.5% revenue organic growth in the second half thanks to the increasing activity in the public sector with large ministries. The situation was more challenging for Benelux & The Nordics, notably due to ending contracts mainly in Financial Services, and to a lesser extent in France and Central & Eastern Europe.

Operating margin in Infrastructure & Data management was € 682.9 million, representing 10.4% of revenue. This strong improvement of +190 basis points compared to 2015 came from the top line improvement as well as continued significant savings throughout all geographies. In particular, the successful migration to the Cloud of several customers' infrastructure generated significant unit cost reductions. The Division also benefitted from the successful execution of the large Unify restructuring program which enhanced the operating margin of the IDM activities.

Representing 27% of the Group's activity, **Business & Platform Solutions** (B&PS) revenue was € 3,194 million in 2016, up +0.8% organically at constant scope and exchange rates. The Division even increased its revenue by +1.2% in the fourth quarter. The improvements mainly came from Germany and France growing in all markets. "Other Business Units" faced the base effect of one major contract delivered in 2015 in the Public sector in Turkey. The business acceleration was fueled by new contracts in Digital Transformation with several large clients such as Aegon, University College London Hospital and Western Australian Government.

Operating margin was € 206.1 million, representing 6.5% of revenue. The improvement of +20 basis points compared to last year at constant scope and exchange rates (+40 basis points excluding pension effects) was mainly attributable to the successful workforce improvement actions in most of the large European geographies. The Division continued to increase its competitiveness through Global delivery and offshoring mainly with international private companies on both large projects and Application Management. Besides, Germany strongly increased its operating margin thanks to its recovery on top line (compared to prior year) and from the strong improvement in productivity. Overall, this first step of profitability turnaround of the Division was achieved while investing in innovation and new offerings to enhance the planned operating margin catch up.

Revenue in **Big Data & Cybersecurity** (BDS) was € 666 million in 2016, up +12.8% organically, representing 5.7% of the Group's revenues. Initially based in France and to a lesser extent in Germany, the business was expended to most of the geographies with an increasing contribution from the private sector. The demand for High Performance Computing remained very strong in order to support the growing Big Data processing needs of customers, as well as the classic offerings in encryption, identity and access management, and intrusion testing solutions. The demand increased for security operating centers protecting customers on a worldwide basis and 24 hours a day.

Operating margin was € 111.9 million, representing 16.8% of revenue. The Division managed to keep this high level of operational profitability while focusing on top line in order to benefit from the growing market demand.

Worldline's contribution to the Group's revenue in 2016 was € 1,261 million, growing organically by € 45.5 million or +3.7%. Merchant Services & Terminals grew by +7.4%, thanks to a double digit growth in Commercial Acquiring in Benelux and also in India and Central Europe and to the dynamic of payment terminals. Revenue in Financial Processing & Software Licensing grew by +4.8%, driven by more transaction volumes and customer projects. Lastly, revenue in Mobility and e-Transactional Services declined by -2.3%; while revenue was impacted by the termination of two historical contracts, the Business Line managed to successfully sell its offerings in e-Ticketing, in contact and connectivity solutions and in services with governments.

Operating margin was € 196.9 million, up +130bp. This improvement was recorded mainly in the Merchant Services & Terminals Business Line, thanks to growing volumes and a favorable pricing mix mainly in Belgium, as well as a margin improvement in the UK on private label cards contracts. Increasing volumes in card processing supported the operating margin of Financial Processing & Software Licensing while the Business Line continued to invest in security infrastructure. Mobility & e-Transactional Services new business almost offsetting the two terminated contracts was generated with a lower operating margin.

In 2016, Germany, North America, Worldline, France and "Other Business Units" contributed to the Group revenue organic growth:

- Germany confirmed its recovery with +5.3% organic growth, turning back to healthy growth in all Divisions, with a strong organic growth, notably thanks to new major deals won in Infrastructure & Data Management and strong actions undertaken in Business & Platform Solutions by the new management;
- North America was up +4.5%, benefitting from a solid trend maintained all over the year, notably with the sales dynamic in migration to Orchestrated Hybrid Cloud and the full effect of Xerox ITO sales synergies program;
- Worldline continued to contribute to the Group organic growth with +3.7% over the period, the sustained dynamic of its core payment businesses compensating for the effect of the two contracts terminated last year;
- France reached a solid +2.3% organic growth rate, fueled in particular by the strong demand for Big Data & Cybersecurity solutions and also B&PS;
- "Other Business Units" also positively contributed to the Group revenue growth, thanks to double digit growth in Asia Pacific, Middle East & Africa, and South America.

UK & Ireland was almost stable. The high growth during the second half of the year (+4.5%) offset the first half base effect thanks to a strong activity in the Public sector with contract ramp-ups and increased volumes and projects.

The situation remained challenging for Benelux & The Nordics. 2016 was impacted by the ramp-down of contracts not renewed in 2015 in the Infrastructure & Data Management business, mainly in Financial Services. The new management team appointed in the Summer actively focused on the Business Unit recovery.

In 2016, the Group continued to execute the Tier One Program through industrialization, global delivery from offshore locations, and continuous optimization of SG&A. In addition, the Group benefitted from the full impact of costs synergies following the integration of Bull and Xerox ITO, coupled with the effect of the Unify restructuring plan on the CCS activities profitability. The margin improvement was particularly visible in large Business Units such as Germany, North America, the UK and also France, while Benelux & the Nordics faced decreasing margins coming from a lower level of activity across most Divisions.

Global structures costs for IT Services as a percentage of revenue increased by +20 basis points compared to 2015 at constant scope and exchange rates, mostly due the positive effect recorded in H1 2015 for pension plan optimization.

In 2016, the Group continued to execute its pension schemes optimization plan which resulted in a € 41 million one-off gain (recorded in H2 in the UK), compared to € 74 million in 2015.

Globally, the Group improved its operating margin rate by +110 basis points in 2016. The improvement was +140 basis points excluding pension schemes optimization one-offs both in 2015 and in 2016.

In 2016, the Group **order entry** totaled **€ 13,027 million**, up +16.2% year-on-year, representing a **book to bill ratio** of **111%**, consistent between the first and second semesters, and notably **119%** in the fourth quarter.

The main new contracts signed over the period were in Infrastructure & Data Management (reaching a book to bill at 109%), with notably Rheinmetall, Siemens and Nokia (spread over the different Group's Divisions) in Germany, Aegon and the University College London Hospital in the UK, and Monsanto and Ashland in North America. Business & Platform Solutions (with a book to bill at 114%) signed new contracts notably with T-Mobile in the Benelux & The Nordics, La Poste in France, Deutsche Bank in the UK and with Polimeks in Central & Eastern Europe. Big Data & Cybersecurity continued its sales momentum reaching a healthy 130% book to bill ratio in 2016, while Worldline managed to achieve 106% over the period, with new contracts in the Public sector and in Financial Services mainly.

Renewals of the year included large contracts in Infrastructure & Data Management such as the extensions of the PIP contract with the department for Work and Pensions in the UK, the Texas department of Information Resources and McDonald's in the US, and Siemens in Germany. Worldline sales dynamic was also strong in particular with the renewal of several Issuing Processing contracts mainly in Germany.

In line with this positive evolution of Atos commercial activity, the **full backlog** at the end of December 2016 increased by € 2.8 billion compared to December 2015 including the integration of the acquisitions, and amounted to **€ 21.4 billion**, representing 1.8 year of revenue compared to 1.7 year of revenue at the end of 2015. The **full qualified pipeline** was **€ 6.5 billion** at the end of 2016 including the integration of the acquisitions, up +4.9% compared to the end of December 2015.

The **total headcount** was **100,096** at the end of December 2016. The increase of +9.6% of the Group workforce compared to 91,322 at the end of December 2015 was mainly due to the staff who joined the Group from Unify (both CCS and S&P) on February 1, 2016, and from Equens, PaySquare, KB Smartpay and Anthelio on October 1, 2016.

Attrition was 12.3% at Group level of which 19.1% in offshore countries.

The **number of direct** employees at the end of 2016 was **92,785**, representing 92.7% of the total Group headcount, compared to 93.7% at the end of 2015. **Indirect staff** increased by **+26.8%** during the period; adjusted from the scope effect from Unify mainly, indirect staff decreased by -5.8%, in line with the continuous optimization of the indirect workforce.

E.1.2 Statutory to constant scope and exchange rates reconciliation

Revenue in 2016 reached € 11,717 million, +9.7% compared to 2015 statutory, +12.8% at constant exchange rates, and +1.8% organically. Operating margin reached € 1,104 million (9.4% of revenue), up +24.7% year-on-year and +15.1% compared to € 959.0 million (8.3% of revenue) in 2015 at constant scope and exchange rates (+110 bps).

(In € million)	2016	2015	% change
Statutory revenue	11,717	10,686	+9.7%
Exchange rates effect		-295	
Revenue at constant exchange rates	11,717	10,390	+12.8%
Scope effect		1,128	
Exchange rates effect on acquired/disposed perimeters		-4	
Revenue at constant scope and exchange rates	**11,717**	**11,515**	**+1.8%**
Statutory operating margin	1,104	883.7	+24.9%
Equity based compensation reclassification		33.3	
Scope effect		73.3	
Exchange rates effect		-31.3	
Operating margin at constant scope and exchange rates	**1,104**	**959.0**	**+15.1%**
as % of revenue	*9.4%*	*8.3%*	

The table below presents the effects on 2015 revenue of acquisitions and disposals, internal transfers reflecting the Group's new organization, and change in exchange rates.

	FY 2015 revenue				
(In € million)	FY 2015 statutory	Scope effects	Internal transfers	Exchange rates effects*	FY 2015 at constant scope and exchange rates
North America	1,338	679	-48	3	1,972
UK & Ireland	1,930	54	30	-217	1,797
France	1,674	-5	2	-0	1,671
Germany	1,560	280	16		1,856
Benelux & The Nordics	1,055	9	0	-0	1,064
Other Business Units	1,951	36	-1	-48	1,938
Worldline	1,176	76		-37	1,216
TOTAL GROUP	**10,686**	**1,128**	**0**	**-299**	**11,515**
Infrastructure & Data Management	5,658	1,058	10	-187	6,539
Business & Platform Solutions	3,255	-4	-10	-72	3,169
Big Data & Cybersecurity	597	-2		-4	591
Worldline	1,176	76		-37	1,216
TOTAL GROUP	**10,686**	**1,128**	**0**	**-299**	**11,515**

* *At 2016 exchange rates.*

Scope effects on revenue amounted to € 1,128 million and were mainly related to the positive contributions of Xerox ITO (6 months for € 553 million), Unify CCS (11 months for € 534 million on a pro forma basis excluding any 2015 revenue on S&P discontinued operations), Equens, Paysquare, KB SmartPay (3 months for € 78 million) and Anthelio (3 months for € 43 million).

Revenue basis was also adjusted for the disposal of the Occupational Health governmental activity (UK, January 2016, €-45 million), for the early termination of the DWP WCA contract (UK, March 2015, €-21 million) and for the sale of on-site services activity in France to Manpower (March 2015, €-8 million).

Exchange rates had a negative impact of €-299 million on revenue, mainly attributable to the British pound (-10.9% year-on-year versus the Euro), the Argentine peso (-38.2%), the Turkish lira (-9.7%), the Brazilian real (-5.8%) and the Chinese renminbi (-5.2%), all depreciating versus the Euro.

The net scope effect on operating margin amounted to € 73.3 million and exchange rates effect accounted for €-31.3 million. These effects and internal transfer impacts are detailed below:

	FY 2015 operating margin					
(In € million)	**FY 2015 statutory**	**Scope effects**	**Internal transfers**	**Exchange rates effects[1]**	**Equity based compensations**	**FY 2015 at constant scope and exchange rates**
North America	140	51	-9	-0		183
UK & Ireland	214	4	3	-24		197
France	102	1	-0	0		103
Germany	118	16	4			139
Benelux & The Nordics	98	0	0	-0		98
Other Business Units	142	-0	1	-3		139
Global structures[2]	-106			2	30	-73
Worldline	175	1		-6	3	173
TOTAL GROUP	**884**	**73**	**0**	**-31**	**33**	**959**
Infrastructure & Data Management	502	71	0	-17		556
Business & Platform Solutions	207	1	-0	-9		199
Big Data & Cybersecurity	102			-0		102
Corporate costs[3]	-103			1	30	-71
Worldline	175	1		-6	3	173
TOTAL GROUP	**884**	**73**	**0**	**-31**	**33**	**959**

[1] At 2016 exchange rates.
[2] Global structures include the Global Divisions costs not allocated to the Group Business Units and corporate costs.
[3] Corporate costs exclude Global Divisions costs allocated to the Divisions.

E.1.3 Performance by Division

	Revenue			Operating margin		Operating margin %	
(In € million)	**2016**	**2015***	**% organic**	**2016**	**2015***	**2016**	**2015***
Infrastructure & Data Management	6,595	6,539	+0.9%	682.9	555.5	10.4%	8.5%
Business & Platform Solutions	3,194	3,169	+0.8%	206.1	199.1	6.5%	6.3%
Big Data & Cybersecurity	666	591	+12.8%	111.9	102.1	16.8%	17.3%
Corporate costs				-93.9	-71.1	-0.9%	-0.7%
Worldline	1,261	1,216	+3.7%	196.9	173.4	15.6%	14.3%
TOTAL GROUP	**11,717**	**11,515**	**+1.8%**	**1,104**	**959.0**	**9.4%**	**8.3%**

* *At constant scope and exchange rates.*

E.1.3.1 Infrastructure & Data Management

(In € million)	2016	2015*	% organic
Revenue	6,595	6,539	+0.9%
Operating margin	682.9	555.5	
Operating margin rate	10.4%	8.5%	

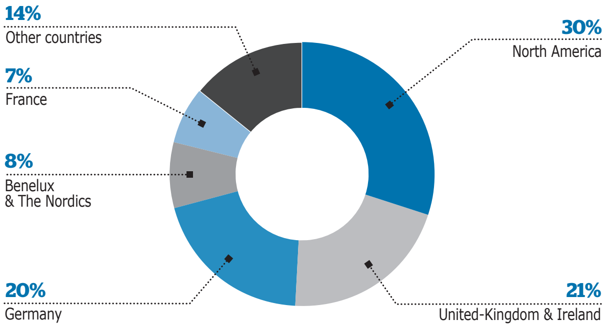
* *At constant scope and exchange rates.*

Infrastructure & Data Management **revenue** was € 6,595 million, up +0.9% at constant scope and exchange rate, benefitting from the growing trend within its customers to deploy comprehensive cloud strategies and frameworks. Atos Canopy Orchestrated Hybrid Cloud is fully addressing these emerging trends and recorded a double digit increase especially in Germany, North America and France. In addition, the Division won several key contracts notably in the area of digital workplace, supporting growth in several geographies.

North America was fueled by growth in large contracts such as Disney and Microsoft in Telco, Media & Utilities combined with new business signed with the Texas department of Information Resources as well as new volumes and pricing mix with a Californian County. Germany benefitted from the ramp-up of large new contracts such as Rheinmetall and BASF as well as the growing Communication & Collaboration Services (CCS) with various local administrations. In Other Business Units, growth registered in Asia and South America thanks to new contracts ramp-up partly offset the negative performance of Central & Eastern Europe due to some large equipment deliveries recorded in the prior year in the public sector in Slovakia.

In the UK, ramp-up in new contracts and additional volumes with existing clients did not fully compensate for the base effect in the first half of 2015 related to outstanding sales and high volumes with NS&I and BBC. Finally, France almost achieved to stabilize its revenue, and Benelux & the Nordics was still facing difficulties, notably in Financial Services.

INFRASTRUCTURE & DATA MANAGEMENT REVENUE PROFILE BY GEOGRAPHY



Operating margin in Infrastructure & Data Management was € 682.9 million, representing 10.4% of revenue. The improvement of +190 basis point compared to 2015 on a like for like basis was pulled by the migration of several customers infrastructures into the Cloud generating a significant unit cost decrease combined with efficiency gains through industrialization and transformation programs. The recovery in Unify business resulting from a large restructuring program strongly contributed to the increase of the operating margin improvement of the Division, through its CCS activity. By geographies, North America, Germany, France, the United Kingdom and Central & Eastern Europe profitability increased either in line with revenue performance or even above through a tight monitoring of costs including Tier One Program actions. This program embeds synergies from integrations, workforce management actions, continued offshoring wherever relevant and procurement savings.

E.1.3.2 Business & Platform Solutions

(In € million)	2016	2015*	% organic
Revenue	3,194	3,169	+0.8%
Operating margin	206.1	199.1	
Operating margin rate	6.5%	6.3%	

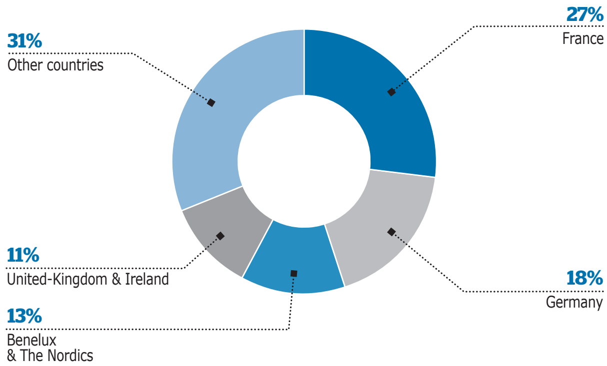
* At constant scope and exchange rates.

Business & Platform Solutions **revenue** reached € 3,194 million, up +0.8% at constant scope and exchange rates. The business was fueled by new Digital Transformation contracts.

Germany highly contributed to the growth thanks to new contracts won with Telefonica/O2 and Vodafone, combined with incremental services at BMW and Airbus. France also benefited from additional projects and volumes with French banks and car manufacturers.

In Other Business Units, growth was generated by new projects in Switzerland, new signatures in Italy, and volumes ramp-up with new clients in South America. This business increase could not offset the base effect of one large contract delivered in 2015 in Turkey. Revenue in North America was impacted by some contracts ended in 2015 such as Toronto Pan American Games, Schlumberger and Daimler. To a lesser extent, this was also the case in the United Kingdom & Ireland and in Benelux & The Nordics as those two geographies managed to mitigate this base effect by new contracts signed and delivered during the year with customers such as Metropolitan Police in the UK and in the Telco sector in the Netherlands.

BUSINESS & PLATFORM SOLUTIONS REVENUE PROFILE BY GEOGRAPHY



Operating **margin was € 206.1 million**, representing 6.5% of revenue. The improvement of +20 basis points compared to last year at constant scope and exchange (+40 basis points excluding pension effects) was mainly attributable to the successful workforce improvement actions in most of the mature geographies, including Germany, France, the UK and Iberia, and business recovery through additional volumes in Germany and in France. Conversely, Central & Eastern Europe was affected by the comparison basis with the successful completion of large projects delivered last year in Turkey and Slovakia. Finally, Middle-East & Africa and Asia Pacific areas had to cope with a base effect from non-recurring items in offshored activities which positively impacted the operating margin last year. Overall, this first step of profitability turnaround of the Division was achieved while investing in innovation and new offerings to enhance the planned operating margin catch up.

E.1.3.3 Big Data & Cybersecurity

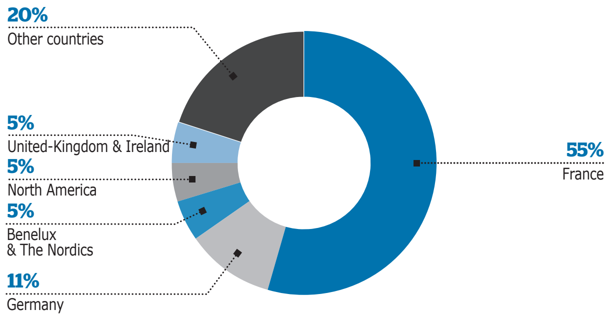
(In € million)	2016	2015*	% organic
Revenue	666	591	+12.8%
Operating margin	111.9	102.1	
Operating margin rate	16.8%	17.3%	

* *At constant scope and exchange rates.*

Revenue in Big Data & Cybersecurity was € 666 million, showing a healthy organic growth of +12.8% compared to 2015. The strong performance recorded in almost all geographies and all markets was based on powerful foundational technologies from Bull in Big Data as well as in Cybersecurity that moved-up the value chain thanks to premium appliances, software, and services. These technologies have been successfully rolled out over the last two years to Atos customers expanding the scope of the Division both in terms of markets served and geographies.

In France, growth was primarily driven by High Performance Computing sales to the Commission for Atomic Energy and Alternative Energies (CEA), and for a large customer in Utilities, and also benefitting from high volume of development projects for the Ministry of Defense and Cybersecurity activities for Homeland security ("Ministère de l'Intérieur"). In addition, the Division activity was pulled in the UK, Germany and to a lesser extent in the US by HPC and Cybersecurity services.

BIG DATA & CYBERSECURITY REVENUE PROFILE BY GEOGRAPHY



Operating **margin was € 111.9 million**, representing 16.8% of revenue. While focusing on top line in order to benefit from the strong market demand, the Division managed to maintain a high level of margin thanks to continuous costs optimization. The Division continued to invest in Research & Development in order to remain state of the art in several activities such as Identity & Access Management (IAM), encryption and security operating centers, and to accelerate its leadership through innovative offerings in order to satisfy an increasing demand from large customers.

E.1.3.4 Worldline

A detailed review of Worldline full year 2016 results can be found at worldline.com, in the "Investors" section.

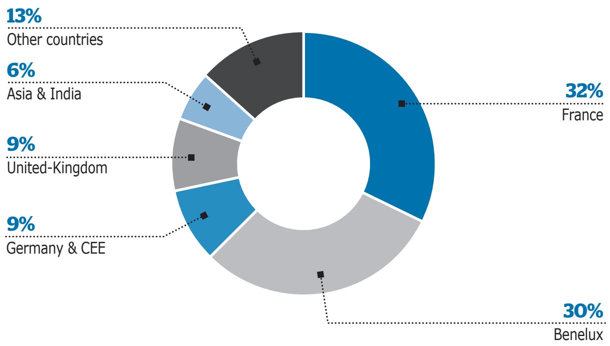
(In € million)	2016	2015*	% organic
Revenue	1,261	1,216	+3.7%
Operating margin	196.9	173.4	
Operating margin rate	15.6%	14.3%	

* *At constant scope and exchange rates.*

From a contributive perspective to Atos, Worldline **revenue** was € 1,261 million, improving by +3.7% at constant scope and exchange rates, representing 10.8% of the Group revenues. On a standalone basis, revenue reached € 1,309 million, up +3.5% on a like-for-like basis. Increased transactions volumes within Merchant Services & Terminals and Financial Processing & Software Licensing Global Business Lines more than compensated for the negative impact of the end of two significant contracts in Mobility & e-Transactional Services:

- Merchant Services & Terminals Business Line growth was supported by increased Payment Terminals sales in both domestic and international markets, and increased volumes in Commercial Acquiring transactions, as well as a better pricing mix. Both achieved a healthy double digit growth rate;
- Financial Processing & Software Licensing expanded thanks to the continued transactions volumes growth in Acquiring Processing, notably in France and in India, increased revenues from Authentification, Credit card and Fraud services within the Issuing Processing business, and a strong level of licenses sold in Europe and in Asia;
- in Mobility & e-Transactional Services, double digit growth was generated in e-Consumer & Mobility activities thanks to several new contracts signed and projects ramp-up mainly in France and Germany. E-Ticketing activities were also dynamic, with increased project delivery with railways companies in the UK and higher activity in Argentina. In the e-government collection business line, healthcare and tax collection services volumes in Latin America increased, as well as more project work with the French and European government agencies, while the Business Unit had to cope with the VOSA contract termination in the UK ended in the third quarter of 2015, and the Radars contract ended in June 2016 in France.

WORLDLINE REVENUE PROFILE BY GEOGRAPHY



Operating **margin was € 196.9 million**, up +130bp. This improvement was recorded mainly in the Merchant Services & Terminals Business Line, thanks to growing volumes and favorable pricing mix mainly in Belgium as well as a margin improvement in the UK on private label cards contracts. Increasing volumes in card processing supported the operating margin of Financial Processing & Software Licensing while the Business Line continued to invest in security infrastructure and exercised effective cost control over the new Equens-Worldline perimeter. Mobility & e-Transactional Services new business almost offsetting the two terminated contracts was generated with a lower operating margin.

E.1.4 Performance by Business Unit

(In € million)	Revenue			Operating margin		Operating margin %	
	2016	2015*	% organic	2016	2015*	2016	2015*
North America	2,061	1,972	+4.5%	240.8	182.9	11.7%	9.3%
Germany	1,954	1,856	+5.3%	200.9	138.7	10.3%	7.5%
United-Kingdom & Ireland	1,790	1,797	-0.4%	238.8	196.7	13.3%	10.9%
France	1,709	1,671	+2.3%	125.4	102.9	7.3%	6.2%
Benelux & The Nordics	986	1,064	-7.3%	71.5	98.4	7.3%	9.2%
Other Business Units	1,956	1,938	+0.9%	127.3	139.4	6.5%	7.2%
Global structures**				-97.7	-73.3	-0.9%	-0.7%
Worldline	**1,261**	**1,216**	**+3.7%**	**196.9**	**173.4**	**15.6%**	**14.3%**
TOTAL GROUP	**11,717**	**11,515**	**+1.8%**	**1,104**	**959.0**	**9.4%**	**8.3%**

* *At constant scope and exchange rates.*
** *Global structures include the Global Divisions costs not allocated to the Group Business Units and corporate costs.*

In 2016, Germany, North America, Worldline, France and "Other Business Units" contributed to the Group revenue organic growth:

- Germany confirmed its recovery with +5.3% organic growth, turning back to a healthy organic growth in all Divisions, notably thanks to new major deals won in Infrastructure & Data Management and strong actions undertaken in Business & Platform Solutions by the new management;
- North America was up +4.5%, benefitting from a solid trend maintained all over the year, notably with the sales dynamic in migration to Orchestrated Hybrid Cloud and the full effect of Xerox ITO sales synergies program;
- Worldline continued to contribute to the Group organic growth with +3.7% over the period, the sustained dynamic of its core payment businesses compensating for the effect of the two contracts terminated last year;
- France reached a solid +2.3% organic growth rate, fueled in particular by the strong demand for Big Data & Cybersecurity solutions;
- "Other Business Units" also positively contributed to the Group revenue growth, thanks to double digit growth in Asia Pacific, Middle East & Africa, and South America.

UK & Ireland was almost stable. The high growth during the second half of the year (+4.5%) offset the first half base effect thanks to a strong activity in the Public sector with contract ramp-ups and increased volumes and projects.

The situation remained challenging for Benelux & The Nordics. 2016 was impacted by the ramp-down of contracts not renewed in 2015 in the Infrastructure & Data Management business, mainly in Financial Services. The new management team appointed in the Summer actively focused on the Business Unit recovery.

In 2016, the Group continued to execute the Tier One Program through industrialization, global delivery from offshore locations, and continuous optimization of SG&A. In addition, the Group benefitted from the full impact of costs synergies following the integration of Bull and Xerox ITO, coupled with the effect of the Unify restructuring plan on the CCS activities profitability. The margin improvement was particularly visible in large Business Units such as Germany, North America, the UK and also France, while Benelux & the Nordics faced decreasing margins coming from a lower level of activity across most Divisions.

Global structures costs for IT Services as a percentage of revenue increased by +20 basis points compared to 2015 at constant scope and exchange rates, mostly due the positive effect recorded in H1 2015 for pension plan optimization.

In 2016, the Group continued to execute its pension schemes optimization plan which resulted in a € 41 million one-off gain (recorded in H2 in the UK), compared to € 74 million in 2015.

Globally, the Group improved its operating margin rate by +110 basis points in 2016. The improvement was +140 basis points excluding pension schemes optimization one-offs both in 2015 and in 2016.

E.1.4.1 North America

Revenue reached € 2,061 million or +4.5% organically. This growth was attributable to Infrastructure & Data Management and to a lesser extent to Big Data &Cyber-security.

(In € million)	2016	2015*	% organic
Revenue	2,061	1,972	+4.5%
Operating margin	240.8	182.9	
Operating margin rate	11.7%	9.3%	

* *At constant scope and exchange rates.*

In Infrastructure & Data Management, Telco, Media & Utilities led the growth through large contracts such as Disney and Microsoft. The Public Sector posted a solid performance notably due to additional business with the Texas department of Information Resources and the evolution of contractual terms with a Californian County. Manufacturing, Retail & Transportation benefitted both from a new contract with a leading biotechnology company and ramp-ups with several existing customers including Xerox, which more than offset lower volumes in Manufacturing.

In 2016, Business & Platform Solutions faced decreasing volumes resulting for instance from a client's divested scope of business and termination of non-profitable contracts. In addition, the Division did not benefit like in the prior year from periodic specific events such as the 2015 Toronto Pan-American Games.

The launch of Big Data & Cybersecurity business in the US in 2015 materialized in several new signatures and a continued revenue growth mainly in Manufacturing, Retail & Transportation.

Profitability improved in North America to 11.7% of revenue as **operating margin** grew significantly in Infrastructure & Data Management Division thanks to a more technological revenue mix (Digital Transformation) and continued savings from Xerox ITO integration synergies.

E.1.4.2 Germany

(In € million)	2016	2015*	% organic
Revenue	1,954	1,856	+5.3%
Operating margin	200.9	138.7	
Operating margin rate	10.3%	7.5%	

* *At constant scope and exchange rates.*

Germany posted a strong **revenue** performance at € 1,954 million in 2016, up +5.3% compared to last year on a like-for-like basis. The positive trend recorded in the first semester was confirmed as the second half-year showed strengthened performance at +5.6%. All Divisions and markets recorded a positive revenue growth.

Infrastructure & Data Management growth was mainly fueled by Manufacturing, Retail & Transportation market, where the new contract with Rheinmetall won in Q3 and the ramp-up of BASF largely offset the effect of reduced scope with some large customers. In Public & Health, the improvement mainly derived from increasing activity in Unify CCS with various local administrations. While the Telecom sector benefitted from new contracts with Telefonica, Financial Services also slightly grew on the back of increased projects with Deutsche Bank.

Business & Platform Solutions achieved an almost double digit growth with all the markets turning to positive, reflecting the successful strategy currently implemented by the new management team appointed last year. Growth was mainly fueled by the Public & Health sector, which posted a strong double digit growth led by higher volumes with the Ministry of Justice, and by the Telecom sector, benefitting mainly from new contracts with Telefonica/O2 and Vodafone. Manufacturing, Retail & Transportation also showed a strong performance, driven by additional services provided to large customers such as Airbus and BMW, combined with increased project activity with Siemens. Financial Services were slightly improving thanks to a new contract with Deutsche Bank.

Big Data & Cybersecurity achieved a solid double digit revenue growth, mainly driven by a very strong performance attributable to software license sales which largely offset the base effect of an HPC project delivered in the prior year to DKRZ (national weather forecast).

Operating margin reached € 200.9 million or 10.3% of revenue, significantly improving compared to the prior year at constant scope and exchange rates. The Business Unit profitability improvement was overall resulting from the sales performance, combined with continued improvement of the workforce management as well as continued increased optimization of offshore delivery and synergies with the Unify CCS services, which largely compensated for the base effect of the pension one-off recorded in 2015.

E.1.4.3 United Kingdom & Ireland

(In € million)	2016	2015*	% organic
Revenue	1,790	1,797	-0.4%
Operating margin	238.8	196.7	
Operating margin rate	13.3%	10.9%	

* *At constant scope and exchange rates.*

Revenue was € 1,790 million, almost flat year-on-year at constant scope and exchange rates, with a strong improvement of +4.5% in the second semester which almost compensated for the first half which was notably affected by the base effect of some contracts in Infrastructure and Data Management, in particular in BPO.

The Business Unit was mainly impacted by the comparison effect with the prior year in Infrastructure & Data Management. Public and Health posted a solid growth, benefiting from the ramp-up of the new contract with Metropolitan Police, increased volumes and projects achieved with DWP for the PIP contract, new projects with the Ministry of Justice, which more than offset the impact from off-boarding contracts or lower volumes with some traditional customers. Globally, the Division was impacted in Financial Services by outstanding volumes performed for NS&I in the prior year, and similarly in Telco, Media & Utilities with the BBC account. In the Manufacturing, Retail and Transportation sector, the ramp up of the contract won last year with the Royal Mail group partly compensated for the off-boarding effect of several other contracts.

Revenue in Business & Platform Solutions was slightly down. However, growth was achieved thanks to new contracts and increased volumes in Financial Services, notably with Close Brothers, and in the Telecom sector, mainly with BBC and Sky. In the Manufacturing, Retail & Transportation sector, the growth opportunities closed this year will benefit in 2017 and did not compensate for contract ramp-downs. In the Public sector, the activity increased on key accounts such as Metropolitan Police, the Welsh Government and in the Defense area, while several projects were not renewed with some other clients.

Big Data & Cybersecurity showed a solid momentum, with strong sales in the Public and in Manufacturing sectors. Such a performance was primarily driven by major new HPC deals, selling new Sequana technology, combined with a particular dynamic in cyber-security projects.

Operating margin was € 238.8 million and represented 13.3% of the revenues, including a positive 41 million impact from pensions recorded in the second semester, consistent with the one recorded last year. Operating margin improved by +210 basis points excluding pension one-offs. The Business Unit achieved to improve its level of profitability thanks, in particular, to strong management actions implemented to pursue costs savings through Tier One Program initiatives, as well as tight project management on large contracts.

E.1.4.4 France

(In € million)	2016	2015*	% organic
Revenue	1,709	1,671	+2.3%
Operating margin	125.4	102.9	
Operating margin rate	7.3%	6.2%	

* *At constant scope and exchange rates.*

At € 1,709 million, **revenue** in France was up +2.3% organically. France confirmed the return to revenue growth thanks to a positive trend in Business & Platform Solutions, as well as a continued solid performance in Big Data & Cybersecurity.

Infrastructure & Data Management was slightly down as higher volumes and additional business achieved notably with DCNS in Public & Heath sector did not compensate for volume reductions in the other markets. The Division drove the cloud transformation of its customers and started to sell new transitional and transformation services together with Big Data and Cybersecurity at the renewal of the contracts with Sephora and PwC.

Business & Platform Solutions achieved a positive organic growth, showing an improvement in almost all markets. In particular, Manufacturing, Retail & Transportation benefitted from additional volumes notably with Renault. Financial Services achieved a solid growth thanks to new projects and additional volumes with several large institutions. In Public & Health, the Division recorded a much higher level of business with the

Ministry of Defense. A stronger activity was performed in Telecom, Media & Utilities with several customers compensating for less projects in the Energy sector.

Big Data & Cybersecurity continued its solid performance thanks to a sustained activity in the Public & Health Market, with an increasing demand from the Ministry of Defense, the CEA (Commission for Atomic Energy and Alternative Energies), EDF, and the Ministry of Interior.

Operating margin reached € 125.4 million, representing 7.3% of revenue, improving by +120 basis points. Profitability improved in all Divisions, more particularly in Infrastructure & Data Management, driven by strong cost savings actions. Operating margin in Business & Platform Solutions increased thanks to the positive revenue growth combined with an increase in the utilization rate of staff thanks to a more efficient workforce management which reduced the average time to reassign staff between two customer contracts. Finally, Big Data & Cybersecurity performance was also up thanks to a higher added value of products sold and services rendered by the Division to its existing customers but also to its new clients coming from cross-selling.

E.1.4.5 Benelux & The Nordics

(In € million)	2016	2015*	% organic
Revenue	986	1,064	-7.3%
Operating margin	71.5	98.4	
Operating margin rate	7.3%	9.2%	

* *At constant scope and exchange rates.*

At € 986 million, **revenue** was down -7.3% organically. Over the summer, the Group decided to appoint a new executive management team with the objective to impulse a new sales dynamic and to return to a profitable growth.

In Infrastructure & Data Management, revenue was down mainly due to Financial Services, affected by contract ramp downs and/or lower volumes with several existing customers. The Manufacturing, Retail & Transportation market benefitted from the ramp-up of a new large contract with Philips. In Public & Health, the Division faced with some contract termination in the Netherlands and was impacted by the ramp-down of the Postnord contract in Denmark. The situation was also challenging with some Telco operators.

Business & Platform Solutions revenue decreased, in spite of Technology Services - which represents almost half of the Division - recording a positive growth thanks to a solid sales dynamics. Still, the Division managed to slightly improve the situation thanks to new contracts signed in Telco. In the other markets, the situation remained challenging more particularly in Public & Health impacted by less projects.

Operating margin reached € 71.5 million, representing 7.3% of revenue. Benelux & The Nordics managed to partially contain the margin erosion in a context of a revenue decrease. This resulted from a strong cost savings program in Infrastructure & Data Management where the cost base was significantly reduced. The Business Unit also achieved a higher utilization rate in Business & Platform Solutions coming from the shift of resources to Technology Services, and also actions on the cost base.

E.1.4.6 Other Business Units

(In € million)	2016	2015*	% organic
Revenue	1,956	1,938	+0.9%
Operating margin	127.3	139.4	
Operating margin rate	6.5%	7.2%	

* *At constant scope and exchange rates.*

Revenue in "Other Business Units" reached € 1,956 million, up +0.9% organically.

This performance was reached thanks to Infrastructure & Data Management, up +2.1%, in particular in Telecom, Media & Utilities with a project ramp-up with Microsoft in Japan, delivery in India to local companies, and scope extension with existing customers in Italy coupled with the ramp-up of a new contract signed with Enel. Financial Services growth was driven by increased volumes with a large bank in Hong-Kong. Manufacturing, Retail & Transportation projects were delivered in South America with a large German industrial company mitigating a base effect due to equipment deliveries for Slovakian ministries recorded in 2015.

Business & Platform Solutions did not perform new contracts to offset the Ashgabat contracts delivered in 2015 from Turkey, as well as contracts with Slovakian Ministries and Institutes. The activity was stronger in Manufacturing, Retail and Transportation both in Asia Pacific with SAP solutions for new customers and in South America thanks to new projects in pharmaceutical and car industries. Finally, Telco also recorded a growing activity both in Asia Pacific and in Middle East & Africa with a new contract in Dubai.

Revenue grew in Big Data & Cybersecurity at a double-digit rate organically all along the year. The activity was pushed by two new contracts in Switzerland (for Police and Defense) in the mission critical systems area and to a lesser extent by High Performance Computers delivered in Africa. The Division also delivered new projects in Iberia, Italy and Czech Republic both in Big Data and Cybersecurity.

Operating margin was € 127.3 million, representing 6.5% of revenue. Margin benefitted from revenue improvement in most of the countries. However Central & Eastern Europe was impacted by the completion of the large projects delivered last year in Turkey (Ashgabat) and Slovakia (Public sector) which have not been replaced or not yet renewed. In all countries, actions were pursued to tightly monitor the delivery of services and new projects and also to optimize the cost base through industrialization. The Business Unit faced some difficult contracts during the year and more particularly an overrun recorded on a project in Dubai.

E.1.4.7 Global structures costs

Global structures costs remained almost flat at constant scope and exchange rate excluding € 18 million recorded in 2015 as part of the optimization of the pension schemes. The Group continued its program to decrease indirect costs both centrally and locally, getting as well the support functions more centralized. Global structures costs reached € 97.7 million in 2016 representing 0.9% of the Group revenue.

E.1.5 Revenue by Market

	2016	2015*	% organic
Manufacturing, Retail & Transportation	4,058	4,034	+0.6%
Public & Health	3,329	3,206	+3.8%
Telcos, Media & Utilities	2,352	2,304	+2.1%
Financial Services	1,978	1,971	+0.4%
TOTAL GROUP	**11,717**	**11,515**	**+1,8%**

* *At constant scope and exchange rates.*

E.1.5.1 Manufacturing, Retail & Transportation

Manufacturing, Retail & Transportation remained the largest market segment of the Group (35%) and reached € 4,058 million in 2016, growing by +0.6% compared to 2015 at constant scope and exchange rates. In this sector, the Group developed pioneering offerings in Industry 4.0, digital payments and customer experience in retail, plus transportation as a service. Manufacturing, Retail & Transportation revenue is namely benefitting from an organic growth in Germany thanks to contract ramp-ups on BASF, Rheinmetall and Sonepar, and in South America with Sanofi.

In this market, the top 10 clients (excluding Siemens) represented 21% of revenue with Xerox, Airbus, Renault Nissan, BASF, Nike, Johnson & Johnson, Philips, Daimler group, McDonald's, and Volkswagen.

E.1.5.2 Public & Health

Public & Health was the second market of the Group (28%) with total revenue of € 3,329 million, representing an increase of +3.8% compared to 2015, at constant scope and exchange rates. A specific focus was made in 2016 to build new offerings in Digital Transformation, more particularly on citizen centricity for central governments, smart cities and education, and patient centricity for healthcare. Growth mainly came from the Defense area in France and from North America with the increased volume on Texas DIR and Californian County. The Divisions Big Data & Cybersecurity and Infrastructure & Data Management generated a strong solid organic growth in Public & Health (+11.1% and +7.2% respectively), thanks to new logos and add-on business with existing clients. Worldline had to face in particular the termination of the speed control contract (Radars) which impacted revenue in the second half of 2016.

The first 10 clients generated 35% of the revenue in this market: department for Work & Pensions (DWP), Ministry of Justice (UK), department of Information Resources Texas (US), European Union Institutions, Ministry of Defense (France), CEA (Commission for Atomic Energy and Alternative Energies) in France, Nuclear Decommissioning Authority (NDA), SNCF, Bundesagentur für Arbeit (Germany), and Allscripts (US).

E.1.5.3 Telcos, Media & Utilities

Telecom, Media & Utilities represented 20% of the Group revenue and reached € 2,352 million, representing an increase by +2.1% compared to 2015, at constant scope and exchange rates. Atos built new offerings for Digital Transformation, focusing on network infrastructure transformation, digital media, sport digitization with the Olympics, and Smart Grid in utilities.

While most of the geographies generated growth, revenue increase was more significant in the US and in Germany.

The top 10 main clients represented 58% of the total Telecom, Media & Utilities market revenue: BBC, Unify, EDF, Telefonica, The Walt Disney company, Orange, Nokia, Microsoft, Telecom Italia & Engie.

E.1.5.4 Financial Services

Financial Services was the fourth market of the Group and represented 17% of the total revenue at € 1,978 million, representing an increase by +0.4% compared to 2015 at constant scope and exchange rates. In the area of the Digital Transformation, the Group strongly focused on real time, customer-centric business engagement, digital payment transformation and fintech support for banking, plus smart agility for insurance. This was all developed in a fast moving regulatory environment that brings both threats and opportunities for customers and for the Group. The solid performance of Worldline, which posted a double digit organic growth, was offset by a decline in Benelux & The Nordics, notably due to the reduction of activity with several accounts and less volumes with N&SI in the UK as mentioned above.

In this market, 46% of the revenue was generated with the 10 main clients: National Savings & Investments (UK), Deutsche Bank, Standard Chartered Bank, McGraw-Hill Financial, BNP Paribas, Crédit Agricole, La Poste, Société Générale, Achmea, and ING.

E.1.6 Group exposure to the Brexit

In June 23, 2016, British citizens voted to exit the European Union. On the activity in the UK, our view is that the potential risk is concentrated on discretionary expenses and more particularly to the Banking and Financial sector for which Atos has a limited exposure. Indeed on 2016 Atos figures in the UK, revenue from discretionary expenses amounts circa 20% of which a small portion in financial services.

E.1.7 Portfolio

E.1.7.1 Order entry and book to bill

In 2016, the Group **order entry** totaled **€ 13,027 million**, up +16.2% year-on-year, representing a **book to bill ratio** of **111%**, consistent between the first and second semesters, and notably **119%** in the fourth quarter.

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

	Order Entry			Book to bill		
(In € million)	H1	H2	FY 2016	H1	H2	FY 2016
Infrastructure & Data Management	3,553	3,621	7,174	110%	107%	109%
Business & Platform Solutions	1,687	1,964	3,651	106%	122%	114%
Big Data & Cyber-security	384	484	868	127%	133%	130%
Worldline	685	650	1,335	116%	97%	106%
TOTAL IT SERVICES	**6,309**	**6,718**	**13,027**	**111%**	**112%**	**111%**

The main new contracts signed over the period were in Infrastructure & Data Management (reaching a book to bill at 109%), with in particular Rheinmetall, Siemens and Nokia (spread over the different Group's Divisions) in Germany, Aegon and the University College London Hospital in the UK, Monsanto and Ashland in North America. Business & Platform Solutions (with a book to bill at 114%) signed new contracts with notably T-Mobile in the Benelux & The Nordics, La Poste in France, Deutsche Bank in the UK and with Polimeks in Central & Eastern Europe. Big Data & Cybersecurity pursued its strong commercial dynamics reaching a healthy 130% book to bill ratio in 2016, while Worldline managed to achieve 106% over the period, with new contracts in the Public sector and in Financial Services mainly.

Renewals of the year included large contracts in Infrastructure & Data Management such as the extensions of the PIP contract with the department for Work and Pensions in the UK, the Texas department of Information Resources and McDonald's in the US, and Siemens in Germany. Worldline sales dynamic was also strong in particular with the renewal of several Issuing Processing contracts mainly in Germany.

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

	Order Entry			Book to bill		
(In € million)	H1	H2	FY 2016	H1	H2	FY 2016
Manufacturing, Retail & Transportation	2,226	2,360	4,586	111%	115%	113%
Public & Health	2,078	2,041	4,119	127%	121%	124%
Telcos, Media & Utilities	978	1,053	2,031	87%	86%	86%
Financial Services	1,027	1,264	2,291	110%	121%	116%
TOTAL GROUP	**6,309**	**6,718**	**13,027**	**111%**	**112%**	**111%**

E.1.7.2 Full backlog

In line with this positive evolution of Atos commercial activity, the **full backlog** at the end of December 2016 increased by € 2.8 billion compared to December 2015 including the integration of the acquisitions, and amounted to **€ 21.4 billion**, representing 1.8 year of revenue compared to 1.7 year of revenue at the end of 2015.

E.1.7.3 Full qualified pipeline

The **full qualified pipeline** was **€ 6.5 billion** at the end of 2016 including the integration of the acquisitions, up +4.9% compared to the end of December 2015.

E.1.8 Human Resources

The total headcount was 100,096 at the end of December 2016, compared to 91,322 at the end of 2015. The increase of +9.6% (or +8,774 staff) of the Group total workforce was mainly due to 5,199 staff from Unify who joined the Group on February 1, 2016, of which 1,871 from the Unify CCS part and 3,328 staff from the Unify S&P operations, and the acquisitions of Equens, PaySquare, KB Smartpay and Anthelio (1,228 staff within Worldline and 1,704 staff within North America respectively). Excluding the Unify S&P activities, reported under discontinued operations, total headcount would be at 97,337, increasing by +6.6% since January 1, 2016.

In 2016, the Group hired 17,154 staff (96% were direct employees), mainly in Infrastructure & Data Management counting for more than 65% of the direct hirings over the period. The hirings were mainly achieved in the "Other Business Units" (totaling 58% of direct hirings), notably in offshore countries such as India, Poland, Romania, Philippines and Mexico, and also in the US, the UK and Brazil.

Excluding the discontinued S&P Operations, attrition rate was 12.3% at Group level, of which 19.1% in offshore countries.

Headcount evolution in 2016 by Business Units and by Divisions was as the following:

	Closing December 2015	Internal transfers	Scope	Hiring	Leavers, Dismissals & Restructuring	Closing December 2016
Infrastructure & Data Management	41,361	-	3,069	10,812	-8,418	46,824
Business & Platform Solutions	33,700	-	-23	4,797	-5,897	32,577
Big Data & Cybersecurity	3,385	-	-	517	-176	3,726
Functions	362	-	-	27	-280	109
Worldline	6,750	-	1,189	645	-452	8,132
Total Direct	**85,558**	**-**	**4,235**	**16,798**	**-15,222**	**91,369**
North America	12,074	-2,568	1,822	3,271	-2,895	11,704
Germany	7,578	204	553	284	-27	8,592
United-Kingdom & Ireland	7,771	210	302	1,622	-1,575	8,330
France	11,629	36	0	764	-479	11,950
Benelux & The Nordics	5,189	66	0	220	-631	4,844
Other Business Units	34,128	2,052	369	9,965	-9,117	37,398
Global structures	438	-	0	27	-47	418
Worldline	6,750	-	1,189	645	-452	8,132
Total Direct	**85,558**	**-**	**4,235**	**16,798**	**-15,223**	**91,369**
Total Indirect	**5,764**	**-**	**535**	**582**	**-918**	**5,964**
TOTAL GROUP	**91,322**	**-**	**4,770**	**17,381**	**-16,141**	**97,332**

The number of direct employees at the end of December 2016 was 92,785 (91,369 excluding Unify S&P), representing 92.7% (93.9% excluding Unify S&P) of the total Group headcount, compared to 93.7% at the end of December 2015. Indirect staff was 7,312 (5,969 excluding Unify S&P), increased by 1,548 employees compared to the end of December 2015, largely due to the scope effect from the Unify acquisition. Excluding the Unify acquisition, Indirect staff would be at 5,424, meaning a -5.8% year-on-year decrease.

The number of restructured or dismissed employees over the period was 3,403 (of which 2,986 Direct staff).

E.2 2017 objectives

Revenue growth: circa **+6%** at constant exchange rates, above **+2% organically**.

Operating margin: between **9.5%** and **10.0%** of revenue.

Free cash flow: operating margin conversion rate to free cash flow between **55%** and **58%**.

E.3 Financial review

E.3.1 Income statement

The Group reported a net income from continuing operations (attributable to owners of the parent) of € 567.1 million for 2016, which represented 4.8% of Group revenue and an increase of 39.6% compared to 2015. The normalized net income before unusual, abnormal and infrequent items (net of tax) for the period was € 766.7 million, representing 6.5% of 2016 Group revenue.

The Group reported a net income including discontinued operations (attributable to owners of the parent) of € 578.8 million for 2016.

(in € million)	12 months ended December 31, 2016	% Margin	12 months ended December 31, 2015[1]	% Margin
Operating margin	**1,103.9**	**9.4%**	**917.0**	**8.6%**
Other operating income/(expenses)	-290.8		-327.7	
Operating income	**813.1**	**6.9%**	**589.3**	**5.5%**
Net financial income/(expenses)	-49.2		-45.2	
Tax charge	-145.2		-109.7	
Non-controlling interests and associates	-51.6		-28.2	
Net income from continuing operations– Attributable to owners of the parent	**567.1**	**4.8%**	**406.2**	**3.8%**
Net income from discontinued operations	11.7		0.0	-
Net income including discontinued operations – Attributable to owners of the parent	578.8	4.9%	406.2	3.8%
Normalized net income – Attributable to owners of the parent[2]	**766.7**	**6.5%**	**625.8**	**5.9%**

[1] December 31, 2015 adjusted to reflect change in presentation disclosed in Note "Basis of preparation and significant accounting policies".
[2] The normalized net income is based on continuing operations and is defined hereafter.

Operating margin

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

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

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

Other operating income and expenses

Other operating income and expenses relate to income and expenses that are unusual, abnormal and infrequent and represented a net expense of € 290.8 million in 2016. The following table presents this amount by nature:

(In € million)	12 months ended December 31, 2016	12 months ended December 31, 2015*
Staff reorganization	-92,1	-96,3
Rationalization and associated costs	-42,3	-41,8
Integration and acquisition costs	-32,5	-51,8
Amortization of intangible assets (PPA from acquisitions)	-95,9	-71,9
Equity based compensation	-49,9	-33,3
Other items	21,9	-32,6
TOTAL	**-290,8**	**-327,7**

* *December 31, 2015 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

The € 92.1 million **staff reorganization** expense was mainly the consequence of the adaptation of the Group workforce in several countries such as Central & Eastern Europe, France, Germany, Iberia, North America and the United Kingdom.

The € 42.3 million **rationalization and associated costs** primarily resulted from the closure of office premises and data centers consolidation, mainly in Germany (€ 11.7 million), North America (€ 8.9 million) and Central & Eastern Europe (€ 4.5 million), linked to restructuring plans. This amount also encompasses external costs linked to the continuation of Worldline's TEAM program (€ 3.7 million) including the rationalization of office premises in France and Belgium.

The € 32.5 million **integration and acquisition** costs mainly related to Unify, equensWorldline and Paysquare transactions, and the remaining expenses related to Xerox ITO.

The 2016 **amortization of intangible assets recognized in the Purchase Price Allocation (PPA)** of € 95.9 million was mainly composed of:

- € 42.2 million of SIS customer relationships amortized over 8.75 years starting July 1st, 2011;
- € 19.6 million of Xerox ITO customer relationships amortized over 6 to 12 years starting July 1st, 2015;
- € 16.4 million of Bull customer relationships and Patents amortized over respectively 9.3 years and 9.9 years starting September 1st, 2014;
- € 9.6 million of Unify "CCS" customer relationships amortized over 2 to 10 years starting February 1st, 2016;
- € 2.5 million of Equens and Paysquare customer relationships amortized over 6.5 to 9.5 years starting October 1st, 2016; and
- € 2.3 million of Anthelio customer relationships amortized over 6 to 12 years starting October 1st, 2016.

The **equity based compensation expense** amounted to € 49.9 million within other operating income and expenses after € 33.3 million in 2015. The increase related to the scope expansion, the stock price evolution, as well as the achievement of performance conditions on a prior plan.

The € 21.9 million profit in **other items** corresponded mainly to the gain on the Visa share disposal for € 51.2 million. The absence of specific program to reskill IT engineers unlike in the prior year was partially offset by a settlement in H1 of an old litigation in Germany.

Net financial expense

Net financial expense amounted to € 49.2 million for the period (compared to € 45.2 million prior year) and was composed of a net cost of financial debt of € 18.1 million and non-operational financial costs of € 31.1 million.

Net cost of financial debt was € 18.1 million (compared to € 17.4 million in 2015) and resulted from the following elements:

- the average gross borrowing of € 2,014.1 million compared to € 1,185.5 million in 2015 bearing an average expense rate of 1.60% compared to 2.32% last year.

  The average gross borrowing expenses were mainly explained by:

  - the used portion of the syndicated loan for an average of € 1,058.6 million (compared to an average of € 687.2 million in 2015) bearing an effective interest rate of 0.48%,
  - a € 600.0 million bond issue in July 2015 bearing a coupon rate of 2.375%,
  - a € 300.0 million bond issue end of September 2016, with a yearly average impact on the total gross borrowings of € 90.0 million bearing a coupon rate of 1.444%,
  - other sources of financing, including securitization, for an average of € 260.7 million, bearing an effective interest rate of 4.03%;
- the average gross cash increased from € 1,105.3 million in 2015 to € 1,418.3 million in 2016 bearing an average income rate of 1.00% compared to 0.91% in 2015.

Non-operational financial costs amounted to € 31.1 million compared to € 27.8 million in 2015 and were mainly composed of pension related interest (€ 28.9 million compared to € 29.3 million expense in 2015) and a net foreign exchange gain of € 9.0 million versus a net foreign exchange gain of € 6.2 million in 2015. The pension financial cost represented the difference between interest costs on pension obligations and interest income on plan assets.

Corporate tax

The Group effective tax rate was 19.0% including the French CVAE tax corresponding to the tax charge of € 145.2 million with a profit before tax of € 763.9 million.

Please refer to Note 7 Income tax for further explanations.

Non-controlling interests

Non-controlling interests included shareholdings held by joint venture partners and other associates of the Group. Non-controlling interests amounted to € 53.0 million in December 2016 (compared to € 30.8 million in December 2015). The increase is mostly related to the non-controlling interests in Worldline, including the impact from the Visa share on the net income of Worldline, as well as the minorities into equens Worldline following the transaction that occurred on September 30, 2016.

Normalized net income

The normalized net income excluding unusual, abnormal, and infrequent items (net of tax) was € 766.7 million, increasing by 22.5% in comparison with the previous year.

(in € million)	12 months ended December 31, 2016	12 months ended December 31, 2015*
Net income from continuing operations- Attributable to owners of the parent	**567.1**	**406.2**
Other operating income and expenses	-290.8	-327.7
Tax impact on unsual items	91.2	108.1
Total unusual items – Net of tax	**-199.6**	**-219.6**
Normalized net income - Attributable to owners of the parent	**766.7**	**625.8**

* *December 31, 2015 adjusted to reflect change in presentation disclosed in Note "Basis of preparation and significant accounting policies".*

Earnings per share

EPS excluding discontinued operations:

(in € million)	12 months ended December 31, 2016	% Margin	12 months ended December 31, 2015*	% Margin
Net income from continuing operations – Attributable to owners of the parent [a]	**567.1**	**4.8%**	**406.2**	**3.8%**
Impact of dilutive instruments	-		-	
Net income from continuing operations restated of dilutive instruments - Attributable to owners of the parent [b]	**567.1**	**4.8%**	**406.2**	**3.8%**
Normalized net income – Attributable to owners of the parent [c]	**766.7**	**6.5%**	**625.8**	**5.9%**
Impact of dilutive instruments	-		-	
Normalized net income restated of dilutive instruments - Attributable to owners of the parent [d]	**766.7**	**6.5%**	**625.8**	**5.9%**
Average number of shares [e]	103,766,609		101,179,041	
Impact of dilutive instruments	506,003		805,555	
Diluted average number of shares [f]	104,272,612		101,984,596	
(In €) Earning per Share (EPS)				
Basic EPS from continuing operations [a]/[e]	**5.47**		**4.01**	
Diluted EPS from continuing operations [b]/[f]	**5.44**		**3.98**	
Normalized basic EPS [c]/[e]	**7.39**		**6.19**	
Normalized diluted EPS [d]/[f]	**7.35**		**6.14**	

* *December 31, 2015 adjusted to reflect change in presentation disclosed in "Basis of preparation and Significant accounting policies".*

Further to the strong increase of net income as detailed above, basic and diluted Earning per Share (EPS) from continuing operations reached respectively € 5.47 (€ 4.01 in 2015) and € 5.44 (€3.98 in 2015). Normalized basic and diluted EPS reached respectively € 7.39 (€6.19 in 2015) and € 7.35 (€ 6.14 in 2015).

EPS including discontinued operations:

(in € million)	12 months ended December 31, 2016	% Margin	12 months ended December 31, 2015	% Margin
Net income including discontinued operations – Attributable to owners of the parent [a]	**578.8**	**4.9%**	**406.2**	**3.8%**
Impact of dilutive instruments	-		-	
Net income including discontinued operations restated of dilutive instruments - Attributable to owners of the parent [b]	**578.8**	**4.9%**	**406.2**	**3.8%**
Average number of shares [e]	103,766,609		101,179,041	
Impact of dilutive instruments	506,003		805,555	
Diluted average number of shares [f]	104,272,612		101,984,596	
(In €) Earning per Share (EPS)				
Basic EPS including discontinued operations [a]/[e]	**5.58**		**4.01**	
Diluted EPS including discontinued operations [b]/[f]	**5.55**		**3.98**	

E.3.2 Cash Flow

The Group **net cash position** was € 481.4 million at the end of December 2016, compared to € 593.1 million at the end of December 2015.

Free cash flow representing the change in net cash or net debt, excluding dividends paid to shareholders, net material acquisitions/disposals and equity changes, reached € 579.1 million versus € 393.4 million achieved in 2015.

(in € million)	12 months ended December 31, 2016	12 months ended December 31, 2015
Operating Margin before Depreciation and Amortization (OMDA)	**1,374.5**	**1,200.4**
Capital expenditure	-421.1	-441.0
Change in working capital requirement	-38.0	48.8
Cash from operation (CFO)	**915.5**	**808.2**
Taxes paid	-129.1	-105.5
Net cost of financial debt paid	-18.1	-17.4
Reorganization in other operating income	-83.7	-149.5
Rationalization & associated costs in other operating income	-43.1	-46.7
Integration and acquisition costs	-21.9	-42.1
Other changes*	-40.4	-53.6
Free Cash Flow (FCF)	**579.1**	**393.4**
Net (acquisitions)/disposals	-707.3	-859.8
Proceeds from the disposal of the Visa share	35.6	-
Capital increase/(decrease)	28.5	58.1
Dividends paid to owners of the parent	-47.3	-30.7
Change in net cash/(debt)	**-111.4**	**-439.0**
Opening net cash/(debt)	**593.1**	**989.1**
Change in net cash/(debt)	-111,4	-439,0
Foreign exchange rate fluctuation on net cash/(debt)	-0.2	43.0
Closing net cash/(debt)	**481.4**	**593.1**

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

Cash from Operations (CFO) amounted € 915.5 million and increased by € 107.3 million compared to prior year. This increase resulted from the change of the three following components:

- OMDA (€+174.1 million) mainly reflecting the increase in operating margin and a strong reduction of the pensions one-offs accounted in operating margin;
- a decrease in the capital expenditures (€+19.9 million);
- a working capital requirement increase by €-38 million compared to a working capital requirement reduction in 2015 of € 48.8 million.

OMDA of € 1,374.5 million represented 11.7% of revenue, compared to 11.2% of revenue last year:

(in € million)	12 months ended December 31, 2016	12 months ended December 31, 2015*
Operating margin	**1,103.9**	**917.0**
+ Depreciation of fixed assets	399.1	405.6
+ Net book value of assets sold/written off	34.0	41.4
+/- Net charge/(release) of pension provisions	-79.9	-109.0
+/- Net charge/(release) of provisions	-82.6	-54.6
OMDA	**1,374.5**	**1,200.4**

* *December 31, 2015 adjusted to reflect change in presentation disclosed in "Basis of Preparation and significant accounting policies".*

Capital expenditures amounted to € 421.1 million or 3.6% of the revenue compared to € 441.0 million in 2015. The Group continued to invest, especially in its payment platforms within Worldline and in its infrastructure business, while rationalizing and mutualizing these expenses, thanks in particular to the Cloud architectures.

The **working capital** requirement increased by €-38.0 million. The DSO ratio reached 30 days compared to 32 days at the end of December 2015. DSO has been positively impacted by the implementation of financial arrangements on large customer contracts by 16 days compared to 13 days in December 2015. The DPO reached 76 days compared to 75 days at the end of December 2015.

Cash out related to **tax paid** reached € 129.1 million and was € 23.6 million higher than last year. This increase was lower than the progression of the net income before tax, further to a continued decrease in the effective tax rate over the last few years.

The cost of net debt reached € 18.1 million compared to € 17.4 million in 2015. This was mainly explained by:

- a lower cost of gross debt which was 1.60% compared to 2.32% last year;
- a higher average gross debt which increased by € 828.6 million during the year (€ 2,014.1 million compared to € 1,185.5 million in 2015). Such increase came mainly from a higher used portion of the syndicated loan by € 371.4 million compared to 2015, the full yearly effect of the € 600.0 million bond compared to 2015 and the successful placement of a seven-year Euro private placement bond issue of € 300.0 million on September 29, 2016.

Reorganization, rationalization and associated costs, and integration and acquisition costs reached € 148.7 million, a sharp reduction compared to € 238.3 million in 2015 which included the cash out from the acceleration of the Bull reorganization. The Group started in H2 2015 a strong program in order to significantly decrease the level of restructuring charges.

Other changes amounted to €-40.4 million and decreased by € 13.2 million in absence of specific program to reskill IT engineers unlike in the prior year, partially offset by a settlement in H1 of an old litigation in Germany.

As a result, the **Group Free Cash Flow** (FCF) generated during the year 2016 was € 579.1 million.

The net debt impact resulting from **acquisitions net of disposals** amounted to € 707.3 million and corresponded mainly to the acquisition of Unify, Anthelio and Paysquare.

Capital increase, mostly related to proceeds from equity based compensation, totaled € 28.5 million compared to € 58.1 million in 2015, mainly reflecting the lower number of stock options exercised.

As part of the **sale of Visa Europe** share, the Group received in H1 € 35.6 million as the cash portion from Visa Inc. The remaining part compared to the total € 51.2 million proceeds relates to preferred shares and a long-term (3-year) receivable from Visa Inc.

As per the resolution approved by the shareholders during the Annual General Meeting held on May 26th, 2016, the Group paid in cash a **dividend** of € 47.3 million to its shareholders (out of € 113.5 million of dividend distributed).

Foreign exchange rate fluctuation which is determined on debt or cash exposure by country had no impact (€-0.2 million) on the net cash position of the Group, in spite of the numerous currency fluctuations over 2016 and thanks to a tight and daily monitoring of the treasuries across the Group.

E.3.3 Financing policy

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

E.3.3.1 Financing structure

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

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

On July 2, 2015 Atos issued a bond of € 600.0 million with a 5-year maturity. The coupon rate is 2.375%. Atos and the bonds are unrated. There are no financial covenants.

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

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

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

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

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

As of December 31, 2016, the Group has sold:

- in the compartment "ON" € 257.5 million receivables for which € 9.8 million were received in cash. The sale is with recourse, thus re-consolidated in the balance sheet;
- in the compartment "OFF" € 41.5 million receivables which qualify for de-recognition as substantially all risks and rewards associated with the receivables were transferred.

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

E.3.3.2 Bank covenants

The Group was well within its borrowing covenant for the multi-currency revolving credit facility, with a consolidated leverage ratio (net debt divided by OMDA) of -0.35 at the end of December 2016 (the ratio is negative due to the net cash position of the Group at the end of December 2016). The consolidated leverage ratio must not be greater than 2.5 times under the terms of the multi-currency revolving credit facility.

The Group was also well within the limit of the consolidated interest cover ratio which apply only to the Atos securitization program of trade receivables. The consolidated interest cover was 60.99 (Operating Margin divided by the net cost of financial debt which may not be less than 4 times).

E.3.3.3 Investment policy

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

E.3.3.4 Hedging policy

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

At the end of 2016, the Group did not have any interest hedging contract.

E.4 Consolidated financial statements

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

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

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report also includes information relating to the specific verification of information given in the management report.

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

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meetings, we hereby report to you, for the year ended December 31, 2016, on:

- the audit of the accompanying consolidated financial statements of Atos SE;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other selection methods, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2016 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the opean Union.

II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- As described in Note 1 of section E.4.7.4 to the consolidated financial statements, the acquisitions of Unify, equensWorldline (formerly Equens), Paysquare and Anthelio were recognized in accordance with IFRS 3 revised; as a result, the purchase prices were allocated to the identifiable assets and liabilities of the acquired entities, based on their fair value.

  Accordingly, the Company hired independent appraisers to determine the fair value of intangible assets. Our procedures mainly consisted in analyzing the independent appraisers' report, familiarizing ourselves with the measurement data and methods used, assessing the appropriateness of the assumptions, and verifying the consistency of the discount rate calculation method with that used for the impairment tests.

  Furthermore, the allocation of the purchase prices to the other identifiable assets and liabilities was determined on a provisional basis by the Company. Our work mainly consisted in assessing the methodology implemented and the assumptions on which these estimates were based and reviewing, on a sampling basis, the calculations performed by the Company. Based on these procedures, we assessed the reasonableness of such estimates and the appropriateness of the disclosure in the notes.

- As specified in the "Accounting estimates and judgments" note in section E.4.7.2 of the consolidated financial statements, the preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses in the financial statements and disclosures of contingent assets and liabilities as of the balance sheet date. This note specifies that the estimates, assumptions and judgments, which may result in a significant adjustment to the carrying amounts of assets and liabilities, mainly relate to:

- goodwill amounting to € 3,864.8 million as of December 31, 2016 was subject to impairment testing by the Company as described in the "Goodwill" note of the section E.4.7.2 and in Note 11 of section E.4.7.4 to the consolidated financial statements. Based on the information provided to us, our work consisted in assessing the appropriateness of the methodology applied and the data used to determine the values-in-use, especially to review the cash-flow projections for each cash-generating unit ("CGU") and the actual performance against budget, and in verifying the overall consistency of assumptions with forecasts from each CGU's financial business plan approved by management. We have reviewed the calculations made by your Company and verified that Note 11 to the consolidated financial statements provides appropriate disclosure;
- the "Revenue recognition" note in section E.4.7.2 of the consolidated financial statements outlines the methods applied with respect to revenue recognition. Based on the information provided to us, our work consisted in assessing the appropriateness of the information provided in the note mentioned above and in ensuring that the methods are correctly applied. In addition, our work consisted in assessing the reasonableness of the accounting estimates used by management;
- as specified in the "Pensions and similar benefits" note in section E.4.7.2 of the consolidated financial statements, the Company uses actuarial methods and actuarial assumptions to evaluate the pension commitments. The value of plan assets is measured on the basis of valuations provided by the external custodians of pension funds and these assets are subject to additional verifications by management if necessary. Based on the information provided to us, our work consisted on assessing the appropriateness of the methodology applied and the data used to assess the pension obligations and the plan assets valuation, on verifying the consistency of assumptions used, and on verifying that Note 20 of section E.4.7.4 to the consolidated financial statements provides appropriate disclosure;
- the Company recognizes deferred tax assets in an amount of € 412.3 million in the consolidated statement of financial position, on the basis of the December actual data and business plans covering a 3-year period. Our work consisted in assessing the data and assumptions used by management in order to verify the recoverability of deferred tax assets recognized, and in verifying that Note 8 of section E.4.7.4 to the consolidated financial statements provides appropriate disclosure;
- as specified in the "Equity based compensation" note in section E.4.7.2 of the consolidated financial statements, the Company uses methods and assumptions to evaluate fair values and expenses of the period related to the free shares and stock options plans granted to management and to certain employees. Based on the information provided to us, our work consisted on assessing the appropriateness of the methodology applied, the data and assumptions used to assess the fair values and expenses related to these plans. We also verified that Note 5 of section E.4.7.4 to the consolidated financial statements provides appropriate disclosure.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to our opinion expressed in the first part of this report.

III. Specific verification

As required by French law, in accordance with professional standards applicable in France, we have also verified the information presented in the Group's management report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine, March 30, 2017

The statutory auditors

French original signed by

Deloitte & Associés
Jean-Pierre Agazzi

Grant Thornton
French member of Grant Thornton International
Victor Amselem

E.4.2 Consolidated income statement

(in € million)		12 months ended December 31, 2016	12 months ended December 31, 2015*
Revenue	**Note 2**	**11,717.5**	**10,685.5**
Personnel expenses	Note 3	-5,358.1	-5,135.8
Operating expenses	Note 4	-5,255.5	-4,632.7
Operating margin		**1,103.9**	**917.0**
% of revenue		**9.4%**	**8.6%**
Other operating income and expenses	Note 5	-290.8	-327.7
Operating income		**813.1**	**589.3**
% of revenue		**6.9%**	**5.5%**
Net cost of financial debt		-18.1	-17.4
Other financial expenses		-71.5	-68.6
Other financial income		40.4	40.8
Net financial income	Note 6	-49.2	-45.2
Net income before tax		**763.9**	**544.1**
Tax charge	Notes 7-8	-145.2	-109.7
Share of net profit/(loss) of associates		1.4	2.6
Net income from continuing operations		620.1	437.0
Net income from discontinued operations		11.7	
NET INCOME		**631.8**	**437.0**
Of which:			
• **attributable to owners of the parent**		**578.8**	**406.2**
• non-controlling interests	Note 9	53.0	30.8

* *December 31, 2015 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

(in € and number of shares)	Notes	12 months ended December 31, 2016	12 months ended December 31, 2015
Net income from continuing operations - Attributable to owners of the parent	**Note 10**		
Weighted average number of shares		103,766,609	101,179,041
Basic earnings per share from continuing operations		**5.47**	**4.01**
Diluted weighted average number of shares		104,272,612	101,984,596
Diluted earnings per share from continuing operations		**5.44**	**3.98**

(in € and number of shares)	Notes	12 months ended December 31, 2016	12 months ended December 31, 2015
Net income - Attributable to owners of the parent	**Note 10**		
Weighted average number of shares		103,766,609	101,179,041
Basic earnings per share		**5.58**	**4.01**
Diluted weighted average number of shares		104,272,612	101,984,596
Diluted earnings per share		**5.55**	**3.98**

E.4.3 Consolidated statement of comprehensive income

(in € million)	12 months ended December 31, 2016	12 months ended December 31, 2015
Net income	**631.8**	**437.0**
Other comprehensive income		
• **to be reclassified subsequently to profit or loss (recyclable):**	**-87.6**	**157.1**
Cash flow hedging	5.1	-3.9
Change in fair value of available for sale financial assets	-43.5	46.2
Exchange differences on translation of foreign operations	-51.5	112.1
Deferred tax on items recyclable recognized directly on equity	2.3	2.7
• **not reclassified to profit or loss (non-recyclable):**	**-231.4**	**45.5**
Actuarial gains and losses generated in the period on defined benefit plan	-300.4	78.1
Deferred tax on items non-recyclable recognized directly in equity	69.0	-32.6
Total other comprehensive income	**-319.0**	**202.6**
Total comprehensive income for the period	**312.8**	**639.6**
Of which:		
• **attributable to owners of the parent**	**277.3**	**592.2**
• non-controlling interests	35.5	47.4

E.4.4 Consolidated statement of financial position

(in € million)	Notes	12 months ended December 31, 2016	12 months ended December 31, 2015
ASSETS			
Goodwill	Note 11	3,864.8	3,118.1
Intangible assets	Note 12	1,243.4	920.3
Tangible assets	Note 13	740.9	818.8
Non-current financial assets	Note 14	233.3	259.2
Non-current financial instruments	Note 23	0.1	1.4
Deferred tax assets	Note 8	412.3	442.4
Total non-current assets		**6,494.8**	**5,560.2**
Trade accounts and notes receivables	Note 15	2,555.0	2,273.3
Current taxes		27.2	23.5
Other current assets	Note 16	1,137.2	868.9
Current financial instruments	Note 23	10.0	8.1
Cash and cash equivalents	Note 18	2,121.7	1,946.8
Assets held for sale	Note 1	1,006.3	0.0
Total current assets		**6,857.4**	**5,120.6**
TOTAL ASSETS		**13,352.2**	**10,680.8**

(in € million)	Notes	12 months ended December 31, 2016	12 months ended December 31, 2015
LIABILITIES AND SHAREHOLDERS' EQUITY			
Common stock		104.9	103.5
Additional paid-in capital		2,713.1	2,626.1
Consolidated retained earnings		948.4	688.6
Translation adjustments		-29.4	18.3
Net income attributable to the owners of the parent		578.8	406.2
Equity attributable to the owners of the parent		4,315.8	3,842.7
Non-controlling interests		519.4	254.4
Total shareholders' equity		**4,835.2**	**4,097.1**
Provisions for pensions and similar benefits	Note 20	1,410.7	1,121.6
Non-current provisions	Note 21	114.0	86.8
Borrowings	Note 22	1,500.1	1,210.8
Deferred tax liabilities	Note 8	100.6	70.0
Non-current financial instruments	Note 23	1.4	4.7
Other non-current liabilities		6.3	12.2
Total non-current liabilities		**3,133.2**	**2,506.1**
Trade accounts and notes payables	Note 24	1,970.6	1,605.5
Current taxes		59.9	104.7
Current provisions	Note 21	194.2	199.8
Current financial instruments	Note 23	7.5	8.7
Current portion of borrowings	Note 22	140.5	143.1
Other current liabilities	Note 25	2,159.5	2,015.8
Liabilities held for sale	Note 1	851.7	0.0
Total current liabilities		**5,383.8**	**4,077.6**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**13,352.2**	**10,680.8**

E.4.5 Consolidated cash flow statement

(in € million)	Notes	12 months ended December 31, 2016	12 months ended December 31, 2015
PROFIT BEFORE TAX		**763.9**	**544.1**
Depreciation of assets	Note 4	399.1	405.6
Net charge/(release) to operating provisions		-162.6	-163.6
Net charge/(release) to financial provisions		10.6	29.9
Net charge/(release) to other operating provisions		25.2	-101.4
Purchase Price Allocation amortization (PPA)	Note 5	95.9	71.9
Losses/(gains) on disposals of fixed assets		-40.4	16.8
Net charge for equity-based compensation		49.9	33.3
Losses/(gains) on financial instruments		-0.8	2.8
Net cost of financial debt	Note 6	18.1	17.4
Cash from operating activities before change in working capital requirement, financial interest and taxes		**1,158.9**	**856.8**
Taxes paid		-129.1	-105.5
Change in working capital requirement		-38.0	48.8
Net cash from/(used in) operating activities		**991.8**	**800.1**
Payment for tangible and intangible assets		-421.1	-441.0
Proceeds from disposals of tangible and intangible assets		30.4	37.8
Net operating investments		**-390.7**	**-403.2**
Amounts paid for acquisitions and long-term investments		-782.0	-820.7
Cash and cash equivalents of companies purchased during the period		83.0	10.9
Proceeds from disposals of financial investments		38.9	9.5
Cash and cash equivalents of companies sold during the period		4.8	-0.3
Dividend received from entities consolidated by equity method		1.5	2.5
Net long-term investments	**Note 26**	**-653.8**	**-798.1**
Net cash from/(used in) investing activities		**-1,044.4**	**-1,201.3**
Common stock issues on the exercise of equity-based compensation		25.4	56.9
Capital increase subscribed by non-controlling interests		3.1	1.2
Purchase and sale of treasury stock		-	0.1
Dividends paid to owners of the parent		-47.3	-30.7
Dividends paid to non-controlling interests		-3.1	-1.2
New borrowings	Note 22	306.0	688.0
New finance lease	Note 22	4.9	0.2
Repayment of long and medium-term borrowings	Note 22	-49.0	-9.8
Net cost of financial debt paid		-18.1	-17.4
Other flows related to financing activities	Note 22	20.1	-7.1
Net cash from / (used in) financing activities		**242.2**	**680.2**
Increase / (decrease) in net cash and cash equivalents		**189.5**	**279.0**
Opening net cash and cash equivalents		**1,873.7**	**1,542.5**
Increase / (decrease) in net cash and cash equivalents	Note 22	189.5	279.0
Impact of exchange rate fluctuations on cash and cash equivalents		-20.3	52.2
Closing net cash and cash equivalents		**2,042.9**	**1,873.7**

E.4.6 Consolidated statement of changes in shareholders' equity

(in € million)	Number of shares at period-end *(thousands)*	Common Stock	Additional paid-in capital
At January 1, 2015	**101,334**	**101.3**	**2,521.6**
• Common stock issued	2,186	2.2	104.5
• Appropriation of prior period net income			
• Dividends paid			
• Equity-based compensation			
• Changes in treasury stock			
• Other			
Transactions with owners	2,186	2.2	104.5
• Net income			
• Other comprehensive income			
Total comprehensive income for the period			
At December 31, 2015	**103,520**	**103.5**	**2,626.1**
• Common stock issued	1,389	1.4	87.0
• Appropriation of prior period net income			
• Dividends paid			
• Equity-based compensation			
• Changes in treasury stock			
• Equens impact			
• Other			
Transactions with owners	1,389	1.4	87.0
• Net income			
• Other comprehensive income			
Total comprehensive income for the period			
AT DECEMBER 31, 2016	**104,908**	**104.9**	**2,713.1**

Consolidated retained earnings	Translation adjustments	Items recognized directly in equity	Net income	Total	Non controlling interests	Total shareholders' equity
404.6	**-94.4**	**-5.0**	**265.2**	**3,193.3**	**208.8**	**3,402.1**
-49.7				57.0		57.0
265.2			-265.2	-		-
-30.7				-30.7	-1.3	-32.0
24.3				24.3	6.1	30.4
0.1				0.1		0.1
6.5				6.5	-6.6	-0.1
215.7	-	-	-265.2	57.2	-1.8	55.4
			406.2	406.2	30.8	437.0
42.7	112.7	30.6		186.0	16.6	202.6
42.7	**112.7**	**30.6**	**406.2**	**592.2**	**47.4**	**639.6**
663.0	**18.3**	**25.6**	**406.2**	**3,842.7**	**254.4**	**4,097.1**
-66.2				22.2	8.5	30.7
406.2			-406.2	-		-
-47.3				-47.3	-3.1	-50.4
41.4				41.4	2.0	43.4
0.2				0.2		0.2
178.5				178.5	221.8	400.3
0.8				0.8	0.3	1.1
513.6	-	-	-406.2	195.8	229.5	425.3
			578.8	578.8	53.0	631.8
-226.9	-47.7	-26.9		-301.5	-17.5	-319.0
-226.9	-47.7	-26.9	578.8	277.3	35.5	312.8
949.7	**-29.4**	**-1.3**	**578.8**	**4,315.8**	**519.4**	**4,835.2**

E.4.7 Notes to the consolidated financial statements

DETAILED SUMMARY OF NOTES

E.4.7.1 General information

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

The consolidated financial statements of the Group for the twelve months ended December 31, 2016 comprise the Group and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and jointly controlled entities.

These consolidated financial statements were approved by the Board of Directors on February 21, 2017. The consolidated financial statements will then be submitted to the approval of the General Meeting of Shareholders scheduled to take place on May 24, 2017.

E.4.7.2 Basis of preparation and significant accounting policies

Basis of preparation

Pursuant to European Regulation No. 1606/2002 of July 19, 2002, the consolidated financial statements for the twelve months ended December 31, 2016 have been prepared in accordance with the applicable international accounting standards, as endorsed by the European Union as at December 31, 2016. The international standards comprise the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the International Accounting Standards (IAS), the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

Accounting policies applied by the Group comply with those standards and interpretations, which can be found at: http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

As of December 31, 2016 the accounting standards and interpretations endorsed by the European Union are similar to the compulsory standards and interpretations published by the International Accounting Standards Board (IASB). Consequently, the Group's consolidated financial statements are prepared in accordance with the IFRS standards and interpretations, as published by the IASB. The new standards, interpretations or amendments whose application was mandatory for the Group effective for the fiscal year beginning January 1, 2016 had no material impact on the consolidated financial statements:

- amendments to IFRS 10, IFRS 12 and IAS 28 Investments Entities : Applying the Consolidation Exception;
- amendment to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations;
- amendment to IAS 1 Disclosure Initiative;
- amendment to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortization;
- amendments to IAS 27 Equity Method in Separate Financial Statements;
- Annual Improvements to IFRSs 2012-2014 Cycle.

A number of new standards and amendments to standards published in 2016 are effective for annual periods beginning after January 1, 2017 and earlier application is permitted. However, the Atos Group has not early applied the following new or amended standards in preparing these consolidated statements.

New or amended standards	Summary of the requirements	Possible impact on consolidated financial statements
IFRS 9 Financial Instruments	IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018, with early adoption permitted.	The Atos Group is expecting a limited impact on its consolidated financial statements resulting from the application of IFRS 9 given the nature of its activities.
IFRS 15 Revenue from Contracts with customers	IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programs. IFRS 15 is effective for annual reporting periods beginning on or after January 1, 2018, with early adoption permitted.	Since 2015, the Group is taking part to a Syntec Numérique taskforce working on the implementation of their new standard in the IT sector. Atos Group is currently testing a sample of its most representative typologies of contracts and transactions with customers to finally assess the impact of the IFRS 15 implementation.
IFRS 16 Leases	IFRS 16 introduces a single on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. IFRS 16 replaces existing leases guidance IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC 15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted.	The Atos Group has started an initial assessment of the potential impact on its consolidated financial statements.

The following other standards, potentially applicable to the Group consolidated financial statements, are not expected to have a significant impact on Atos Group's consolidated financial statements:

- amendment to IFRS 2 Classification and Measurement of Share-based Payment
- amendment to IAS 7 Disclosure Initiative; and
- amendment to IAS 12 Recognition of Deferred Tax Assets for Unrealized Losses.

These consolidated financial statements are presented in euro, which is the Group's functional currency. All figures are presented in € million with one decimal.

The policies set out below have been applied in consistency with all years presented.

Accounting estimates and judgments

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

Goodwill impairment tests

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

Measurement of recognized tax loss carry-forwards

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

Revenue recognition and associated costs on long-term contracts

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

Pensions

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

Customer relationships

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

Consolidation methods

Subsidiaries

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

Segment reporting

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

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

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

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

Presentation rules

Current and non-current assets and liabilities

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

Assets and liabilities held for sale and discontinued operations

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

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

Change in free cash flow and operating margin definition

The Group decided to change the "free cash flow" and "operating margin" definitions by excluding equity based compensation effects from the calculation of financial performance, in line with sector practice.

As such, Group free cash flow excludes proceeds from equity based compensation and the amortization cost of equity based compensation plans is excluded from the "operating margin" and presented in "other operating income and expenses".

This change in presentation has been applied retroactively to the period presented and as a consequence of this reclassification, the full year 2015 "operating margin" have been increased by € 33.3 million and the full year 2015 Group free cash flow decreased by € 57 million.

Translation of financial statements denominated in foreign currencies

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

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

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

Translation of transactions denominated in foreign currencies

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

Business combination and goodwill

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

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

Valuation of assets acquired and liabilities assumed of newly acquired subsidiaries

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

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

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

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

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

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

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

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

Goodwill

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

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

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

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

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

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

Goodwill is not amortized and is subject to an impairment test performed at least annually by comparing its carrying amount to its recoverable amount at the closing date based on December actuals and latest 3 year plan, or more often whenever events or circumstances indicate that the carrying amount could not be recoverable. Such events and circumstances include but are not limited to:

- significant deviance of economic performance of the asset when compared with budget;
- significant worsening of the asset's economic environment;
- loss of a major client;
- significant increase in interest rates.

Intangible assets other than goodwill

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

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

- a research phase; and
- a development phase.

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

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

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

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

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

- for internal software development with fast technology serving activities with a shorter business cycle and contract duration, the period of amortization will be between 3 and 7 years, the standard scenario being set at 5 years in line with the standard contract duration;

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

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

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

Tangible assets

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

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

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

Leases

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

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

Impairment of assets other than goodwill

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

Financial assets

Financial assets are accounted for at trade date.

Investments in non-consolidated companies

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

Available-for-sale financial assets

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

Loans, trade accounts and notes receivable

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

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

Assets securitization

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

Derivative financial instruments

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

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

Cash and cash equivalents

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

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

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

Treasury stock

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

Pensions and similar benefits

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

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

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

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

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

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

Provisions

Provisions are recognized when:

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

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

Borrowings

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

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

Bank overdrafts are recorded in the current portion of borrowings.

Non-controlling interests purchase commitments

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

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

Revenue Recognition

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

Variable vs fixed price contracts

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

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

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

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

Principal vs agent

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

Multiple-element arrangements

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

Upfront payments

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

Transition costs

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

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

Operating margin

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

Other operating income and expenses

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

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

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

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

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

Equity-based compensation

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

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

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

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

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

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

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

Corporate income tax

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

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

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

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

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

Earnings per share

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

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

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

Related party transactions

Related party transactions include in particular transactions with:

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

E.4.7.3 Financial risk management

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

Liquidity risk

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

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

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

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

Interest rate risk

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

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

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

Credit risk

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

Currency risk

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

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

Price risk

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

E.4.7.4 Notes to the consolidated financial statements

Note 1 Changes in the scope of consolidation

Unify acquisition

On January 20, 2016, Atos completed the acquisition of Unify, a leader in integrated communication solutions, which was announced in November 2015.

The final cash consideration transferred to acquire 100% of Unify amounted to € 346.5 million after price adjustment.

Software & Platforms discontinued operations

The services activities of Unify have been integrated from February 1, 2016 in the Atos Division "Infrastructure & Data Management". Atos Group decided, as early as the acquisition date, to put up for sale the "Software & Platforms" business (S&P). The S&P business has been treated as discontinued operations from February 1, 2016 in accordance with IFRS 3 and IFRS 5 requirements.

As of December 31, 2016, Atos is still engaged in an active process to sell S&P business and is in negotiation with a potential buyer. As such, the discontinued treatment has been maintained.

The flows relating to the services rendered by the continuing operations to S&P have been eliminated at the S&P level. As a result, the external revenue of the Group includes revenues related to such flows.

In the consolidated statements of financial position, the net assets allocated to the S&P business have been presented on the line "Assets held for sale" and net liabilities on the line "Liabilities held for sale".

The net income of the S&P business from February 1,2016 to December 31, 2016 has been presented under the "Net income from discontinued operations" caption of the consolidated income statement.

Identifiable assets acquired and liabilities assumed at the date of acquisition for the continuing operations

(in € million)	Initial assets acquired and liability assumed
Intangible assets	87.5
Tangible assets	1.7
Non-current financial assets	0.1
Total non-current assets	**89.4**
Trade accounts and notes receivables	109.8
Current taxes	0.3
Other current assets	134.3
Cash and cash equivalents	32.0
Total current assets	**276.4**
TOTAL ASSETS (A)	**365.7**
Provisions for pensions and similar benefits	51.0
Non-current provisions	96.4
Borrowings	10.6
Deferred tax liabilities	11.9
Total non-current liabilities	**169.9**
Trade accounts and notes payables	44.0
Other current liabilities	106.7
Total current liabilities	**150.7**
TOTAL LIABILITIES (B)	**320.6**
Fair value of acquisition (A) - (B)	**45.1**

The preliminary valuation of assets acquired and liabilities assumed for the continuing operations resulted in the recognition of customer relationships and backlog for an amount of € 87.5 million determined by an independent expert. These intangible assets are amortized over a period from 2 to 10 years. The related amortization charge accounted in 2016 amounted to € 9.6 million.

Preliminary goodwill allocated to the Unify continuing operations

Goodwill on continuing operations was recognized as follows:

(in € million)	December 2016
Preliminary allocation of the consideration paid to continuing operations	242.3
Fair value of identifiable net assets	45.1
Preliminary goodwill	**197.2**

If new information is obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date that would lead to adjustments to the above amounts, then the acquisition accounting will be revised at that time.

The goodwill arising from this acquisition is not tax deductible.

Acquisition-related costs

The Group incurred in 2016 € 4.1 million of legal fees and due diligence costs related to this acquisition. These costs have been recognized in "Other operating income and expenses" in the Group's consolidated income statement.

2016 revenue and result as though acquisition had occured on January 1, 2016

If the acquisition had occured on January 1, 2016, the twelve-month revenue for 2016 would have been € 606 million and the twelve-month net income would have been € 55.5 million.

Equens and Paysquare acquisition

After the completion of the regulatory processes in the Netherlands and in Belgium, the acquisition of Equens and Paysquare were finalized on September 30, 2016.

The business combination was made up of two components:

- **equensWorldline**

The merger of the Financial Services business of Worldline with Equens resulted in the creation of equensWorldline held at 63.6% by Worldline and 36.4% by Equens' previous shareholders. equensWorldline is held at 44.6% by Atos.

In accordance with IFRS 3, this operation has been treated as a business combination with the takeover of equensWorldline by Worldline and the sale to the former shareholders of Equens of a non-controlling interest in the Financial Services Business. The entity has been fully consolidated from October 1st, 2016 within Financial Services Business.

As the transaction is non cash, the consideration transferred by Worldline to the former shareholders of Equens corresponds to 36.4% of the fair value of the Financial Services business (estimated at € 700 million and to the counterpart received by the Worldline of 63.6% of the fair value of Equens estimated at € 400.3 million. The fair values at the acquisition date were determined by an independent expert.

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

The effects of the business combination on Atos Shareholder's equity are as follows:

(in € million)	Financial Services business transferred to non controlling interests	Consideration transferred for the takeover of Equens	Total
Group share	-5.5	178.5	173.0
Non controlling interests	5.5	221.8	227.3
TOTAL SHAREHOLDER'S EQUITY	**0.0**	**400.3**	**400.3**

- **Paysquare**

On September 30, 2016, Worldline acquired from Equens 100% of its commercial acquiring subsidiary Paysquare for a cash consideration paid of € 113.2 million. Paysquare is fully consolidated in Atos Group since October 1, 2016. Paysquare is held at 70.1% by Atos.

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

(in € million)	Assets acquired and liabilty assumed
Fixed assets	202.3
Net debt	36.6
Provisions	-54.4
Other net assets	-36.6
Fair value of acquisition	**147.8**

Preliminary goodwill of Equens and Paysquare

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

(in € million)	Preliminary Goodwill
Consideration transferred for Equens	178.5
Consideration transferred for Paysquare	113.2
Total consideration	**291.7**
Fair value of Non Controlling Interets	**221.8**
Equity acquired (Equens & Paysquare)	84.1
Customer relationships acquired net of deferred tax	63.7
Fair value of identifiable net assets	**147.8**
TOTAL	**365.6**

The valuation of assets acquired and liabilities assumed at their fair value has resulted in the recognition of new customer relationships for a total amount of € 88.8 million determined by an independent expert. Customer relationships are being amortized on a straight line basis over 6.5 to 9.5 years. An amortization expense of € 2.5 million was recorded for the three-month period ended December 31, 2016.

If new information is obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date that would lead to adjustments to the above amounts, then the acquisition accounting will be revised at that time.

The residual goodwill is attributable to Equens' highly skilled workforce and specific know-how. It also reflects the synergies expected to be achieved from integrating Equens and Paysquare operations into the Group.

The goodwill arising from this acquisition is not tax deductible.

Acquisition-related costs

The Group incurred € 12.4 million of legal fees and due diligence costs. These costs have been recognized in "other operating income and expenses" in the Group's consolidated income statement, of which € 7.2 million in 2015 and € 5.2 million in 2016.

2016 revenue and result as though the acquisition had occured on January 1, 2016

If the acquisition of Equens and Paysquare had occured on January 1, 2016, the twelve-month revenue for 2016 would have been € 319.8 million and the twelve-month net income would have been € 14.7 million (including Paysquare's Visa proceeds in the first semester 2016 for € 42.9 million).

Xerox ITO acquisition

The disclosure on Xerox ITO purchase price allocation remains unchanged compared to the one published in the Update of the 2015 Registration Document. For the record, we have included these elements below.

On June 30, 2015, Atos completed the acquisition of Xerox ITO which was announced in December 2014. In 2016, Atos has finalized the purchase price allocation for this business combination.

Identifiable assets acquired and liabilities assumed at the date of acquisition

(in € million)	Initial assets acquired and liability assumed	Additional adjustments identified in 2016	Assets acquired and liability assumed at the end of the measurement period
Intangible assets	229.4	0.1	229.5
Tangible assets	157.6	-6.0	151.6
Non-current financial assets	1.4	-	1.4
Deferred tax assets	19.0	2.4	21.4
Other non current asset	2.7	-	2.7
Total non-current assets	**410.1**	**-3.5**	**406.6**
Trade accounts and notes receivables	245.6	1.3	246.9
Other current assets	94.0	-8.0	86.0
Cash and cash equivalents	10.9	-0.8	10.1
Total current assets	**350.5**	**-7.5**	**343.0**
TOTAL ASSETS (A)	**760.6**	**-11.0**	**749.6**
Provisions for pensions and similar benefits	24.8	-1.2	23.6
Non-current provisions	7.2	5.2	12.4
Borrowings	58.8	-	58.8
Deferred tax liabilities	1.5	-	1.5
Other non-current liabilities	0.3	-	0.3
Total non-current liabilities	**92.6**	**4.0**	**96.6**
Trade accounts and notes payables	81.1	0.8	81.9
Current taxes	2.5	-	2.5
Current portion of borrowings	13.9	-	13.9
Other current liabilities	169.5	7.6	177.1
Total current liabilities	**267.0**	**8.4**	**275.4**
TOTAL LIABILITIES (B)	**359.6**	**12.4**	**372.0**
Fair value of acquisition (A) - (B)	**401.0**	**-23.4**	**377.6**

The valuation of assets acquired and liabilities assumed at their fair value has resulted in the recognition of new intangible assets excluding software for a total amount of € 156.7 million of which € 154.2 million for customer relationships determined by an independent expert. Customer relationships are being amortized over 6 to 12 years.

Goodwill

Goodwill was recognized as a result of the acquisition as follows:

(in € million)	December 2016	December 2015
Total consideration paid	812.1	812.1
USD vs EUR hedging of the consideration paid	-46.8	-46.8
Tax effect on USD vs EUR hedging of the consideration paid	16.1	16.1
Fair value of identifiable net assets	377.6	401.0
TOTAL	**403.8**	**380.4**

The residual goodwill is attributable to synergies expected to be achieved from integrating Xerox ITO operations into the Group.

The tax goodwill generated by the Xerox ITO acquisition is amortized for tax purposes on a linear basis over 15 years. A deferred tax liability is booked over the 15 years of the tax amortization offsetting the positive effect of tax savings in the profit & loss.

Other acquisitions

Anthelio

On September 12, 2016, Atos acquired (and fully consolidated starting on October 1st, 2016) Anthelio Healthcare Solutions (Anthelio), the largest independent provider of healthcare technology solutions in North America for a consideration paid of € 267 million generating a preliminary goodwill of € 161.1 million. The valuation of assets acquired and liabilities assumed at their fair value has resulted in the recognition of new intangible assets for a total amount of € 91.5 million of which € 88.4 million for customer relationships determined by an independent expert amortized over 5 to 12 years.

KB Smartpay/ Cataps

Worldline completed on September 30, 2016 its agreement with Komercni banka (KB), a subsidiary of the Société Générale group and one of the leading banks in the Czech Republic, to further develop products and services for Czech merchants and acquire Cataps s.r.o.. This entity is fully consolidated in Wordline & Atos consolidated financial statements since October 1st, 2016.

Note 2 Segment information

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

In 2016, Xerox ITO was no longer fully allocated to the Business Unit "North America"; relevant activities were allocated to the Business Unit of the country of operation. In addition activities for Morocco were transferred to the Business Unit "France".

Operating segments in 2015	Bridge	Operating segments in 2016
Other Business Units	Morocco Offshore Delivery Center	France
North America	Xerox ITO activities	Business Unit of the country of operation

As a result of these changes, the Group segment organization in 2016 was the following:

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

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

The operating segment information for the periods was the following:

(in € million)	United Kingdom and Ireland	France	Germany	North America
12 months ended December 31, 2016				
External revenue by segment	**1,790.3**	**1,708.7**	**1,954.1**	**2,060.5**
% of Group revenue	15.3%	14.6%	16.7%	17.6%
Inter-segment revenue	189.4	301.8	345.3	228.0
Total revenue	1,979.7	2,010.5	2,299.4	2,288.5
Segment operating margin	**238.8**	**125.4**	**200.9**	**240.8**
% of margin	13.3%	7.3%	10.3%	11.7%
Total segment assets	**955.5**	**1,747.8**	**1,294.1**	**1,004.9**
Other information on income statement				
Depreciation of assets	-47.3	-29.0	-49.9	-113.4
Other informations				
Year end headcount	8,893	12,677	9,391	12,268
Capital expenditure	45.1	27.5	77.8	81.2
Net cash	191.2	75.7	640.4	40.4
12 months ended December 31, 2015				
External revenue by segment	**1,959.9**	**1,678.3**	**1,578.1**	**1,281.6**
% of Group revenue	18.3%	15.7%	14.8%	12.0%
Inter-segment revenue	-5.0	39.6	218.5	63.4
Total revenue	1,954.9	1,717.9	1,796.6	1,345.0
Segment operating margin	**220.2**	**101.2**	**123.1**	**123.8**
% of margin	11.2%	6.0%	7.8%	9.7%
Total segment assets	**1,122.9**	**1,662.8**	**883.6**	**986.3**
Other information on income statement				
Depreciation of assets	-60.8	-28.7	-74.0	-78.4
Impairment losses for fixed assets				
Reversal of impairment losses for fixed assets				
Other informations				
Year end headcount	8,530	12,489	8,552	9,687
Capital expenditure	80.0	24.9	67.5	52.4
Net cash	112.9	52.3	505.7	46.7

1 Excluding 2,759 employees from discountinued scope.
2 As at December 31, 2015 the GBU ITO was included in North America. During year 2016 it was allocated to the other GBUs. Also adjusted to reflect change in presentation disclosed in Note "Basis of preparation and significant accounting policies".

Benelux & The Nordics	Other Business Units	Worldline	Total Operating segments	Global Structures	Elimination	Total Group
986.1	**1,956.3**	**1,261.5**	**11,717.5**	**0.0**		**11,717.5**
8.4%	16.7%	10.8%	100.0%			100.0%
206.7	1,187.0	48.1	2,506.3	86.7	-2,593.0	-
1,192.8	3,143.3	1,309.6	14,223.8	86.7	-2,593.0	11,717.5
71.5	**127.3**	**196.9**	**1,201.6**	**-97.7**		**1,103.9**
7.3%	6.5%	15.6%	10.3%			9.4%
864.5	**1,589.5**	**1,693.1**	**9,149.4**	**635.3**	**-**	**9,784.7**
-33.0	-59.6	-54.6	-386.8	-12.3		-399.1
5,272	38,886	8,725	96,112	1,225		97,337[1]
39.5	54.2	83.4	408.7	12.4		421.1
320.0	579.2	398.9	2,245.8	-1,764.4		481.4
1,055.8	**1,955.1**	**1,176.7**	**10,685.5**			**10,685.5**[2]
9.9%	18.3%	11.0%	100.0%			100.0%
111.9	581.0	-18.3	991.1	89.0	-1,080.1	-
1,167.7	2,536.1	1,158.4	11,676.6	89.0	-1,080.1	10,685.5
98.1	**147.9**	**177.9**	**992.2**	**-75.2**		**917.0**[2]
9.3%	7.6%	15.1%	9.3%			8.6%
750.1	**1,482.0**	**1,025.2**	**7,912.9**	**355.2**	**-**	**8,268.1**[2]
-37.5	-61.6	-50.8	-391.8	-13.8		-405.6
			0.0			**-**
			0.0			-
5,743	37,728	7,350	90,079	1,243		91,322[2]
47.3	65.8	66.1	404.0	37.0		441.0
351.6	470.0	323.3	1,862.5	-1,269.4		593.1

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

(in € million)	12 months ended December 31, 2016	12 months ended December 31, 2015
Total segment assets	**9,784.7**	**8,268.1**
Tax Assets	439.5	465.9
Cash & Cash Equivalents	2,121.7	1,946.8
Asset held for sale	1,006.3	0.0
TOTAL ASSETS	**13,352.2**	**10,680.8**

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

(in € million)	Infrastructure and Data Management	Business & Platform Solutions	Big Data & Cyber-security	Worldline	Total Group
12 MONTHS ENDED DECEMBER 31, 2016					
External revenue by segment	**6,595.4**	**3,194.1**	**666.5**	**1,261.5**	**11,717.5**
% of Group revenue	56.3%	27.3%	5.7%	10.8%	100.0%
12 months ended December 31, 2015					
External revenue by segment	**5,657.7**	**3,254.6**	**596.8**	**1,176.4**	**10,685.5**
% of Group revenue	52.9%	30.5%	5.6%	11.0%	100.0%

Note 3 Personnel expenses

(In € million)	12 months ended December 31, 2016	% Revenue	12 months ended December 31, 2015*	% Revenue
Wages and salaries	-4,264.2	36.4%	-4,082.4	38.2%
Social security charges	-1,134.7	9.7%	-1,143.2	10.7%
Tax, training, profit-sharing	-42.4	0.4%	-27.2	0.3%
Net (charge)/release to provisions for staff expenses	-0.2	0.0%	8.0	-0.1%
Net (charge)/release of pension provisions	83.4	-0.7%	109.0	-1.0%
TOTAL	**-5,358.1**	**45.7%**	**-5,135.8**	**48.1%**

* *December 31, 2015 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

Note 4 Non personnel operating expenses [G4-EC1]

(In € million)	12 months ended December 31, 2016	% Revenue	12 months ended December 31, 2015	% Revenue
Subcontracting costs direct	-1,764.1	15.1%	-1,714.8	16.0%
Hardware and software purchase	-1,234.8	10.5%	-793.9	7.4%
Maintenance costs	-523.7	4.5%	-475.3	4.4%
Rent & Lease expenses	-525.0	4.5%	-465.5	4.4%
Telecom costs	-287.8	2.5%	-280.3	2.6%
Travelling expenses	-159.0	1.4%	-181.0	1.7%
Company cars	-67.4	0.6%	-74.3	0.7%
Professional fees	-223.3	1.9%	-195.9	1.8%
Taxes & Similar expenses	-25.1	0.2%	-28.7	0.3%
Others expenses	-170.6	1.5%	-96.5	0.9%
Subtotal expenses	**-4,980.8**	**42.5%**	**-4,306.2**	**40.3%**
Depreciation of assets	-399.1	3.4%	-405.6	3.8%
Net (charge)/release to provisions	82.8	-0.7%	46.6	-0.4%
Gains/(Losses) on disposal of assets	-26.0	0.2%	-24.7	0.2%
Trade Receivables write-off	-15.1	0.1%	-33.0	0.3%
Capitalized Production	82.7	-0.7%	90.2	-0.8%
Subtotal other expenses	**-274.7**	**2.3%**	**-326.5**	**3.1%**
TOTAL	**-5,255.5**	**44.9%**	**-4,632.7**	**43.4%**

The increase of Hardware and software purchases in 2016 compared to 2015 came from scope effects due to the acquisitions of Xerox ITO mid-2015 and Unify beginning of 2016, as well as the classification in 2016 of the Big Data & Cybersecurity Division's purchases of components in Hardware and software purchases, while they were accounted for in Subcontracting costs direct in 2015. As a reminder this Division designs and manufactures its own high value-added hardware such as high performance computers and in-memory servers.

Note 5 Other operating income and expenses [G4-EC1]

Other operating income and expenses relate to income and expenses that are unusual and infrequent and represented a net expense of € 290.8 million in 2016. The following table presents this amount by nature:

(In € million)	12 months ended December 31, 2016	12 months ended December 31, 2015*
Staff reorganization	-92.1	-96.3
Rationalization and associated costs	-42.3	-41.8
Integration and acquisition costs	-32.5	-51.8
Amortization of intangible assets (PPA from acquisitions)	-95.9	-71.9
Equity based compensation	-49.9	-33.3
Other items	21.9	-32.6
TOTAL	**-290.8**	**-327.7**

* *December 31, 2015 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

The € 92.1 million **staff reorganization** expense was mainly the consequence of the adaptation of the Group workforce in several countries such as Central & Eastern Europe, France, Germany, Iberia, North America and the United Kingdom.

The € 42.3 million **rationalization and associated costs** primarily resulted from the closure of office premises and data centers consolidation, mainly in Germany (€ 11.7 million), North America (€ 8.9 million) and Central & Eastern Europe (€ 4.5 million), linked to restructuring plans. This amount also encompasses external costs linked to the continuation of Worldline's TEAM program (€ 3.7 million) including the rationalization of office premises in France and Belgium.

The € 32.5 million **integration and acquisition** costs mainly related to Unify, equensWorldline and Paysquare transactions, and the remaining expenses related to Xerox ITO.

The 2016 **amortization of intangible assets recognized in the Purchase Price Allocation (PPA)** of € 95.9 million was mainly composed of:

- € 42.2 million of SIS customer relationships amortized over 8.75 years starting July 1st, 2011;
- € 19.6 million of Xerox ITO customer relationships amortized over 6 to 12 years starting July 1st, 2015;
- € 16.4 million of Bull customer relationships and Patents amortized over respectively 9.3 years and 9.9 years starting September 1st, 2014;
- € 9.6 million of Unify "CCS" customer relationships amortized over 2 to 10 years starting February 1st, 2016;
- € 2.5 million of Equens and Paysquare customer relationships amortized over 6.5 to 9.5 years starting October 1st, 2016; and
- € 2.3 million of Anthelio customer relationships amortized over 6 to 12 years starting October 1st, 2016.

The € 21.9 million profit in **other items** corresponded mainly to the gain on the Visa share disposal for € 51.2 million. The absence of specific program to reskill IT engineers unlike in the prior year was partially offset by a settlement in H1 of an old litigation in Germany.

Equity-based compensation

The € 49.9 million expense recorded within other operating income relating to equity-based compensation (€ 33.3 million in 2015) is mainly made up of:

- € 30.5 million related to previous free shares plans granted from 2011 until 2015 and € 6.2 million of 2016 free shares plans granted in July 2016;
- € 9.3 million related to previous stock options plans implemented from 2012 until 2015 and € 0.2 million of 2016 Worldline stock options implemented in September 2016;
- € 2.6 million related to employee share purchase plans set for Worldline in January 2016 and for Atos in December 2016.

Free shares plans

In July 2016, the Group implemented a new free shares plan detailed as follows:

Vesting Date	26 July 2019
Number of shares granted	947,884
Share price at grant date *(€)*	86.05
Expected life	3 years
Lock-up period	-
Risk free interest rate *(%)*	-0,047
Borrowing-lending spread *(%)*	4.0
Expected dividend yield *(%)*	1.2
Expected employee turnover	5% per year
Fair value of the instrument *(€)*	**83.00**
Expense recognized in 2016 *(in € million)*	**6.2**

The total expense within the heading "other operating income and expense" relating to free share plans during the year was the following:

(In € million)	12 months ended December 31, 2016	12 months ended December 31, 2015
Plans 2016	6.2	-
Plans 2015	11.0	4.6
Plans 2014	14.9	9.0
Plans 2013	4.3	10.9
Plan 2012	-	0.1
Plan 2011	0.3	1.5
TOTAL	**36.7**	**26.1**

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

	12 months ended December 31, 2016		12 months ended December 31, 2015	
	Number of shares	Weighted average strike price *(in €)*	Number of shares	Weighted average strike price *(in €)*
Outstanding at the beginning of the year	**1,294,524**	**40.0**	**2,806,747**	**39.5**
Exercised during the year	-496,607	35.1	-1,399,483	40.7
Expired during the year	-149,288	60.0	-112,740	50.0
Outstanding at the end of the year	**648,629**	**34.1**	**1,294,524**	**40**
Exercisable at the end of the year, below year-end stock price*	**648,629**	**34.1**	**1,294,524**	**40**

* *Year-end stock price: € 100.25 at December 31, 2016 and € 77.40 at December 31, 2015.*

Atos SE options outstanding at the end of the year have a weighted average remaining contractual life of 2.3 years (2015: 2.8 years). Such options are fully vested.

Employee share purchase plans

Employee Share Purchase Plan "SPRINT" 2016 (Atos)

In December 2016, the Group implemented a new employee share option plan called Sprint detailed as follows:

SPRINT 2016 was open to employees throughout the Group. This new plan offered eligible employees the purchase of shares at a 20% discount with a five-year lock-up period restriction and the attribution of free shares for the first 3 subscribed shares.

As a consequence of the SPRINT 2016 plan, the Group issued 294,965 shares at a reference share price of € 95.00 (before the 20% discount application).

The cost related to SPRINT 2016 takes into account the effect of the five-year lock-up period restriction calculated based on the following parameters:

- risk free interest rate: 0.11%;
- borrowing-lending spread: 5.0%.

	Sprint 2016
Number of shares issued	294,965
Reference share price at grant date *(€)*	95.00
Percentage of discount	20%
Lock-up period	5 years
Risk free interest rate *(%)*	0.11
Borrowing-lending spread *(%)*	5.00
Expense recognized in 2016 *(in € million)*	**2.2**

Employee Share Purchase Plan "Boost" 2015 (Worldline)

In 2015, a new Employee Share Purchase Plan called "Boost" was opened to employees throughout the Group. Following the same pattern as the Boost 2014 plan, this new plan offered eligible employees:

- 20% discounted subscription price of shares with a five-year lock-up period restriction;
- attribution of free shares for the first 20 subscribed shares.

As a consequence of the Boost 2015 plan, the Group issued 139,322 shares at a reference share price of € 23.46 (before the 20% discount application). For the year ending December 31, 2016, the charge for this plan amounted to € 0.4 million.

The cost related to Boost 2015 takes into account the effect of the five-year lock-up period restriction calculated based on the following parameters:

- risk free interest rate: 0.3%;
- credit spread: 5.0%.

Subsidiaries stock options plans

The Group recognized a total expense of € 9.5 million during the year detailed as follows:

Grant date	Number of options initially granted	2016 expense *(in € million)*
Bull		
July 1, 2014	2,030,000	2.5
March 1, 2014	200,000	0.4
November 8, 2013	70,000	0.2
August 9, 2013	600,000	1.1
March 1, 2013	755,000	1.2
March 2, 2012	985,000	-0.7
Worldline		
August 16, 2016	45,000	0.0
May 25, 2016	196,000	0.2
September 1, 2015	1,558,500	2.7
September 3, 2014	1,527,220	1.9
TOTAL		**9.5**

Beneficiaries of Bull stock options can either convert their shares into Atos shares or obtain a cash payment indexed on Atos share through a liquidity contract upon exercise of their options.

In May 25th and in August 16th, 2016, Worldline granted stock options for a total of 241,000 options (of which 151,500 options regarding a foreign plan). The share price at grant date was respectively at € 27.10 and € 27.35. The exercise price is respectively at € 26.82 and € 28.58.

Note 6 Net financial result

Net financial expense amounted to € 49.2 million for the period (compared to € 45.2 million prior year) and was composed of a net cost of financial debt of € 18.1 million and non-operational financial costs of € 31.1 million.

Net cost of financial debt

(In € million)	12 months ended December 31, 2016	12 months ended December 31, 2015
Net interest expenses	**-17.0**	**-11.9**
Interest on obligations under finance leases	-1.2	-1.9
Gain/(loss) on disposal of cash equivalents	0.1	0.3
Gain/(loss) on interest rate hedges of financial debt	-	-3.9
NET COST OF FINANCIAL DEBT	**-18.1**	**-17.4**

Net cost of financial debt was € 18.1 million (compared to € 17.4 million in 2015) and resulted from the following elements:

- the average gross borrowing of € 2,014.1 million compared to € 1,185.5 million in 2015 bearing an average expense rate of 1.60% compared to 2.32% last year. The average gross borrowing expenses were mainly explained by:
  - the used portion of the syndicated loan for an average of € 1,058.6 million (compared to an average of € 687.2 million in 2015) bearing an effective interest rate of 0.48%,
  - a € 600.0 million bond issue in July 2015 bearing a coupon rate of 2.375%,
  - a € 300.0 million bond issue end of September 2016, with a yearly average impact on the total gross borrowings of € 90.0 million bearing a coupon rate of 1.444%,
  - other sources of financing, including securitization, for an average of € 260.7 million, bearing an effective interest rate of 4.03%;
- the average gross cash increased from € 1,105.3 million in 2015 to € 1,418.3 million in 2016 bearing an average income rate of 1.00% compared to 0.91% in 2015.

Other financial income and expenses

(In € million)	12 months ended December 31, 2016	12 months ended December 31, 2015
Foreign exchange income/(expenses)	14.5	-1.2
Fair value gain/(loss) on forward exchange contracts held for trading	-5.5	7.4
Other income/(expenses)	-40.1	-34.0
OTHER FINANCIAL INCOME AND EXPENSES	**-31.1**	**-27.8**
Of which:		
• other financial expenses	-71.5	-68.6
• other financial income	40.4	40.8

Non-operational financial costs amounted to € 31.1 million compared to € 27.8 million in 2015 and were mainly composed of pension related interest (€ 28.9 million compared to € 29.3 million expense in 2015) and a net foreign exchange gain of € 9.0 million versus a net foreign exchange gain of € 6.2 million in 2015.

The pension financial cost represented the difference between interest costs on pension obligations and interest income on plan assets.

Note 7 Income tax expenses

Current and deferred taxes

(In € million)	12 months ended December 31, 2016	12 months ended December 31, 2015
Current taxes	-85.0	-120.3
Deferred taxes	-60.2	10.6
TOTAL	**-145.2**	**-109.7**

Effective tax rate

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

(In € million)	12 months ended December 31, 2016	12 months ended December 31, 2015
Profit before tax	763.9	544.1
French standard tax rate	34.4%	38.0%
Theoretical tax charge at French standard rate	**-263.0**	**-206.8**
Impact of permanent differences	36.3	4.5
Differences in foreign tax rates	44.6	76.7
Movement on recognition of deferred tax assets	23.2	63.4
Equity-based compensation	-18.1	-11.5
Change in deferred tax rates	-2.9	-7.6
Taxes not based on taxable income (mainly CVAE, IRAP, US State income Tax)	8.0	-29.9
Withholding taxes	-5.9	-5.0
French Tax credit	20.0	15.1
Other	12.6	-8.6
Group tax expense	**-145.2**	**-109.7**
EFFECTIVE TAX RATE	**19.0%**	**20.2%**

The Group effective tax rate is 19.0% for 2016.

Restated effective tax rate

After restating the unusual items, the restated profit before tax was € 1054.7 million, restated tax charge of € 236.4 million and the restated effective tax rate was 22.4%.

(in € million)	12 months ended December 31, 2016	12 months ended December 31, 2015*
Profit before tax	**763.9**	**544.1**
Other operating income and expenses	-290.8	-327.7
Profit before tax excluding unusual items	**1,054.7**	**871.8**
Tax impact on unusual items	91.2	108.1
Group tax expense	-145.2	-109.7
Total of tax excluding unusual items	**-236.4**	**-217.8**
RESTATED EFFECTIVE TAX RATE	**22.4%**	**25.0%**

* *December 31, 2015 adjusted to reflect change in presentation disclosed in "Basis of preparation and Significant accounting policies".*

Note 8 Deferred taxes

(In € million)	12 months ended December 31, 2016	12 months ended December 31, 2015
Deferred tax assets	412.3	442.4
Deferred tax liabilities	100.6	70.0
NET DEFERRED TAX	**311.7**	**372.4**

Breakdown of deferred tax assets and liabilities by nature

(In € million)	Tax losses carry forward	Intangible assets recognized as part of PPA	Fixed assets	Pensions	Other	Total
At January 1, 2015	**200.6**	**-129.4**	**77.3**	**247.6**	**-42.8**	**353.3**
Charge to profit or loss for the year	24.5	22.9	-3.3	-10.0	-23.5	10.6
Change of scope	1.2	0.2	0.4	2.1	17.6	21.5
Charge to equity	-	-	-	-33.9	-2.6	-36.5
Reclassification	6.7	2.1	11.8	-8.7	-2.5	9.4
Exchange differences	2.9	-0.6	8.0	3.3	0.6	14.2
At December 31, 2015	**235.9**	**-104.8**	**94.2**	**200.4**	**-53.2**	**372.5**
Charge to profit or loss for the year	42.5	23.1	1.7	-8.7	-118.4	-59.8
Change of scope	-2.1	-68.3	-36.4	31.5	20.4	-54.9
Charge to equity	0.6	-	-	68.4	4.9	73.9
Reclassification	2.6	-	-0.4	-	-0.7	1.5
Exchange differences	3.0	-3.6	-15.5	-2.5	-2.9	-21.5
AT DECEMBER 31, 2016	**282.5**	**-153.6**	**43.6**	**289.1**	**-149.9**	**311.7**

Tax losses carry forward schedule (basis)

	12 months ended December 31, 2016			12 months ended December 31, 2015		
(In € million)	Recognized	Unrecognized	Total	Recognized	Unrecognized	Total
2016	-	-	-	11.7	-	11.7
2017	7.1	3.1	10.2	1.2	2.1	3.3
2018	1.9	2.4	4.3	5.0	2.0	7.0
2019	10.3	4.7	15.0	11.7	12.3	24.0
2020	-	9.7	9.7	-	-	-
Tax losses available for carry forward for 5 years and more	201.2	82.0	283.3	186.3	55.5	241.8
Ordinary tax losses carry forward	**220.4**	**101.9**	**322.4**	**215.9**	**71.9**	**287.8**
Evergreen tax losses carry forward	**705.4**	**2,863.3**	**3,568.7**	**575.7**	**2,216.7**	**2,792.4**
TOTAL TAX LOSSES CARRY FORWARD	**925.8**	**2,965.2**	**3,891.1**	**791.6**	**2,288.6**	**3,080.2**

The countries with the largest tax losses available for carry forward were France (€ 1,964.4 million), Germany (€ 997.8 million), The Netherlands (€ 165.2 million), the United Kingdom (€ 148.9 million), Brazil (€ 136.4 million), the United States (€ 105.2 million), Spain (€ 86.6 million), Austria (€ 82.8 million), and Italy (€ 50.5 million).

Deferred tax assets not recognized by the Group

(In € million)	12 months ended December 31, 2016	12 months ended December 31, 2015
Tax losses carry forward	824.5	744.9
Temporary differences	78.0	63.3
TOTAL	**902.5**	**808.2**

Note 9 Non-controlling Interests

(In € million)	December 31, 2015	2016 Income	Capital Increase	Dividends	Scope Changes	Other	December 31, 2016
Worldline	235.8	49.3	7.5	-	221.5	-15.6	498.5
Arbeitsmarketservice BetriebsgmBH & Co KG	1.0	0.2	-	-0.1	-	-0.2	0.9
MSL Technology S.L.	10.5	0.5	-	-0.4	-	-	10.6
Diamis	1.7	0.4	-	-	-	-0.1	2.0
Yunano	-1.2	-0.3	0.2	-	-	0.1	-1.2
Atos Pty Ltd	0.7	-	0.8	-	-	-0.1	1.4
Other	5.9	2.9	-	-2.6	0.6	0.4	7.2
TOTAL	**254.4**	**53.0**	**8.5**	**-3.1**	**222.1**	**-15.5**	**519.4**

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

(In € million)	December 31, 2014	2015 Income	Capital Increase	Dividends	Scope Changes	Other	December 31, 2015
Worldline	186.6	29.7	-	-	-	19.5	235.8
Canopy The Open Cloud Company Limited	6.0	-0.2	-	-	-5.8	-	-
Arbeitsmarketservice BetriebsgmBH & Co KG	1.0	-	-	-	-	-	1.0
MSL Technology S.L.	9.2	1.2	-	-	-	0.1	10.5
Diamis	1.6	0.2	-	-0.1	-	-	1.7
Yunano	-1.0	-0.2	-	-	-	-	-1.2
Atos Pty Ltd	0.4	-0.8	1.0	-	-	0.1	0.7
Other	5.0	0.9	-	-1.2	-1.8	3.0	5.9
TOTAL	**208.8**	**30.8**	**1.0**	**-1.3**	**-7.6**	**22.7**	**254.4**

The "other" movement of € 19.5 million on Worldline corresponded mainly to the non-controlling interests' share of Visa.

Note 10 Earnings per share

Potential dilutive instruments comprised stock options (506,003 employee stock options) and did not generate a restatement of net income used for the diluted EPS calculation.

(In € million and shares)	12 months ended December 31, 2016	12 months ended December 31, 2015
Net income from continuing operations – Attributable to owners of the parent [a]	**567.1**	**406.2**
Impact of dilutive instruments	-	-
Net income from continuing operations restated of dilutive instruments - Attributable to owners of the parent [b]	**567.1**	**406.2**
Average number of shares outstanding [c]	103,766,609	101,179,041
Impact of dilutive instruments [d]	506,003	805,555
Diluted average number of shares [e]=[c]+[d]	104,272,612	101,984,596
(In €)		
BASIC EPS FROM CONTINUING OPERATIONS [A]/[C]	**5.47**	**4.01**
DILUTED EPS FROM CONTINUING OPERATIONS [B]/[E]	**5.44**	**3.98**

No significant share transactions occurred subsequently to the 2016 closing that could have a dilutive impact on earnings per share calculation.

(in € million and shares)	12 months ended December 31, 2016	12 months ended December 31, 2015
Net income including discontinued operations – Attributable to owners of the parent [a]	**578.8**	**406.2**
Impact of dilutive instruments	-	-
Net income including discontinued operations restated of dilutive instruments - Attributable to owners of the parent [b]	**578.8**	**406.2**
Average number of shares outstanding [c]	103,766,609	101,179,041
Impact of dilutive instruments [d]	506,003	805,555
Diluted average number of shares [e]=[c]+[d]	104,272,612	101,984,596
(In €)		
BASIC EPS INCLUDING DISCONTINUED OPERATIONS [A]/[C]	**5.58**	**4.01**
DILUTED EPS INCLUDING DISCONTINUED OPERATIONS [B]/[E]	**5.55**	**3.98**

Note 11 Goodwill

(In € million)	December 31, 2015	Disposals Depreciation	Impact of business combination	Exchange differences and other	December 31, 2016
Gross value	3,721.3	-	769.1	-58.6	4,431.8
Impairment loss	-603.2	-	-	36.2	-567.0
CARRYING AMOUNT	**3,118.1**	**-**	**769.1**	**-22.4**	**3,864.8**

(In € million)	December 31, 2014	Disposals Depreciation	Impact of business combination	Exchange differences and other	December 31, 2015
Gross value	3,214.3	-	438.2	68.8	3,721.3
Impairment loss	-586.4	-	-	-16.8	-603.2
CARRYING AMOUNT	**2,627.9**	**-**	**438.2**	**52.0**	**3,118.1**

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

A summary of the carrying values of goodwill allocated by CGUs or grouping of CGUs is presented hereafter. Overall, goodwill increased from € 3,118.1 million to € 3,864.8 million mainly due to the acquisitions of the year as detailed in Note 1 Changes in the scope of consolidation.

(In € million)	December 31, 2016	December 31, 2015
United Kingdom and Ireland	502.5	572.5
France	490.2	489.9
Germany	507.3	304.1
North America	550.3	326.4
Benelux & The Nordics	371.0	370.9
Other countries	639.8	637.0
Worldline	803.7	417.4
TOTAL	**3,864.8**	**3,118.1**

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

- terminal value is calculated after the three-year period, using an estimated perpetuity growth rate of 2.0% (aligned with 2015). Although exceeding the long term average growth rate for the countries in which the Group operates, this rate reflects specifics perspectives of the IT sector; and
- discount rates are applied by CGU based on the Group's weighted average cost of capital and adjusted to take into account specific tax rates and country risks relating to each geographical area. The Group considers that the weighted average cost of capital should be determined based on an historical equity risk premium of 5.9% (in line with 2015), in order to reflect the long-term assumptions factored in the impairment tests.

The discount rates used by CGU are presented below:

	2016 Discount rate	2015 Discount rate
United Kingdom and Ireland	9.0%	9.6%
France	8.9%	9.5%
Germany	8.9%	9.5%
North America	8.9%	9.5%
Benelux & The Nordics	8.9%	9.6%
Other countries	between 8.9% and 11.1%	between 9.5% and 13.1%
Worldline	8.1%	8.5%

Based on the 2016 goodwill impairment test, which was carried out at year-end, no impairment losses were recognized as at December 31, 2016.

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

Note 12 Intangible assets

(In € million)	Customer relationships	Trademarks, Software and licences	Other intangible assets	Total
Gross value				
At January 1, 2016	**512.2**	**625.8**	**476.4**	**1,614.4**
Additions	-	54.8	16.9	71.7
Impact of business combinations	-	21.6	65.2	86.8
Intangible assets recognized as part of a Purchase Price Allocation	272.3	1.8	-	274.1
Capitalized costs	-	-	82.7	82.7
Disposals	-	-101.3	-12.3	-113.6
Exchange differences and other	12.5	51.8	-40.2	24.1
AT DECEMBER 31, 2016	**797.0**	**654.5**	**588.7**	**2,040.1**
Accumulated depreciation				
At January 1, 2016	**-209.5**	**-319.6**	**-165.0**	**-694.1**
Amortization charge for the year	-	-47.7	-18.2	-65.9
Amortization of intangible assets recognized as part of a Purchase Price Allocation	-78.9	-17.0	-	-95.9
Amortization of capitalized costs	-	-	-53.2	-53.2
Disposals	-	99.5	12.1	111.6
Exchange differences and others	-2.3	-25.3	28.4	0.8
AT DECEMBER 31, 2016	**-290.7**	**-310.1**	**-195.9**	**-796.8**
Net value				
At January 1, 2016	**302.7**	**306.2**	**311.3**	**920.3**
AT DECEMBER 31, 2016	**506.3**	**344.3**	**392.7**	**1,243.4**

(In € million)	Customer relationships	Trademark, Software and licences	Other intangible assets	Total
Gross value				
At January 1, 2015	**347.3**	**546.2**	**351.4**	**1,244.9**
Additions	-	92.2	7.3	99.5
Impact of business combination	-	26.3	46.5	72.8
Intangible assets recognized as part of a Purchase Price Allocation	154.2	-	2.5	156.7
Amortization capitalized costs	-	-	90.2	90.2
Disposals	-	-90.2	-4.4	-94.5
Exchange differences and other	10.7	51.4	-17.2	44.9
AT DECEMBER 31, 2015	**512.2**	**625.8**	**476.4**	**1,614.4**
Accumulated depreciation				
At January 1, 2015	**-149.8**	**-306.9**	**-141.5**	**-598.2**
Amortization charge for the year	-	-44.8	-15.4	-60.1
Amortization of intangible assets recognized as part of a Purchase Price Allocation	-57.0	-14.9	-	-71.9
Amortization of capitalized costs	-	-	-48.4	-48.4
Disposals	-	85.8	3.1	88.9
Exchange differences and others	-2.7	-38.8	37.1	-4.4
AT DECEMBER 31, 2015	**-209.5**	**-319.6**	**-165.0**	**-694.1**
Net value				
At January 1, 2015	**197.5**	**239.3**	**209.9**	**646.6**
AT DECEMBER 31, 2015	**302.7**	**306.2**	**311.3**	**920.3**

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

The gross book value of customer relationships for € 797.0 million as at December 31, 2016 presented above, includes:

- € 165.4 million relative to the Xerox ITO acquisition in 2015. Customer relationships for this acquisition are amortized on a straight line basis over a period of 8.75 years;
- an amount of € 16.6 million relative to the Bull acquisition in 2014. These amounts are being amortized over a period of 9.3 years;
- an amount of € 336.4 million relative to the Siemens IT Solutions and Services acquisition in 2011, amortized on a straight line basis over a period of 8.75 years.

The new Purchase Price Allocation (PPA) of € 273.5 million recorded in 2016 is detailed as follows:

- Anthelio for € 88.4 million starting October 1, 2016 amortized over 5 to 12 years;
- Unify for € 87.5 million starting February 1, 2016 amortized over a period from 2 to 10 years;
- Equens / Paysquare for € 88.8 million starting October 1, 2016 amortized on a straight line basis over 6.5 to 9.5 years; and
- Cataps for € 8.8 million starting October 1, 2016 amortized over 15.3 years.

Note 13 Tangible assets

(In € million)	Land and buildings	IT equipments	Other assets	Total
Gross value				
At January 1, 2016	**540.9**	**1,205.6**	**189.8**	**1,936.3**
Additions	29.4	205.7	49.4	284.5
Impact of business combination	1.9	40.5	2.6	44.9
Disposals	-71.9	-352.0	-24.0	-447.9
Exchange differences and other	-48.7	-23.9	-59.9	-132.5
AT DECEMBER 31, 2016	**451.5**	**1,075.9**	**157.9**	**1,685.3**
Accumulated depreciation				
At January 1, 2016	**-302.1**	**-713.8**	**-101.6**	**-1,117.5**
Depreciation charge for the year	-47.8	-217.2	-14.1	-279.1
Eliminated on disposal	50.9	318.7	21.8	391.4
Exchange differences and other	37.8	19.9	3.1	60.8
AT DECEMBER 31, 2016	**-261.1**	**-592.5**	**-90.8**	**-944.4**
Net value				
At January 1, 2016	238.8	491.8	88.2	818.8
AT DECEMBER 31, 2016	**190.4**	**483.4**	**67.1**	**740.9**

(In € million)	Land and buildings	IT equipments	Other assets	Total
Gross value				
At January 1, 2015	**483.5**	**1,107.8**	**167.2**	**1,758.5**
Additions	68.6	213.9	42.5	325.0
Impact of business combination	44.8	104.7	8.1	157.6
Disposals	-79.9	-264.9	-25.9	-370.7
Exchange differences and other	23.9	44.1	-2.1	65.9
AT DECEMBER 31, 2015	**540.9**	**1,205.6**	**189.8**	**1,936.3**
Accumulated depreciation				
At January 1, 2015	**-281.4**	**-703.1**	**-80.3**	**-1,064.8**
Depreciation charge for the year	-47.1	-237.0	-31.4	-315.5
Eliminated on disposal	41.2	248.6	27.0	316.8
Exchange differences and other	-14.8	-22.3	-16.9	-54.0
AT DECEMBER 31, 2015	**-302.1**	**-713.8**	**-101.6**	**-1,117.5**
Net value				
At January 1, 2015	**202.1**	**404.7**	**86.9**	**693.7**
AT DECEMBER 31, 2015	**238.8**	**491.8**	**88.2**	**818.8**

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

Therefore, the land and building assets include mainly the technical infrastructure of Group datacenters.

Finance leases

Tangible assets held under finance leases had a net carrying value of € 42.5 million. Future minimum lease payments under non-cancellable leases amounted to € 43.7 million at year-end.

	December 31, 2016			December 31, 2015		
(In € million)	Minimum lease payments	Interest	Principal	Minimum lease payments	Interest	Principal
Less than one year	23.2	-0.6	22.6	26.1	-0.9	25.2
Between one and five years	20.5	-0.6	19.9	26.5	-1.0	25.5
TOTAL	**43.7**	**-1.2)**	**42.5**	**52.6**	**-1.9**	**50.7**

Note 14 Non-current financial assets

(In € million)	Notes	31 December 2016	31 December 2015
Pension prepayments	Note 20	96.2	128.5
Fair value of non-consolidated investments net of impairment		55.1	55.7
Other*		82.0	75.0
TOTAL		**233.3**	**259.2**

* *"Other" includes loans, deposits, guarantees and investments in associates accounted for under the equity method.*

Note 15 Trade accounts and notes receivable

(In € million)	December 31, 2016	December 31, 2015
Gross value	2,645.1	2,339.7
Transition costs	32.5	43.2
Provision for doubtful debt	-122.5	-109.6
Net asset value	**2,555.0**	**2,273.3**
Prepayments	-82.2	-53.2
Deferred income and upfront payments received	-714.5	-610.0
Net accounts receivable	**1,758.2**	**1,610.1**
Number of days' sales outstanding (DSO)	**30**	**32**

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

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

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

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

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

As of December 31, 2016, the Group has sold:

- in the compartment "ON" € 257.5 million receivables for which € 9.8 million were received in cash. The sale is with recourse, thus re-consolidated in the balance sheet;

- in the compartment "OFF" € 41.5 million receivables which qualify for de-recognition as substantially all risks and rewards associated with the receivables were transferred.

The DSO ratio reached 30 days compared to 32 days at the end of December 2015. DSO has been positively impacted by the implementation of financial arrangements on large customer contracts by 16 days compared to 13 days in December 2015.

Ageing of net receivables past due

(In € million)	December 31, 2016	December 31, 2015
1-30 days overdue	90.4	76.8
31-60 days overdue	27.5	29.6
Beyond 60 days overdue	70.9	57.3
TOTAL	**188.8**	**163.7**

Movement in provision for doubtful debts

(In € million)	December 31, 2016	December 31, 2015
Balance at beginning of the year	**-109.5**	**-113.3**
Impairment losses recognized	-17.1	-28.8
Amounts written off as uncollectible	15.1	32.9
Impairment losses reversed	6.0	1.9
Impact of business combination	-22.9	-3.0
Reclassification and exchange differences	5.9	0.8
Balance at end of the year	**-122.5**	**-109.5**

Note 16 Other current assets

(In € million)	December 31, 2016	December 31, 2015
Inventories	52.8	59.9
State - VAT receivables	176.4	149.7
Prepaid expenses	425.6	310.5
Other receivables & current assets	447.3	342.5
Advance payment	35.1	6.3
TOTAL	**1,137.2**	**868.9**

Note 17 Breakdown of assets and liabilities by financial categories

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

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

(In € million)	Loans and receivables	Available-for-sale financial assets	Financial assets held for trading (carried at fair value through profit or loss)	Derivative related assets
Non-current financial instruments	-	-	-	0.1
Trade accounts and notes receivables	2,555.0	-	-	-
Other current assets	1,137.2	-	-	-
Current financial instruments	-		3.8	6.3
Cash and cash equivalents	1,739.5	-	382.2	-
TOTAL	**5,431.6**	**-**	**386.0**	**6.4**

As at December 31, 2015, the breakdown of assets was the following:

(In € million)	Loans and receivables	Available-for-sale financial assets	Financial assets held for trading (carried at fair value through profit or loss)	Derivative related assets
Non-current financial instruments	-	-	-	1.4
Trade accounts and notes receivables	2,273.3	-	-	-
Other current assets	868.9	-	-	-
Current financial instruments	-	46.2	3.5	4.6
Cash and cash equivalents	848.4	-	1,098.4	-
TOTAL	**3,990.6**	**46.2**	**1,101.9**	**6.0**

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

(In € million)	Financial Liabilities designated at fair value through profit or loss	Financial Liabilities - Measurement at amortized cost	Derivative related liabilities
Borrowings	-	1,500.1	-
Non-current financial instruments	-	-	1.4
Trade accounts and notes payables	1,970.6	-	-
Current portion of borrowings	-	140.5	-
Current financial instruments	0.7	-	6.9
TOTAL	**1,971.3**	**1,640.6**	**8.3**

As at December 31, 2015 the breakdown of liabilities was the following:

(In € million)	Financial Liabilities designated at fair value through profit or loss	Financial Liabilities - Measurement at amortized cost	Derivative related liabilities
Borrowings	-	1,210.8	-
Non-current financial instruments	-	-	4.7
Trade accounts and notes payables	1,605.5	-	-
Current portion of borrowings	-	143.1	-
Current financial instruments	0.6	-	8.1
TOTAL	**1,606.1**	**1,353.9**	**12.8**

Note 18 Cash and cash equivalents

(In € million)	December 31, 2016	December 31, 2015
Cash in hand and short-term bank deposit	1,739.5	848.4
Money market funds	382.2	1,098.4
TOTAL	**2,121.7**	**1,946.8**

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

Note 19 Equity attributable to the owners of the parent

Capital increase

In 2016, Atos SE increased its share capital by incorporating additional paid-in-capital and common stock for € 88.5 million related to the issuance of 1,389,437 new common stocks split as follows:

- 892,830 new shares resulting from the payments of the 2015 dividend in shares;
- exercise of 496,607 stock options in 2016.

As at December 31, 2016, Atos SE issued share capital amounted to € 104.9 million, divided into 104,908,679 fully paid-up common stock of € 1.00 par value each.

Note 20 Pension plans and other long term benefits

The total amount recognized in the Group balance sheet in respect of pension plans was € 1,263.3 million at December 31, 2016 compared to € 955.1 million at December 31, 2015. The total amount recognized for other longer term employee benefits was € 51.2 million compared to € 38.0 million at December 31, 2015.

(In € million)	December 31, 2016	December 31, 2015
Amounts recognized in financial statements consist of :		
Prepaid pension asset	96.2	128.5
Accrued liability – pension plans	-1,359.5	-1,083.6
Total Pension plan	**-1,263.3**	**-955.1**
Accrued liability – other long term benefits	-51.2	-38.0
Total accrued liability	**-1,410.7**	**-1,121.6**

Pension plans

The Group's pension obligations are located predominantly in the United Kingdom (59% of Group total obligations), Germany (22%), France (6%) and Switzerland (5%)

Characteristics of significant plans and associated risks

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

The current asset allocation across United Kingdom plans is 74% fixed income, 26% equities and other assets and may vary depending on the particular profile of each plan. The interest rate and inflation exposures are cautiously managed through investment in Gilts, Indexed-Linked and interest rate swaps. The fixed income allocation comprises a significant exposure to investment grade credits and the equity allocation is well diversified geographically.

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

In **Germany** the majority of the liabilities relate to pension entitlements that transferred to the Group with the acquisition of SIS in 2011. They mainly consist of grandfathering benefits related to a harmonization introducing a contribution based pension plan in 2004. The plans are closed for new entrants, but do still accrue benefits for past service up to 2004. The plans cover multiple legal entities in Germany and are subject to the German regulatory framework, which has no funding requirements, but does include compulsory insolvency insurance (PSV). The plans are funded however, using a Contractual Trust Agreement (CTA). The CTA is governed by a professional independent third party. The investment strategy is set by the

Investment Committee composed of employer representatives. The asset allocation related to the largest German schemes is 79% fixed income, 12% equities and other assets and 9% property. The fixed income allocation is predominantly in credit investment grade (c. 82%) and the remaining part in core euro zone government bonds. The return seeking portfolio comprises diversified equity and high yield bonds. The asset allocation related to the other scheme is more in line with the lower interest rate sensitivities of the schemes and are predominantly invested in investment grade credits and, to a lesser extent, in balanced funds and European high yield.

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

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

Events in 2016

Over 2016 interest rates decreased in both the United Kingdom and the Eurozone leading to an increase in the measurement of pension liability values and positive investment returns on plan assets especially on fixed income portfolio.

The acquisition of Unify led to an increase in liabilities (mainly in Germany and the United States) of € 136.3 million, covered by € 93.4 million of plan assets. Further to this, the joint venture between Worldline and Equens, and the acquisition of Arvato led to a combined increase of liability of € 65.0 million covered by 23.0 million of plan assets.

In Germany, Atos has extended to Unify plans the additional lump sum options offered to Atos employees in 2015 and adopted the same indexing policy. This led to a reduction of operating expenses of € 6.5 million.

In the UK, the company and trustees of the Atos (Sema) Pension Scheme have reached an agreement to move the basis for inflation indexation from the Retail Price Index (RPI) to the Consumer Price Index (CPI) in exchange for improved long term security to the plan including a Group parental guarantee of up to GBP 385 million and a one off discretionary benefit enhancement for affected beneficiaries. This led to an overall reduction in liabilities and operating expenses of GBP 35.9 million including actuarial, legal and other project costs.

Curtailment in pension liabilities related to restructuring and other events have been recorded in other operating income for a total amount of € 10.3 million and mainly concerns Switzerland.

Amounts recognized in the financial statements

The amounts recognized in the balance sheet as at December 31, 2016 rely on the following components, determined at each benefit plan's level:

(In € million)	December 31, 2016	December 31, 2015
Amounts recognized in financial statements consist of :		
Prepaid pension asset	96.2	128.5
Accrued liability	-1,359.5	-1,083.6
Net amounts recognized – Total	**-1,263.3**	**-955.1**
Components of net periodic cost		
Service cost (net of employees contributions)	58.0	67.6
Prior service cost	-57.5	-84.3
Curtailment (gain)/loss	-5.4	-3.3
Settlement (gain)/loss		-3.1
Administration costs	0.5	2.3
Operating expense	**-4.4**	**-20.8**
Interest cost	118.1	122.4
Interest income	-89.3	-94.2
Financial expense	**28.8**	**28.2**
Net periodic pension cost – Total expense/(profit)	**24.4**	**7.4**
Change in defined benefit obligation		
Total Defined Benefit Obligation at January 1st	**3,822.8**	**3,835.7**
Exchange rate impact	-357.7	191.7
Service cost (net of employees contributions)	58.0	67.6
Interest cost	118.1	122.4
Plan amendments	-57.5	-84.3
Curtailment	-5.4	-3.3
Settlement	-5.1	-28.3
Business combinations/(disposals)	202.8	16.7
Employees contributions	11.3	12.7
Benefits paid	-120.5	-129.8
Actuarial (gain)/loss - change in financial assumptions	655.3	-147.3
Actuarial (gain)/loss - change in demographic assumptions	7.4	-22.5
Actuarial (gain)/loss - experience results	18.9	-8.5
Reclassification	3.7	
Defined benefit obligation at December 31st	**4,352.1**	**3,822.8**

The weighted average duration of the liability is 17.5 years.

(In € million)	December 31, 2016	December 31, 2015
Change in plan assets		
Fair value of plan assets at January 1st	**2,871.7**	**2,758.0**
Exchange rate impact	-309.6	169.6
Actual return on plan assets	445.4	-5.6
Employer contributions	46.9	54.0
Benefits paid by the funds	-91.0	-99.3
Settlements	-5.1	-25.2
Business combinations/(disposals)	122.7	9.8
Employees contributions	11.3	12.7
Administration costs	-0.5	-2.3
Fair value of plan assets at December 31st	**3,091.8**	**2,871.7**
Reconciliation of prepaid/(accrued) Benefit cost		
Funded status	-1,260.3	-951.1
Any other amount not recognized (asset ceiling limitation)	-3.0	-4.0
Prepaid/(accrued) pension cost	**-1,263.3**	**-955.1**
Reconciliation of net amount recognized (all plans)		
Net amount recognized at beginning of year	**-955.1**	**-1,081.2**
Net periodic pension cost	-24.4	-7.4
Benefits paid by employer	29.5	30.5
Employer contributions	46.9	54.0
Business combinations/(disposals)	-80.1	-6.9
Amounts recognized in Other Comprehensive Income	-325.6	78.1
Other (exchange rate)	49.2	-22.2
Reclassification	-3.7	0.0
Net amount recognized at end of year	**-1,263.3**	**-955.1**

The development in the main countries was as follows:

(In € million)	UK pension funds	German plans	French plans	Other
Reconciliation of net amount recognized in main plans:				
Net amount recognized at beginning of year	**-185.6**	**-438.7**	**-203.0**	**-127.8**
Net periodic pension cost	33.9	-19.1	-15.6	-23.6
Benefits paid by employer & employer contributions	50.0	6.7	5.0	14.7
Business combinations / disposals		-74.7		-5.4
Amounts recognized in Other Comprehensive Income	-209.6	-56.3	-54.4	-5.3
Other (exchange rate)	43.4			2.1
Net amount recognized at end of year	**-267.9**	**-582.1**	**-268.0**	**-145.3**
Defined benefit obligation at December 31st	-2,521.9	-1,057.5	-268.5	-504.2
Fair value of plan assets at December 31st	**2,254.0**	**475.4**	**0.5**	**361.9**
Net amount recognized at end of year	**-267.9**	**-582.1**	**-268.0**	**-145.3**

The obligations in respect of benefit plans which are partially or totally funded through external funds (pension funds) were € 4017.6 million at December 31, 2016 and € 3,500.1 million at December 31, 2015, representing more than 92% of Group total pension obligations.

Actuarial assumptions

Group obligations are valued by independent actuaries, based on assumptions that are periodically updated. These assumptions are set out in the table below:

	United Kingdom		Eurozone	
	2016	2015	2016	2015
Discount rate as at December 31st	2.80%	3.90%	1.40% ~ 1.95%	2.05% ~ 2.65%
Inflation assumption as at December 31st	RPI: 3.25% CPI: 2.25%	RPI: 3.10% CPI: 2.10%	1.45%	1.75%

The higher discount rate for the Eurozone applies to plans with a duration of more than 15 years, the lower discount rate applies to plans with a shorter duration.

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

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

	Discount rate +25bp	Inflation rate +25bp
United Kingdom main pension plans	-5.2%	+4.0%
German main pension plans	-4.1%	+2.4%

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

Plan assets

Plan assets were invested as follows:

	December 31, 2016	December 31, 2015
Equity	17%	18%
Bonds/Interest Rate Swaps	68%	70%
Real Estate	5%	5%
Cash and Cash equivalent	3%	1%
Other	7%	6%

Of these assets, 92% is valued on market value, 6% relates to property, private equity and infrastructure investments where valuations are based on the information provided by the investment managers and 2% relates to insurance contracts.

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

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

Situation of the United Kingdom pension funds and impact on contribution for 2017

The Group expects to contribute € 47.4 million to its United Kingdom schemes next year versus € 48.8 million in 2016.

Prepaid pension situations on balance sheet

The net asset of € 96.2 million mostly relates to one scheme in the United Kingdom, and is supported by appropriate refund expectations according to IFRIC 14.

Summary net pension impacts on profit and loss

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

(In € million)	December 31, 2016	December 31, 2015
Operating margin	-5.9	20.4
Other operating items	10.3	0.4
Financial result	-28.8	-28.2
TOTAL (EXPENSE)/PROFIT	**-24.4**	**-7.4**

Other long term employee benefits

The net liabilities related to other long term employee benefits were € 38.0 million per December 31, 2015. They increased to € 51.2 million per December 31, 2016 via expenses recorded in P&L (€ 2.6 million), benefit payments (€ 12.6 million), business combinations (€ 19.1 million) and other (€ 4.1 million) including employee contributions, exchange rate impact and effects of reclassification between pension and other long term benefits.

Note 21 Provisions

(In € million)	December 31, 2015	Charge	Release used	Release unused	Business Combination	Other*	December 31, 2016	Current	Non-current
Reorganization	41.9	42.4	-60.5	-3.0	74.8	-2.6	93.0	65.8	27.2
Rationalization	23.7	3.8	-5.0	-3.1	2.0	0.3	21.7	5.7	16.0
Project commitments	109.2	18.8	-48.6	-32.7	25.7	-0.4	72.0	56.6	15.4
Litigations and contingencies	111.8	36.4	-28.8	-26.7	30.0	-1.3	121.4	66.0	55.4
TOTAL PROVISIONS	**286.6**	**101.4**	**-142.8**	**-65.5**	**132.5**	**-4.0**	**308.2**	**194.2**	**114.0**

* *Other movements mainly consist of the currency translation adjustments.*

(In € million)	December 31, 2014	Charge	Release used	Release unused	Business Combination	Other*	December 31, 2015	Current	Non-current
Reorganization	101.7	29.6	-79.7	-12.8	1.4	1.7	41.9	39.1	2.8
Rationalization	33.6	4.2	-12.4	-1.9	1.5	-1.3	23.7	7.5	16.2
Project commitments	114.1	44.0	-60.9	-30.2	36.4	5.8	109.2	91.2	18.0
Litigations and contingencies	108.3	25.0	-15.1	-46.5	35.3	4.8	111.8	62.0	49.8
TOTAL PROVISIONS	**357.7**	**102.8**	**-168.1**	**-91.4**	**74.6**	**11.0**	**286.6**	**199.8**	**86.8**

* *Other movements mainly consist of the currency translation adjustments.*

Reorganization

New reorganization provisions were posted for € 42.4 million over the year mainly in Germany (€ 25.1 million) and Central Eastern Europe (€ 7.6 million) driven by new plans aimed at improving Group efficiency and productivity.

The € 60.5 million consumptions primarily corresponded to workforce optimization in Germany (€ 38.2 million) and Central Eastern Europe (€ 6.9 million).

Rationalization

The new provisions of € 3.8 million mainly relate to office premises rationalization in The United States (€ 1.4 million), the United Kingdom (€ 0.9 million) and Germany (€ 0.9 million).

The € 5.0 million rationalization provisions were used against offices onerous leases and dilapidation costs in Benelux (€ 1.6 million) and in the United Kingdom (€ 1.5 million).

Project commitments

The € 18.8 million charge was mainly incurred in Germany (€ 4.3 million) and in Central Eastern Europe (€ 4.2 million).

Project commitments provisions released for € 48.6 million primarily related to losses incurred in the United Kingdom (€ 22.7 million), France (€ 7.8 million) and Central Eastern Europe (€ 5.0 million).

The € 32.7 million project commitments unused provision releases reflected mainly the reduction of former contracts losses thanks to proactive project management or early settlements.

Litigation and contingencies

The closing position of contingency provisions of € 121.4 million was composed of a number of long-term litigation issues, such as tax contingencies and social disputes, guarantees given on disposals and other disputes with clients and suppliers.

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

Note 22 Borrowings

	December 31, 2016			December 31, 2015		
(In € million)	Current	Non-current	Total	Current	Non-current	Total
Bonds	-	900.0	900.0	-	600.0	600.0
Bank loans	-	580.0	580.0	-	580.0	580.0
Securitization	9.8	-	9.8	10.0	-	10.0
Finance leases	22.6	19.9	42.5	25.2	25.5	50.7
Other borrowings	108.2	0.2	108.4	107.9	5.3	113.2
TOTAL BORROWINGS	**140.5**	**1,500.1**	**1,640.6**	**143.1**	**1,210.8**	**1,353.9**

Borrowings in currencies

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

(In € million)	EUR	Other currencies	Total
DECEMBER 31, 2016	**1,501.1**	**139.5**	**1,640.6**
December 31, 2015	1,278.0	75.9	1,353.9

Value and effective interest rate of financial debt

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

Non-current borrowings maturity

(In € million)	2018	2019	2020	2021	>2021	Total
Bonds	-	-	600.0	-	300.0	900.0
Bank loans	-	-	-	580.0	-	580.0
Finance leases	15.3	2.9	0.6	0.1	0.9	19.9
Other borrowings	0.2	-	-	-	-	0.2
AS AT DECEMBER 31, 2016 LONG-TERM DEBT	**15.5**	**2.9**	**600.6**	**580.1**	**300.9**	**1,500.1**

(In € million)	2017	2018	2019	2020	>2020	Total
Bonds	-	-	-	600.0	-	600.0
Bank loans	-	-	-	580.0	-	580.0
Finance leases	14.8	7.4	2.1	0.3	0.9	25.5
Other borrowings	0.9	0.1	-0.8	0.2	4.9	5.3
AS AT DECEMBER 31, 2015 LONG-TERM DEBT	**15.7**	**7.5**	**1.3**	**1,180.5**	**5.8**	**1,210.8**

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

The valuation of financial liabilities has been conducted based on:

- exchange rates prevailing as of December 31, 2016; and
- interest rates presented hereafter.

The effective interest rates in 2016 were as follows:

(In € million)	Carrying value	Fair value	Effective interest rate
Bonds	900.0	900.0	2.44%
Bank loans	580.0	580.0	0.48%
Finance leases	42.5	42.5	2.39%
Securitization and Other borrowings	118.1	118.1	-
TOTAL BORROWINGS	**1,640.6**	**1,640.6**	

Change in net debt over the period

(In € million)	December 31, 2016	December 31, 2015
Opening net cash/(debt)	**593.1**	**989.1**
New borrowings	-6.0	-568.0
Bonds	-300.0	-600.0
Repayment of long and medium-term borrowings	49.0	489.8
Variance in net cash and cash equivalents	189.5	279.0
New finance leases	-4.9	-0.2
Long and medium-term debt of companies sold during the period	-	-0.3
Long and medium-term debt of companies acquired during the period	-18.2	-46.7
Impact of exchange rate fluctuations on net long and medium-term debt	-0.3	43.6
Profit-sharing amounts payable to French employees transferred to debt	-0.8	-0.3
Other flows related to financing activities	-20.1	7.1
Closing net cash/(debt)	**481.4**	**593.1**

Note 23 Fair value and characteristics of financial instruments

	31 December 2016		31 December 2015	
(In € million)	Assets	Liabilities	Assets	Liabilities
Forward foreign exchange contracts	10.1	-8.9	9.5	-13.4
Forward interest rate contracts	-	-	-	-
Analysed as:				
Non-current	0.1	-1.4	1.4	-4.7
Current	10.0	-7.5	8.1	-8.7

The fair value of financial instruments is provided by banking counterparties.

Interest rate risk

Bank loans of € 580.0 million in 2016 and in 2015 are arranged at floating rates, thus exposing the Group to cash flow interest rate risk. The Group may mitigate its interest rate exposure using interest rates swap contracts with financial institutions in order to fix the rate of a portion of the floating-rate financial debt. The fair value of the financial instruments used to hedge the floating-rate financial qualifies for cash flow hedge accounting.

Exposure to interest rate risk

The table below presents the interest rate risk exposure of the Group based on future debt commitments. The exposure at floating rate after hedging risk management is approximately € 481.4 million as at December 31, 2016. A 1% rise in 1-month Euribor would impact positively the financial expense by € 4.8 million assuming the structure (cash/floating debt/hedges) remains stable for the full period of the year.

		Exposure		
(In € million)	*Notes*	Less than 1 year	More than 1 year	Total
Bank loans	Note 22	-	-580.0	-580.0
Securitization	Note 22	-9.8	-	-9.8
Other		-29.0	-0.2	-29.2
Total liabilities		**-38.8**	**-580.2**	**-619.0**
Cash and cash equivalents	Note 18	2,121.7	-	2,121.7
Overdrafts		-78.8	-	-78.8
Total net cash and cash equivalents (*)		**2,042.9**	**-**	**2,042.9**
Net position before risk management		2,004.1	-580.2	1,423.9
Hedging instruments		-	-	0.0
Net position after risk management		**2,004.1**	**-580.2**	**1,423.9**
Bonds	Note 22	-	-900.0	-900.0
Finance Leases	Note 22	-22.6	-19.9	-42.5
Hedging instruments		-	-	0.0
Total net debt/cash after risk management				**481.4**

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

Liquidity risk

On September 29, 2016, Atos issued a Euro private placement bond of € 300.0 million with a 7-year maturity and with a 1.444% fixed interest rate. Atos and the bonds are unrated. There are no financial covenants.

On July 2, 2015 Atos issued a bond of € 600.0 million with a 5-year maturity. The coupon rate is 2.375%. Atos and the bonds are unrated. There are no financial covenants.

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

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

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

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

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

The calculation of the above-mentioned ratios as of December 31, 2016 is provided below:

Nature of ratios subject to covenants	Covenants	Group ratios at December 31, 2016	Group ratios at December 31, 2015
Leverage ratio (net debt/OMDA*)	not greater than 2.5	-0.35	-0.49
Interest cover ratio (operating margin/net cost of financial debt)	not lower than 4.0	60.99	50.79

* *OMDA = Operating margin before non cash items.*

Currency exchange risk

Atos operates in 72 countries. However, in most cases, Atos invoices in the country where the Group renders the service, thus limiting the foreign exchange risk. Where this is not the case, the Group generally uses hedging instruments such as forward contracts or foreign currency swaps to minimize the risk.

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

	2016	2015	2016	2015	2016	2015
(In € million)	EUR		GBP		USD	
Assets	176.8	79.8	15.9	45.5	148.0	156.7
Liabilities	105.4	221.2	8.7	74.7	72.0	67.3
Foreign exchange impact before hedging	71.4	-141.4	7.2	-29.2	76.0	89.4
Hedged amounts	-208.1	-	-62.4	-	-45.9	-3.8
Foreign exchange impact after hedging	**-136.7**	**-141.4**	**-55.2**	**-29.2**	**30.1**	**85.6**

Foreign currency sensitivity analysis

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

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

	2016	2015	2016	2015	2016	2015
(In € million)	EUR		GBP		USD	
Income Statement	-6.8	-7.1	-2.8	-1.5	1.5	4.3

Hedge accounting

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

As at December 2016, derivatives were all allocated to the hedging of transactional risks (foreign exchange currency risks). From an accounting point of view, most of the derivatives were considered as cash flow hedge instruments.

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

(In € million)	December 31, 2016		December 31, 2015	
Instruments	**Fair value**	**Notional**	**Fair value**	**Notional**
Cash flow hedge				
Foreign exchange				
Forward contracts USD	-4.4	45.1	-7.5	40.4
Forward contracts GBP	-0.6	-11.3	-	-
Forward contracts INR	3.5	72.9	4.9	81.5
Forward contracts KRW	0.1	2.5	0.1	3.4
Forward contracts MXN	0.6	20.4		
Forward contracts THB	-	-	-0.2	5.9
Forward contracts MYR	-0.1	0.1	-0.4	4.2
Forward contracts PLN	-1.3	52.3	-0.9	51.9
Forward contracts PHP	0.1	2.5	-0.2	4.0
Forward contracts RON	-0.2	19.4	-0.4	23.6
Forward contracts RUB	0.4	2.5	-	-
Forward contracts MAD	0.8	25.1	-	-
Forward contracts CNY	-0.0	2.6	-	-
Forward contracts DKK	0.1	2.9	-	-
Forward contracts CNH	-0.1	0.2	-0.1	0.5
Forward contracts CHF	-0.3	-13.3	-	-
Forward contracts TRY	-0.1	1.3	-	-
Forward contracts BRL	-	-	-2.0	6.3
Option contracts JPY	-0.0	0.3	-0.2	1.6
Trading				
Foreign exchange				
Forward contracts USD	1.2	40.8	0.0	16.2
Forward contracts GBP	-0.1	-2.5	-	-
Forward contracts INR	1.6	13.4	3.0	49.7
Forward contracts MAD	0.0	2.2	-	-
Forward contracts CNY	-	0.4	-	-
Forward contracts DKK	0.0	0.4	-	-
Forward contracts CHF	-0.0	-3.8	-	-
Forward contracts MYR	-0.0	-0.7	-	-
Forward contracts RON	-0.0	1.0	-	-
Forward contracts PLN	-0.1	1.8	-	-
Forward contracts MXN	0.1	2.5	-	-

The net amount of cash flow hedge reserve at December 31, 2016 was €+1.5 million (net of tax), with a variation of €+3.6 million (net of tax) over the year.

Note 24 Trade accounts and notes payable

(In € million)	December 31, 2016	December 31, 2015
Trade payables and notes payable	**1,970.6**	**1,605.5**
Net advance payments	-35.1	-6.3
Prepaid expenses	-425.6	-310.5
NET ACCOUNTS PAYABLE	**1,509.9**	**1,288.7**
Number of days' payable outstanding (DPO)	**76**	**75**

Note 25 Other current liabilities

(In € million)	December 31, 2016	December 31, 2015
Advances and down payments received on client orders	82.2	53.2
Employee-related liabilities	522.8	577.8
Social security and other employee welfare liabilities	219.0	231.6
VAT payable	378.6	350.2
Deferred income	661.0	565.7
Other operating liabilities	295.8	237.3
TOTAL	**2,159.5**	**2,015.8**

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

Note 26 Cash flow statement

NET LONG-TERM INVESTMENTS

(in € million)	12 months ended December 31, 2016	12 months ended December 31, 2015
Amounts paid for acquisitions and long-term investments :		
Xerox ITO	46.7	-812.0
Unify	-346.5	-
Anthelio	-267.1	-
Paysquare	-113.2	-
Cataps	-26.9	-
Engage ESM	-31.3	-
Deposit	-2.2	-2.5
Other	-41.4	-6.2
Total amounts paid for acquisitions and long-term investments	**-782.0**	**-820.7**
Cash and cash equivalents of companies purchased during the period:		
Xerox ITO	-	10.9
Unify	32.0	-
Anthelio	14.2	-
Paysquare	39.3	-
Cataps	1.1	-
Equens	-2.4	-
Other	-1.2	-
Total cash and cash equivalents of companies purchased during the period	**83.0**	**10.9**
Proceeds from disposals of financial investments:		
Visa Share	35.6	-
Numergy	1.5	-
Occupational Health business	-	15.8
Proservia	-	-12.4
Deposit	1.8	1.2
Other	-	4.9
Total proceeds from disposals of financial investments	**38.9**	**9.5**
Cash and cash equivalents of companies sold during the period		
Other	4.8	-0.3
Total Cash and cash equivalents of companies sold during the period	**4.8**	**-0.3**
Dividend received from entities consolidated by equity method	1.5	2.5
Total dividend received from entities consolidated by equity method	**1.5**	**2.5**
NET LONG-TERM INVESTMENTS	**-653.8**	**-798.1**

Note 27 Off-balance sheet commitments

Contractual commitments

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

(In € million)	December 31, 2016	Maturing: Up to 1 year	Maturing: 1 to 5 years	Maturing: Over 5 years	December 31, 2015
Bonds	900.0	-	600.0	300.0	600.0
Bank loans	580.0	-	580.0	-	580.0
Finance leases	42.5	22.6	19.0	0.9	50.7
Recorded on the balance sheet	**1,522.5**	**22.6**	**1,199.0**	**300.9**	**1,230.7**
Operating leases: land, buildings, fittings	985.1	193.9	560.2	231.0	867.8
Operating leases: IT equipment	172.4	82.7	89.6	0.1	210.9
Operating leases: other fixed assets	70.3	29.9	40.4	0.0	75.4
Non-cancellable purchase obligations (>5 years)	65.1	24.9	35.8	4.4	62.4
Commitments	**1,292.9**	**331.4**	**726.0**	**235.5**	**1,216.5**
TOTAL	**2,815.4**	**354.0**	**1,925.0**	**536.4**	**2,447.2**
Financial commitments received (Syndicated Loan)	**1,220.0**	**-**	**1,220.0**	**-**	**1,220.0**
TOTAL RECEIVED	**1,220.0**	**-**	**1,220.0**	**-**	**1,220.0**

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

Commercial commitments

(In € million)	December 31, 2016	December 31, 2015
Bank guarantees	**232.2**	**198.9**
• Operational - Performance	175.9	145.9
• Operational - Bid	9.7	21.5
• Operational - Advance Payment	26.3	19.7
• Financial or Other	20.3	11.8
Parental guarantees	**5,437.3**	**5,501.3**
• Operational - Performance	4,907.5	5,447.0
• Financial or Other	529.8	54.3
Pledges	**3.7**	**1.5**
TOTAL	**5,673.2**	**5,701.7**

For various large long term contracts, the Group provides performance guarantees to its clients. These guarantees amount to € 4,907.5 million as of December 31st, 2016, compared with € 5,447 million at the end of December 2015. This decrease of € 539.5 million is mainly due to the UK with the closure of the MOJ and SCB guarantees.

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

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

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

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

In the framework of the UK Atos Pension Funds (“UK APF”) indexation negotiations, the board of Atos SE, during its December 17, 2015 meeting, agreed to provide a parental guarantee to the Atos Pension Schemes Limited as trustee of the Atos Pension Fund. Under the said guarantee, Atos SE will guarantee the obligations of the sponsoring employers of the UK APF (currently Atos IT UK Limited and Atos IT Services UK

Limited) to make certain payments to the UK APF. The maximum amount of the guarantee is GBP 150 million (€ 176.0 million).

In the framework of the Atos (SEMA) pension Scheme indexation discussions, the board of Atos SE, during its July 26th, 2016 meeting, agreed to provide a parental guarantee to the Atos Pension Schemes Limited as trustee of the Atos (SEMA) Pension Scheme. Under the said guarantee, Atos SE will guarantee the obligations of the sponsoring employers of the Atos (SEMA) Pension Scheme (currently Atos IT UK Limited and Atos IT Services UK Limited) to make certain payments to the Atos (SEMA) Pension Scheme. The maximum amount of the guarantee is GBP 385 million (€ 451.6 million).

Note 28 Related party transactions

Related parties are defined as follows:

- entities which are controlled directly by the Group, either solely or jointly, or indirectly through one or more intermediary controls. Entities which offer post-employment benefits in favor of employees of the Group, or entities which are controlled or jointly owned by a member of the key management personnel of the Group as defined hereafter; and
- key management personnel of the Group defined as persons who have the authority and responsibility for planning, directing and controlling the activity of the Group, namely members of the Board of Directors as well as Senior Executive Vice-Presidents.

Transactions between Atos and its subsidiaries, which are related parties of the Group, have been eliminated in consolidation and are not disclosed in this note.

No transactions between the Group and such entities or key management personnel have occurred in 2016.

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

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

(In € million)	12 months ended December 31, 2016	12 months ended December 31, 2015
Short-term benefits	7.3	6.6
Employer contributions & other taxes	1.8	3.4
Post-employment benefits	3.5	3.6
Equity-based compensation: stock options & free share plans	5.8	4.3
TOTAL	**18.4**	**17.9**

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

During the year, the Group has neither granted nor received guarantees from any of its Board members.

The employer contribution relating to the granting of performance shares is now due and calculated at the vesting date in accordance with the provisions of the "Macron" law. Thus, no employer contribution in respect of the 2016 performance shares grant has been paid.

Note 29 Subsequent events

There are no subsequent events.

Note 30 Main operating entities part of scope of consolidation as of December 31, 2016

	% of Interest	Consolidation method	% of Control	Address
HOLDING				
Atos SE	Consolidation Parent Company			80, quai Voltaire – 95870 Bezons
Atos International B.V.	100	FC	100	Papendorpseweg 93 – 3528 BJ Utrecht – The Netherlands
Saint Louis Ré	100	FC	100	74, rue de Merl – L2146 Luxembourg
Atos International SAS	100	FC	100	80, quai Voltaire – 95870 Bezons
Bull SA	100	FC	100	Rue Jean Jaurès – 78340 Les Clayes-sous-Bois
FRANCE				
Atos Worldline SA	70.12	FC	100	80, quai Voltaire – 95870 Bezons
Atos Integration SAS	100	FC	100	80, quai Voltaire – 95870 Bezons
Diamis SA	60	FC	100	80, quai Voltaire – 95870 Bezons
Mantis SAS	44.60	FC	100	55, rue de Rivoli – 75001 Paris
Atos Infogérance SAS	100	FC	100	80, quai Voltaire – 95870 Bezons
Atos Consulting SAS	100	FC	100	80, quai Voltaire – 95870 Bezons
Atos A2B SAS	100	FC	100	80, quai Voltaire – 95870 Bezons
Atos Worldgrid	100	FC	100	80, quai Voltaire – 95870 Bezons
Yunano	70	FC	100	80, quai Voltaire – 95870 Bezons
Bull SAS	100	FC	100	Rue Jean Jaurès – 78340 Les Clayes-sous-Bois
Amesys SAS	100	FC	100	655, avenue Galilée – 13794 Aix en Provence
Evidian SA	100	FC	100	Rue Jean Jaurès – 78340 Les Clayes-sous-Bois
GERMANY				
Equens Worldline GmbH	44.60	FC	100	Hahnstraße 25 – 60528 Frankfurt – Germany
Atos Information Technology GmbH	100	FC	100	Luxemburger Straße 3 – 45133 Essen – Germany
Atos IT Dienstleistung und Beratung Gmbh	100	FC	100	Bruchstrasse 5 – 45883 Gelsenkirchen – Germany
Atos IT Solutions and Services Gmbh	100	FC	100	Otto-Hahn-Ring 6 – 81739 Munich – Germany
Atos International Germany Gmbh	100	FC	100	Otto-Hahn-Ring 6 – 81739 Munich – Germany
Bull GmbH	100	FC	100	Von-der-wettern-straße, 27 – 51149 cologne – Germany
Energy4u GmbH	100	FC	100	Albert-Nestler Straße 17 – 76131 Karlsruhe – Germany
Atos IT Services GmbH	100	FC	100	Stinnes-Platz 1 45, 472 Mülheim an der Ruhr – Germany
Unify Deutschland GmbH & Co. KG **(CCS business)**[2]	100	FC	100	Mies-van-der-Rohe-Straße, 6 – 80807 Munich – Germany
Unify Software and Solutions GmbH & Co. KG **(CCS business)**[2]	100	FC	100	Mies-van-der-Rohe-Straße, 6 – 80807 Munich – Germany
Unify Communications and Collaboration GmbH & Co. KG[2]	100	FC	100	Mies-van-der-Rohe-Straße, 6 – 80807 Munich – Germany
Atos Systems Business Services GmbH	100	FC	100	Rheinlanddamm 185 – 44139 Dortmund – Germany
Equens SE - Branch Germany	44.60	FC	100	Mainzer Landstraße 201 – 60326 Frankfurt am Main – Germany
BD POS GmbH	100	FC	100	Hörselbergblick 1 – 99820 Hörselberg-Hainich – Germany
THE NETHERLANDS				
Atos IT Systems Management Nederland B.V.	100	FC	100	Papendorpseweg 93 – 3528 BJ Utrecht – The Netherlands
Atos Telco Services B.V.	100	FC	100	Papendorpseweg 93 – 3528 BJ Utrecht – The Netherlands
Atos Worldline B.V.	70.12	FC	100	Wolweverstraat 18 – 2984 CD Ridderkerk – The Netherlands
Equens SE	44.60	FC	100	Eendrachtlaan 315 – 3526 LB Utrecht – The Netherlands
Stichting Derdengelden InterEGI	44.60	FC	100	Eendrachtlaan 315 – 3526 LB Utrecht – The Netherlands
PaySquare SE NL	70.12	FC	100	Eendrachtlaan 315 – 3526 LB Utrecht – The Netherlands
OTHER EUROPE - MIDDLE EAST - AFRICA				
Algeria				
Bull Algeria	100	FC	100	16 Rue Yehia El-Mazouni, El Biar – Algiers – Algeria
Austria				
Atos Information Technology GmbH	100	FC	100	Siemensstraße 92 – 1210 Vienna – Austria
Atos IT Solutions and Services GmbH	100	FC	100	Siemensstraße 92 – 1210 Vienna – Austria
TSG EDV-Terminal-Service GmbH	99	FC	100	Modecenterstraße 1 – 1030 Vienna – Austria
Unify GmbH	100	FC	100	Siemensstrasse, 92 – 1210 Vienna – Austria
Belgium				
Atos Belgium SA	100	FC	100	Da Vincilaan 5 – 1930 Zaventem – Belgium

	% of Interest	Consolidation method	% of Control	
Worldline NV/SA	70.12	FC	100	Chaussée de Haecht 1442 – B-1130 Brussel – Belgium
Unify Communications N.V.	100	FC	100	Demeurslaan, 132 – 1654 Beersel – Belgium
Bielorussia				
LLC ATOS IT Solutions and Services	100	FC	100	Ul Leonid BEDI, 11, BuildING 1 – 220040 Minsk – Belarus
Bulgaria				
Atos IT Solutions and Services EOOD	100	FC	100	48 Sitnyakovo Blvd – Serdika Offices – 7th floor – Sofia Municipality – Oborishte District – 1505 Sofia – Bulgaria
Unify Service Centre EOOD	100	FC	100	Mladost – 1 Business Park Sofia Str, 4 – 1766 Sofia – Bulgaria
Ivory Coast				
Bull Ivory Coast	100	FC	100	31 avenue Noguès – 01 BP 1580 Abidjan 01 – Ivory Coast
Denmark				
Atos IT Solutions and Services A/S	100	FC	100	Dybendalsvaenget 3 – 2630 Taastrup – Denmark
Croatia				
Atos IT Solutions and Services d.o.o	100	FC	100	Heinzelova 69 –10000 Zagreb – Republic of Croatia
Czech Republic				
Atos IT Solutions and Services s.r.o.	100	FC	100	14000 Praha 4 – Doudlebská 1699/5 – Czech Republic
Cataps	100	FC	100	Václavské náměstí 796/42, Nové Město – 110 00 Prague – Czech Republic
Gabon				
Bull Gabon	100	FC	100	Immeuble ex-Sonagar – Boulevard Bord-de-Mer – BP 2260 Libreville – Gabon
Greece				
Bull Integrated IT Solutions SA	100	FC	100	16, El. Venizelou ave. – 176 76 Kallithea – Greece
Finland				
Atos IT Solutions and Services oy	100	FC	100	Majurinkatu Kalkkipellontie 6 – 026050 Espoo – Finland
Hungary				
Atos Magyarország Kft	100	FC	100	Szépvölgyi ut 43 – H-1037 Budapest – Hungary
Ireland				
Atos IT Solutions and Services Limited	100	FC	100	Fitzwilliam Court – Leeson Close – 2 Dublin – Ireland
Italy				
Atos Italia S.p.A.	100	FC	100	Via Caldera no. 21 – 20158 – Milan – Italy
Lebanon				
Bull SAL	100	FC	100	69 Rue Jal el Dib – Secteur 1 – BP 60208 – 12412020 Metn – Lebanon
Lithuania				
UAB "Bull Baltija"	100	FC	100	40 Gostauto Street -01112 Vilnius - Lithuania
Luxembourg				
Atos Luxembourg PSF S.A.	100	FC	100	1, rue Edmond Reuter Contern -5326 Luxemburg
Madagascar				
Bull Madagascar SA	100	FC	100	12, rue Indira Gandhi - Tsaralalana BP 252 - Antananarivo - Madagascar
Morocco				
Atos IT Services	100	FC	100	Avenue Annakhil – Espace High-Tech – hall B 5th floor – Hayryad Rabat – Morocco
Atos ITS Nearshore Center Maroc SARL	100	FC	100	Casablanca – shore 7, 1100 boulevard Al Qods – quartier Sidi Maârouf – Casablanca – Morocco
Bull Morocco	100	FC	100	Casanearshore 1100, bd El Qods (Sidi Maârouf) 20270 Casablanca – Morocco
Namibia				
Bull Information Technology Namibia Pty. Ltd.	100	FC	100	C/o Deloitte & Touche - Namdeb Center, 10 Bulow street – PO Box 47 – Windhoek – Namibia
Poland				
Atos Polska SA	100	FC	100	Krolewska 16 -00-103 Warsaw – Poland
Atos Global Delivery Center Polska Sp. z o.o. Sp. k.	100	FC	100	Ul. Woloska 5Postepu 18 X p. (Taurus Neptun Building) 02-675,676 Warsaw – Poland
Atos IT Solutions and Services SP. z.o.o.	100	FC	100	Ul. Woloska 5Postepu 18 X p. (Taurus Neptun Building) 02-675,676 Warsaw – Poland
Portugal				
Atos Soluções e Serviços para Tecnologias de Informação, Unipessoal, Ltda	100	FC	100	Rua Irmaos Siemens – 1 e 1-A – 2700,172 Amadora – Portugal

	% of Interest	Consolidation method	% of Control	
Romania				
Atos IT Solutions and Services s.r.l.	100	FC	100	Calea Floreasca 169A – Sector 1 – 014459 Bucharest – Romania
Bull Romania s.r.l	100	FC	100	12 A Burghelea Street, 2nd district – 024032 Bucharest – Romania
Russia				
Atos IT Solutions and Services LLC	100	FC	100	1st Kozhevnicheski per. 6, bld. 1 115114 Moscow – Russian Federation
Senegal				
Bull Senegal	100	FC	100	Avenue Malick Sy – Immeuble Batimat – BP 3183 Dakar – Senegal
Serbia				
Atos IT Solutions and Services d.o.o.	100	FC	100	Danila Lekica Spanca 31 – 11070 Belgrade – Serbia
South Africa				
Atos (PTY) Ltd	74	FC	100	204 Rivonia Road – Sandton private bag X 136 – Bryanston 2021 – South Africa
Spain				
Mundivia SA	100	FC	100	Calle Real Consulado – s/n Polígono Industrial Candina – Santander 39011 – Spain
Worldline Iberia SA	70.12	FC	100	Avda. Diagonal, 210-218 – Barcelona 08018 – Spain
Atos Consulting Canarias, SA	100	FC	100	Calle Subida al Mayorazgo 24b 38110 – Santa Cruz de Tenerife – Spain
Bull (España) SA	100	FC	100	Paseo de las Doce Estrellas, n°2 – Campo de las Naciones – 28042 Madrid – Spain
Centro de Tecnologias Informáticas, SA	80	FC	100	Paseo de la Condesa de Sagasta, 6 Oficina 1 – León 24001 – Spain
Infoservicios SA	100	FC	100	Albarracin 25 – Madrid 28037 – Spain
Atos, Sociedad Anonima Espanola	100	FC	100	Albarracin 25 – Madrid 28037 – Spain
Atos IT Solutions and Services Iberia SL	100	FC	100	Ronda de Europa, 5 – 28760 Madrid – Spain
Atos Worldgrid SL	100	FC	100	Real Consulado s/n – Poligono Industrial Candina – Santander 39011 – Spain
Desarrollo de Applicaciones Especiales SA	100	FC	100	Juan de Olías 1 – Madrid 28020 – Spain
MSL Technology SL	50	FC	100	C/ Marqués de Ahumada – 7 – 28028 Madrid – Spain
Slovakia				
Atos IT Solutions and Services s.r.o.	100	FC	100	Einsteinova 11 – 851 01 – Bratislava – Slovakia
Sweden				
Atos IT Solutions and Services AB	100	FC	100	Johanneslundsvägen 12-14 – 194 87 Upplands Väsby – Sweden
Switzerland				
Atos AG	100	FC	100	Freilagerstrasse 28 – 8047 Zurich – Switzerland
Cambridge Technology Partners Ltd	100	FC	100	Chemin de Précossy 27 – 1260 Nyon – Switzerland
Turkey				
Atos Bilisim Danismanlik ve Musteri Hizmetleri Sanayi ve Ticaret A/S	99.92	FC	100	Yakacık Caddesi No: 111 – 18, 34870, Kartal, Istanbul – Turkey
United Arab Emirates - Dubai				
Atos FZ LLC	100	FC	100	Office G20 – Building DIC-9 Dubai Internet City – PO Box.500437 – Dubai – United Arab Emirates
ATOS FZ LLC Abu Dhabi Branch	100	FC	100	The One Tower – Barsha Heights (TECOM) – PO Box 500437 – Dubai – United Arab Emirates
Saudi Arabia				
Atos Saudia	49	PC	49	P. O. Box # 8772 – Riyadh –11492 – Kingdom of Saoudi Arabia
Qatar				
ATOS QATAR Llc	100	FC	100	Sheikh Suhaim bin Hamad Street – No.89858 – Doha – Qatar
Egypt				
Atos IT SAE	100	FC	100	50 Rue Abbass El Akkad – Nasr city- Cairo – Egypt
THE UNITED KINGDOM				
Atos Consulting Limited	100	FC	100	4 Triton Square – Regent's Place – London, NW1 3HG – United Kingdom
Atos IT Services Limited	100	FC	100	4 Triton Square – Regent's Place – London, NW1 3HG – United Kingdom

	% of Interest	Consolidation method	% of Control	
Atos IT Solutions and Services Limited	100	FC	100	4 Triton Square – Regent's Place – London, NW1 3HG – United Kingdom
Atos UK Holdings Limited	100	FC	100	4 Triton Square – Regent's Place – London, NW1 3HG – United Kingdom
Atos Esprit Limited	95	FC	100	4 Triton Square – Regent's Place – London, NW1 3HG – United Kingdom
Shere Limited	100	FC	100	4 Triton Square – Regent's Place – London, NW1 3HG – United Kingdom
Atos Scotland GP Limited	100	FC	100	Collins House, Rutland Square – Edinburgh, EH1 2AA – United Kingdom
Atos Scotland LP[1]	100	FC	100	Collins House, Rutland Square – Edinburgh, EH1 2AA – United Kingdom
Atos APF Scotland GP Limited	100	FC	100	3 Ponton Street – Edinburgh, EH3 9QQ – United Kingdom
Atos APF Scotland LP[1]	100	FC	100	3 Ponton Street – Edinburgh, EH3 9QQ – United Kingdom
Atos ASPS Scotland GP Limited	100	FC	100	3 Ponton Street – Edinburgh, EH3 9QQ – United Kingdom
Atos ASPS Scotland LP[1]	100	FC	100	3 Ponton Street – Edinburgh, EH3 9QQ – United Kingdom
Atos BPS Ltd	100	FC	100	4 Triton Square – Regent's Place – London, NW1 3HG – United Kingdom
Atos IT Outsourcing Services Limited	100	FC	100	Hortonwood 37, Telford, Shrops TF1 7GT – Telford, Shropshire – United Kingdom
Atos UK Holdings Ltd	100	FC	100	4 Triton Square – Regent's Place – London, NW1 3HG – United Kingdom
Atos International IT Holdings Ltd	100	FC	100	4 Triton Square – Regent's Place – London, NW1 3HG – United Kingdom
Atos Restaurant Technology Services UK Limited	100	FC	100	4 Triton Square – Regent's Place – London, NW1 3HG – United Kingdom
Unify Enterprise Communications Limited **(CCS business)**	100	FC	100	Brickhill Street, Willen Lake, MK15 0DJ – United Kingdom
ASIA PACIFIC				
Australia				
Atos (Australia) Pty. Ltd	100	FC	100	885 Mountain Highway 3153 Bayswater – Victoria – Australia
China				
Atos Covics Business Solutions Ltd	100	FC	100	No. 1 Building – No. 99, Qinjiang Rd-Shanghai – China
Atos Information Technology (China) Co. Ltd	100	FC	100	Room 05.161 – Floor 5 – Building E – No. 7 – Zhonghuan Nanlu – Wangjing – Chaoyang District – Beijing – China
Atos Worldgrid Information Technology (Beijing) Co Ltd	100	FC	100	Room 05.162 – Floor 5 – Building E – No. 7 – Zhonghuan Nanlu – Wangjing – Chaoyang District – Beijing – China
Bull Information Systems (Beijing) Co. Ltd	100	FC	100	11/F, Jing Guang Centre Office – Building Hu Jia Lou Chao Yang District – 100,020 Beijing P.R – China
RTS Information Consulting (Chengdu) Co. Ltd	100	FC	100	99# Tianhua Yilu of High-Tech 610041 Chengdu – China
Hong Kong				
Atos Information Technology HK Ltd	100	FC	100	8/F Octa Tower – 8 Lam Chak Street – Kowloon Bay – Kowloon – Hong Kong
Bull Information Systems (Hong Kong) Limited	100	FC	100	RM 1401 – Hutchison House – 10, Harcourt Road – Hong Kong
India				
Atos India Private Limited	100	FC	100	Godrej & Boyce Complex – Plant 5 – Pirojshanagar – LBS Marg – Vikhroli(W) – Mumbai 400079 – India
Worldline India Private Ltd	70.12	FC	100	701, Interface 11 – Malad (West) – Mumbai 400064 – India
Atos IT Services Private Limited	99.99	FC	100	Inv Buil Inter Techn Prk Witfd – 560066 Bangalore – India
Anthelio Business Technologies Private Limited	99.99	FC	100	Level 1, Part A of Tower1,Phase 2, SY.NO 115 (Part) Waverock, APIIC IT\ITES SEZ, Nanakramguda Serilingampally Mandal – Hyderabad Telangana 500008 – India
Indonesia				
PT Worldline International Indonesia	70.12	FC	100	Wisma Keiai #1707 – Jalan Jenderal Sudirman Kav 3 – Jakarta 10220 – Indonesia
Japan				
Atos KK	100	FC	100	20 F, Shinjuku ParkTower – Nishi Shinjuku 3 -7 -1 – Shinjuku - ku – Tokyo – Japan
Evidian-Bull Japan KK	100	FC	100	Cerulean Tower 15F – 26-1 Sakuragaoka-cho – Shibuya-ku – Tokyo – Japan
Malaysia				

	% of Interest	Consolidation method	% of Control	
Atos Services (Malaysia) SDN BHD	100	FC	100	16-A (1st Floor) Jalan Tun Sambanthan – 3 Brickfields -50470 Kuala Lumpur – Malaysia
Philippines				
Atos Information Technology Inc.	99.94	FC	100	23/F Cyber One Building – Eastwood City – Cyberpark – 1110 Libis, Quezon City – Philippines
Atos Global Delivery Center Philippines, Inc.	100	FC	100	8th Floor, Two E-Com Center, Palm Coast Ave., Mall of Asia Complex, 1110 Pasay City – Philippines
Singapore				
Atos Information Technology (Singapore) Ptd Ltd	100	FC	100	620A Lorong 1 Toa Payoh – TP4 Level 5 – 319762 Singapore
Amesys Singapour PTE Ltd	100	FC	100	988 Toa Payoh North #08-01 – Crystal Time Building – 319002 Singapore
Taiwan				
Atos (Taiwan) Ltd	100	FC	100	5F, No. 100, Sec. 3, Min Sheng E. Road – Taipei 105 – Taiwan – R.O.C.
Bull Information Systems (Taiwan) Limited	100	FC	100	5F, no. 100 sec. 3, Min Sheng E. Road – Taipei -Taiwan
Thailand				
Atos IT Solutions and Services Ltd	100	FC	100	2922/339 Charn Issara Tower II -36th Floor – New Petchburi Road – Bangkapi – Huay Kwang -10310 Bangkok – Thailand
AMERICAS				
Argentina				
Atos Argentina SA	100	FC	100	Cnel. Manuel Arias 3751, piso 18, PB, C.A.B.A. – C1430DAL – Argentina
Atos IT Solutions and Services SA	70.12	FC	100	Cnel. Manuel Arias 3751, piso 18, PB, C.A.B.A. – C1430DAL – Argentina
Bull Argentina SA	100	FC	100	Manuela Saenz 323 5to. Piso Of. 506 – C 1107 bpa – Buenos aires – Argentina
Brazil				
Atos Brasil Ltda	100	FC	100	Rua Werner Von Siemens, 111 – Prédio 6 – Lapa – São Paulo – SP – CEP 05069-900 – Brazi
Atos Serviços de Tecnologia da Informação do Brasil Ltda	100	FC	100	Rua Werner Von Siemens, 111 – Prédio 6 – Lapa – São Paulo – SP – CEP 05069-900 – Brazil
Atos Soluçoes e Serviços de tecnologia da informaçao LTDA	100	FC	100	Rua Werner Von Siemens, 111 – Prédio 6 – Lapa – São Paulo – SP – CEP 05069-900 – Brazil
Bull Ltda.	100	FC	100	Rua Werner Von Siemens, 111 – Prédio 6 – Lapa – São Paulo – SP – CEP 05069-900 – Brazil
Canada				
Atos Inc.	100	FC	100	6375 Shawson Drive – L5T 1S7 Mississauga – Ontario – Canada
Amesys Canada Inc.	100	FC	100	1 place Ville-Marie – H3B 2C4 Montreal – Quebec – Canada
Chile				
Worldline Chile S.A	70.12	FC	100	Avenida Providencia 1760 Andres Bello 2115, Comuna de Providencia – 7510094 Santiago de Chile – Chile
Colombia				
Atos IT Solutions and Services S.A.S	100	FC	100	Carrera 65 No. 11-83 Piso 3º - Bogotá – Colombia
Mexico				
Atos IT Business services S de RL de CV	100	FC	100	Avenida Santa Fe No. 505 Piso 9 – Colonia Cruz Manca Santa Fe Delegación Cuajimalpa de Morelos – Código Postal 05349 – México Distrito Federal – Mexico
Atos Global Delivery Center México, S. de R.L. de C.V.	99.90	FC	100	Avenida Insurgentes Sur, Int. 01020 Localidad Alvaro Obregón – Mexico
The United States of America				
Atos IT Outsourcing Services, LLC	100	FC	100	North Haskell Avenue 75204 Dallas – United States of America
Atos Governmental IT Outsourcing Services, LLC	100	FC	100	North Haskell Avenue 75204 Dallas – United States of America
Atos Healthcare Services, LLC	100	FC	100	North Haskell Avenue 75204 Dallas – United States of America
Unify Inc **(CCS business)**	100	FC	100	Broken Sound Boulevard N.W., 5500, 33487 Boca Raton – United States of America
Anthelio Global Inc.	100	FC	100	One Lincoln Centre, Suite 200 5400 LBJ Freeway 75204 Dallas – United States of America

	% of Interest	Consolidation method	% of Control	
Anthelio Healthcare Solutions Inc.	100	FC	100	One Lincoln Centre, Suite 200 5400 LBJ Freeway 75204 Dallas – United States of America
Pyramid Healthcare Holdings Inc.	100	FC	100	P.O. Box 17389, Clearwater, Floride 33762 – United States of America
Pyramid Healthcare Solutions Inc.	100	FC	100	P.O. Box 17389, Clearwater, Floride 33762 – United States of America
Evidian Systems Inc.	100	FC	100	285 Billerica Road, Suite 200 - Chelmsford, MA 01824-4174 – United States of America
Uruguay				
Bull Uruguay SA	100	FC	100	Av. Dr Luis A. de Herrera, 2802 -1160 Montevideo – Uruguay
DISCONTINUED ACTIVITIES				
BlueKiwi Software SA	100	FC	100	80, quai Voltaire – 95870 Bezons
Unify Deutschland GmbH & Co. KG **(S&P business)**[2]	100	FC	100	Mies-van-der-Rohe-Straße, 6 – 80807 Munich – Germany
Unify Software and Solutions GmbH & Co. KG **(S&P business)**[2]	100	FC	100	Mies-van-der-Rohe-Straße, 6 – 80807 Munich – Germany
Unify Enterprise Communications Limited **(S&P business)**	100	FC	100	Brickhill Street, Willen Lake, MK15 0DJ – United Kingdom
Unify Inc **(S&P business)**	100	FC	100	Broken Sound Boulevard N.W., 5500, 33487 Boca Raton – United States of America
Unify GmbH **(S&P business)**	100	FC	100	Dietrichgasse, 27 – 1030 Vienne – Austria
Unify GmbH & Co. KG[2]	100	FC	100	Mies-van-der-Rohe-Straße, 6 – 80807 Munich – Germany
Unify Beteiligungen GmbH & Co. KG[2]	100	FC	100	Mies-van-der-Rohe-Straße, 6 – 80807 Munich – Germany
Unify Beteiligungsverwaltung GmbH & Co. KG[2]	100	FC	100	Mies-van-der-Rohe-Straße, 6 – 80807 Munich – Germany
Unify Deutschland Holding GmbH	100	FC	100	Mies-van-der-Rohe-Straße, 6 – 80807 Munich – Germany
Unify Patente Holding GmbH & Co. KG[2]	100	FC	100	Mies-van-der-Rohe-Straße, 6 – 80807 Munich – Germany
Unify Patente GmbH & Co. KG[2]	100	FC	100	Mies-van-der-Rohe-Straße, 6 – 80807 Munich – Germany
Unify Zwischenholding GmbH & Co. KG[2]	100	FC	100	Mies-van-der-Rohe-Straße, 6 – 80807 Munich – Germany
Unify - Soluções em Tecnologia da Informação Ltda.	100	FC	100	Avenia Iguaçu, 2820, Edifício Iguaçu 2820, Escritório 41, Sala 01, Água Verde – Curitiba – Brazil

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

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

E

Note 31 Auditors' fees

	Deloitte				Grant Thornton			
	Deloitte & Associés		Réseau		*Grant Thornton*		Réseau	
(In € million and %)	Fees	%	Fees	%	Fees	%	Fees	%
Audit and limited review of individual and consolidated financial statements								
Parent company	1,354.0	56%	-	-	934.0	56%	-	-
Subsidiaries	925.0	38%	3,639.0	53%	718.0	43%	2,889.0	99%
Sub-total Audit	**2,279.0**	**94%**	**3,639.0**	**53%**	**1,652.0**	**99%**	**2,889.0**	**99%**
Non audit services*								
Parent company	95.0	4%	1,504.0	22%	-	-	-	-
Subsidiaries	44.0	2%	1,718.0	25%	13.0	1%	38.0	1%
Sub-total Non Audit	**139.0**	**6%**	**3,222.0**	**47%**	**13.0**	**1%**	**38.0**	**1%**
TOTAL FEES 2016	**2,418.0**	**100%**	**6,861.0**	**100%**	**1,665.0**	**100%**	**2,927.0**	**100%**

* *In 2016, non audit services notably include € 1.1 million of fees related to Unify acquisition, € 1 million of fees related to the transaction between Worldline and Equens and € 0.3 million of fees related to Anthelio acquisition.*

	Deloitte				Grant Thornton			
	Deloitte & Associés		Réseau		*Grant Thornton*		Réseau	
(In € million and %)	Fees	%	Fees	%	Fees	%	Fees	%
Audit and limited review of individual and consolidated financial statements								
Parent company	1,249.0	47%	-	-	834.0	57%	-	-
Subsidiaries	860.0	32%	3,613.0	54%	601.0	41%	1,921.0	98%
Sub-total Audit	**2,109.0**	**79%**	**3,613.0**	**54%**	**1,435.0**	**98%**	**1,921.0**	**98%**
Non audit services*								
Parent company	95.0	4%	1,540.0	23%	35.0	2%	-	-
Subsidiaries	482.0	18%	1,578.0	23%	-	-	39.0	2%
Sub-total Non Audit	**577.0**	**21%**	**3,118.0**	**46%**	**35.0**	**2%**	**39.0**	**2%**
TOTAL FEES 2015	**2,686.0**	**100%**	**6,731.0**	**100%**	**1,470.0**	**100%**	**1,960.0**	**100%**

* *In 2015, non audit services notably included € 1.6 million of fees related to the transaction between Worldline and Equens, € 1.0 million of fees related to Xerox ITO acquisition and € 0.5 million of fees related to Unify acquisition.*

E.5 Parent company summary financial statements

E.5.1 Statutory auditors' report on the financial statements for the year ended December 31, 2016

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

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant *accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.*

This report also includes information relating to the specific verifications of information given in the management report and in the document addressed to the shareholders.

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

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meetings, we hereby report to you, for the year ended December 31, 2016, on:

- the audit of the accompanying financial statements of Atos SE;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other selection methods, to obtain audit evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities, of the financial position of the Company as at December 31, 2016 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

Participating interests, with a net book value of € 5,342 million in the balance sheet as at December 31, 2016, are valued at acquisition cost and depreciated based on its value-in-use according to the principles described in the note "Financial assets" of the "Rules and accounting methods" section to the financial statements. Our work consisted on appreciating the data and assumptions underlying these estimates, especially the cash-flow projections prepared by the Company's operational departments, reviewing the calculations performed by the entity and scrutinising the approval procedure of these estimates by management.

These assessments were made as part of our audit of the financial statements taken as a whole and therefore contributed to the expression of our opinion we formed in the first part of this report.

III. Specific verifications and information

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

We have no matters to report regarding the fair presentation and the consistency with the financial statements of the information provided in the management report of the Board of Directors and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this procedures, we attest the accuracy and fair presentation of this information.

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

Neuilly-sur-Seine, March 30, 2017

The statutory auditors

French original signed by

Deloitte & Associés	Grant Thornton
Jean-Pierre Agazzi	*French member of Grant Thornton International*
	Victor Amselem

E.5.2 Statutory auditors' special report on regulated agreements and commitments with third parties – Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2016

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

To the Shareholders,

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

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

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

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

Agreements and commitments submitted for approval to the Shareholders' Meeting

Agreements and commitments authorized during the year

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

Agreements and commitments authorized after closing

We have been informed of those agreements and commitments which had been authorized after closing and had received prior approval by your Board of Directors.

With Ms. Aminata Niane, Director of Atos SE

At its meeting of March 26, 2015, the Board of Directors decided to entrust Ms. Aminata Niane, in her capacity as Director, with a specific mission concerning the Atos Group's operations in West Africa and Morocco, considering that following the acquisition of Bull and given the Bull's positions in West Africa, which constitute launching sites for Atos' activities as Atos was not settled in this region, it was in the Atos SE's interest to benefit from the long-standing experience in the region of Ms. Aminata Niane.

Ms. Aminata Niane's mission consists in proceeding to visits aimed at encouraging the coordination of initiatives of Atos and Bull's teams located in West Africa and Morocco, the integration of Bull's activities in this region into the Atos Group, in accordance with its governance and compliance rules, and the implementation of synergies and costs reductions. She also supports the commercial teams on clients' strategy and monitor the setting up, in Dakar (Senegal), of the IT Services Platform (Global Delivery Center) for West Africa.

For this mission, Ms. Aminata Niane receives an annual flat-rate compensation of €50,000. If required, a prorata temporis adjustment is applied considering the starting and ending dates of the assignment. The costs, in particular travel expenses, required by the mission, are borne by Atos SE.

The duration of the mission shall be one year, extendable if required by decision of the Board of Directors, depending on the achievement of the mission within the proposed framework.

On February 23, 2016, the Board of Directors decided that the specific mission, entrusted to Ms. Aminata Diane and previously authorized at its meeting of March 26, 2015, will start as from March 1, 2016.

Considering the progress of the works initiated by Ms. Aminata Niane, the Board of Directors decided at its meeting of February 21, 2017, to extend this mission entrusted to Ms. Aminata Niane for an additional 12-month period from March 1, 2017.

The conditions to carry out the mission, especially the reimbursement of travel expenses, as part of its extension, remain unchanged as compared to those decided by the Board of Directors at its meeting of March 26, 2015, and approved by the Shareholders' Meeting on May 26, 2016.

The compensation for the year ended December 31, 2016 amounts to €.41,666.60.

Agreements and commitments already approved by the Shareholders' Meeting

Agreements and commitments approved in prior years

A. whose implementation continued during the year

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

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

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

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

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

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

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

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

The Board of Directors authorized this agreement at its meeting of November 3, 2015 and therefore satisfied the condition precedent.

This agreement continued during the year ended December 31, 2016, your Company considering that volumes recorded during fiscal year 2016 between the Group Atos and the group Siemens do not question the achievement of these commitments by December 31, 2021.

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

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

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

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

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

The Board of Directors authorized this agreement at its meeting of November 3, 2015 and therefore satisfied the condition precedent.

This agreement continued during the year ended December 31, 2016.

B. which were not implemented during the year

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

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

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

Shareholders' Meeting on May 26, 2009 and then confirmed by the Board of Directors on December 17, 2009.

Amendments (cap on the rights granted, performance conditions) have been brought to the defined benefit pension plan, and are described in an agreement whose implementation to the benefit of the Chairman and Chief Executive Officer was previously authorized by the Board of Directors at its meeting of March 26, 2015 and approved by the Shareholders' Meeting on May 28, 2015.

The Board of Directors, at its meeting of November 24, 2016, acknowledged the compliance of the commitment with the Macron law (cap on the rights granted, performance conditions) and authorized its continuance, without any modification, in the context of the renewal of the term as Chairman and Chief Executive Officer of Mr. Thierry Breton. The continuance of this commitment was approved by the Combined Shareholders' Meeting on December 30, 2016, based on the statutory auditors' special report dated December 9, 2016.

The main characteristics of this amended pension scheme with defined benefits are presented hereafter:

a) Conditioning the acquisition of rights under the supplementary pension scheme to performance conditions determined by the Board of Directors:

The Board of Directors has decided to condition the acquisition of rights under the supplementary pension scheme to performance conditions under the following conditions:

- these performance conditions will be set annually by Atos SE's Board of Directors which may in particular refer to the performance conditions contained in stock option plans or free shares plans or to any other condition which it will consider relevant;
- the Board of Directors checks on a yearly basis, prior to the Shareholders' Meeting convened to rule on the financial statements for the last financial year, that the conditions were indeed fulfilled and determines the increase of conditional rights in favor of Mr. Thierry Breton for the said financial year;
- entire calendar quarters for periods after January 1, 2015 are only be taken into account to assess the amount of the additional pension if they relate to a year during which the performance conditions set by the Board of Directors will have been achieved. Failing that, the corresponding quarters will not be taken into account to determine the additional pension;
- the periods prior to January 1, 2015 are also subject to performance conditions and will only be taken into account to determine the amount of the additional pension if for each year, the performance conditions then set by the Board of Directors, either for the vesting of stock-options plans or for the vesting of free performance shares plans, were met.

Moreover, for the award of the additional annuity it is expected that at least two-thirds of the years are validated under the performance conditions here above mentioned, during Mr. Thierry Breton's membership in the Executive Committee while performing his various terms of office. The Board of Directors will meet at the end of the term of office of the concerned person to verify whether this two-thirds requirement is satisfied. If that is the case, Mr. Thierry Breton will hence automatically enjoy an additional pension. Failing that, he will not be provided with any additional annuity.

b) Other characteristics of the scheme:

- the membership requirement at the Executive Committee level is five years;
- the minimum age to benefit from the scheme is aligned on the statutory retirement age set by article L. 161-17-2 of the French Social Security Code (Code de la Sécurité sociale);
- the age for liquidation of the supplementary pension is the age at which the person may liquidate his full pension under the general scheme. This age cannot in any case be less than the one foreseen in article L. 161-17-2 of the French Social Security Code.

c) Terms and conditions for determining the amount of Mr. Thierry Breton's additional pension:

The annual additional pension amounts to 0.625% of the reference compensation per entire calendar quarters of seniority recognized by the scheme. The reference compensation is the average of the last sixty monthly compensation multiplied by twelve.

For the assessment of this reference compensation, only the followings are taken into account:

- the basic compensation of the Executive Director;
- the annual on-target bonus actually paid to the Executive Director excluding any other form of variable compensation. This annual bonus is taken into account within the cap of 130% of the basic compensation.

d) Cap of Mr. Thierry Breton's additional pension:

The amount of the annual supplementary pension paid under the present scheme to Mr. Thierry Breton cannot exceed the difference between:

- 33% of the reference compensation above mentioned; and
- the annual amount of the basic additional and supplementary pensions.

No right has been definitively acquired for the benefit of the Chairman and Chief Executive Officer during the year ended December 31, 2016.

Neuilly-sur-Seine, March 30, 2017

The Statutory Auditors

Deloitte & Associés	Grant Thornton
	French member of Grant Thornton International
Jean-Pierre Agazzi	Victor Amselem

E.5.3 Atos SE Financial statement

As of December 31, 2016, Atos SE issued common stock amounted to €104.9 million comprising 104,908,679 fully paid-up shares of € 1 per value each.

Atos shares are traded on the Paris Euronext market under ISIN FR0000051732. The shares are not listed on any other stock exchange. "Worldline" SA shares are also traded on the Paris Euronext market and Atos SE and "Worldline" SA are the only listed companies of the Group.

E.5.3.1 Balance sheet

(in € thousand)	Notes	December 31, 2016	December 31, 2015
ASSETS			
Intangible fixed assets	Note 1	0	1,468
Tangible fixed assets	Note 2	0	0
Participating interests	Note 3	5,342,013	5,144,265
Other financial investments	Note 3	577,766	908,618
Total fixed assets		**5,919,780**	**6,054,351**
Advances and down payments		307	
Trade accounts and notes receivable	Note 4	59,908	57,530
Other receivables	Note 4	579,199	362,317
Cash and cash equivalent	Note 5	578,830	1,063,575
Total current assets		**1,218,244**	**1,483,422**
Prepayments, deferred expenses	Note 6	16,705	59,019
TOTAL ASSETS		**7,154,729**	**7,596,792**

(in € thousand)	Notes	December 31, 2016	December 31, 2015
LIABILITIES AND SHAREHOLDERS' EQUITY			
Common stock		104,909	103,519
Additional paid-in capital		2,844,736	2,757,813
Legal reserves		10,352	10,133
Other reserves and retained earnings		954,499	1,027,378
Net income for the period		29,462	40,876
Shareholders' equity	**Note 7**	**3,943,957**	**3,939,719**
Provisions for contingencies and losses	Note 8	29,751	47,347
Borrowings	Note 9	2,311,892	2,646,837
Trade accounts payable	Note 10	12,583	28,531
Other liabilities	Note 10	849,791	887,730
Total liabilities		**3,174,266**	**3,563,098**
Unrecognised exchange gains	Note 11	6,755	46,628
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**7,154,729**	**7,596,792**

E.5.3.2 Income statement

(in € thousand)	Notes	December 31, 2016	December 31, 2015
Revenue	**Note 12**	**169,631**	**106,950**
Other income		3	10
Total operating income		**169,634**	**106,960**
Cost of sales		-19,296	-17,734
Taxes		-2,635	-1,239
Remuneration and social charges		-3,829	-5,284
Depreciation amortisation and provisions		-257	
Other expenses	Note 13	-17,392	-18,275
Total operating expenses		**-43,410**	**-42,532**
Operating margin		**126,224**	**64,428**
Net financial result	Note 14	-132,778	-62,478
Net income on ordinary activities		**-6,554**	**1,950**
Non-recurring items	Note 15	29,793	30,718
Employee profit sharing			
Corporate income tax	Note 16	6,223	8,208
NET INCOME FOR THE PERIOD		**29,462**	**40,876**

E.5.4 Notes to the Atos SE statutory financial statements

DETAILED SUMMARY OF NOTES

Atos SE Activity

Atos SE main activities are:

- the management of the Atos trademark;
- the management of Group participating interests;
- the management of Group financing activities.

Revenue includes trademark fees received from Group subsidiaries.

The company Atos SE is the parent company of the Atos Group and consequently establishes consolidated financial statements.

Highlights

Atos announced the placement of a € 300 million bond issue on 2016, September 29.

This bond has a 7-year maturity. The coupon rate is 1.444%.

Rules and accounting methods

In application with ANC 2016-07, the financial statements of Atos SE have been prepared in accordance with generally accepted accounting principles in France and with the provisions of the French General Accounting Plan (Plan Comptable Général). General conventions were applied, in the respect of:

- principle of prudence;
- principle of going concern;
- permanence of the accounting methods from one exercise to another;
- cut-off principle.

As a principle, items are booked in the accountancy based on the historical cost method. The annual accounts are established and presented in thousands of euros.

Intangible assets

Intangible assets consist of software and merger deficit.

The software are booked at the acquisition cost and amortized on a straight-line basis over their expected useful life.

The merger deficits acquired before 2004 have been amortized on a straight-line basis over 20 years. The Company applied the regulation CRC 2004-01 relating to the accounting treatment of mergers and similar operations which occurred from January 1, 2004. Other merger deficits are subject to an annual impairment test. An impairment loss is recognized when the sum of the merger deficit and the related gross value of the participating interest exceeds the enterprise value.

The enterprise value is computed on the basis of expected three year future cash flow through assumptions approved by the management of the Company.

Tangible assets

The tangible fixed assets (buildings/fittings) are booked at their acquisition value excluding any financial expenses.

The depreciation calculation is based on a straight-line method over the useful life of the assets, as follows:

- buildings: 20 years;
- fixtures and fittings: 5 to 10 years.

Financial assets

Financial assets consist of participating interests and other financial investments (deposits, loans).

Participating interests are booked at their acquisition cost. An impairment loss is recognized when the acquisition cost exceeds the value-in-use determined as follows:

- on the basis of the enterprise value for the operational subsidiaries;
- on the basis of their part of interest in shareholding equities for the holding subsidiaries.

Loans are mainly intra-group transactions.

Trade accounts and notes receivable

Trade accounts and notes receivable are recorded at their nominal value. They are calculated individually and, if necessary, are subject to an impairment loss.

Trade accounts and notes receivable denominated in foreign currency are booked at their fair value at the closing date. The difference between their historical value and their fair value at year-end is booked as unrecognized exchange gain or loss.

Cash and cash equivalents

Treasury stocks are recorded at their acquisition cost in the context of a liquidity contract or in the intention to grant them as free shares plan or stock-options plan.

For the shares acquired in the context of the liquidity contract a depreciation charge is recognized when the carrying value exceeds the weighted average market price of Atos stock for the month of december.

Prepayments, deferred expenses

Deferred expenses relate exclusively to costs for issuing borrowings. Those costs are recognized over the duration of the borrowings on a straight-line basis.

Provisions

The amount of the provisions is based on the best estimate of the outflow of resources necessary to extinguish the underlying obligation.

When the participating interest is fully impaired, an additional provision for risk may be required when the carrying value exceeds the value in-use.

Non-recurring items

Non-recurring items are made of incomes and expenses generated by operations which are either unusual, abnormal or infrequent in their magnitude or occurrence.

Note 1 Intangible assets

Net value of intangible fixed assets

(in € thousand)	December 31, 2015	Acquisitions/charges	Disposals/reversals	December 31, 2016
Intangible assets	113,918	-	-	113,918
Amortisation	-9,960	-	-	-9,960
Depreciation	-102,490	-1,468	-	-103,958
Total of amortisation & depreciation	-112,450	-1,468	-	-113,918
Net value of intangible assets	**1,468**	**-1,468**	**-**	**0**

The intangible assets were mainly composed of a merger deficit resulting from the transfer of assets and liabilities from Atos Investissement 6 to Atos SE in 2004.

This merger deficit is allocated to the various assets brought to allow a proper follow-up and is broken down by country as follows:

- France: € 40.8 million;
- Spain: € 63.1 million.

As of December 2016, those merger deficit are fully depreciated.

The other merger deficit acquired before 2004 amounts to € 9.7 million in gross value, are depreciated on a straight line basis.

Note 2 Tangible fixed assets

Net value of tangible fixed assets

(in € thousand)	December 31, 2015	Acquisitions/Charges	Disposals/Release	December 31, 2016
Tangible fixed assets	67	-	-	67
Depreciation of tangible fixed assets	-67	-	-	-67
Net value of tangible fixed assets	0	-	-	0

Note 3 Financial fixed assets

Change in financial fixed assets – Gross value

(in € thousand)	December 31, 2015	Acquisition	Decrease	December 31, 2016
Investments in consolidated companies	5,606,308	308,907	-	5,915,215
Investments in non-consolidated companies	124	-	-	124
Other investments	85	-	-	85
Total Investments	**5,606,517**	**308,907**	**-**	**5,915,424**
Intercompany loans and accrued interests	513,440	-	-183,206	330,234
Others	395,178	-	-147,646	247,532
Total Other financial assets	**908,618**	**0**	**-330,852**	**577,766**
TOTAL	**6,515,135**	**308,907**	**-330,852**	**6,493,190**

Acquisition of participating interest and other movements

Atos SE increased the capital of the following entities:

- Atos International BV for € 259.4 million;
- Atos International for € 41.4 million;
- Bull SA for € 7.9 million, of which € 1 million of acquisition of individual shares;

Maturity of Financial fixed assets

(in € thousand)	Gross amount December 31, 2016	Up to 1 year	1 to 5 years
Loans and accrued interests	330,234	3,553	326,681
Others	247,532	247,532	-
Total	577,766	251,085	326,681

Other financial assets at closing date corresponded to loans granted to group entities and to deposit under securitization program for receivables for € 247.5 million.

Accrued interests amounted to € 3.6 million (2015: € 4.7 million).

Change in financial fixed assets - Impairment

(in € thousand)	December 31, 2015	Depreciation	Release	December 31, 2016
Investments in consolidated companies	-462,043	-165,613	54,454	-573,202
Investments in non-consolidated companies	-124	-	-	-124
Other investments	-85	-	-	-85
TOTAL	**-462,252**	**-165,613**	**54,454**	**-573,411**
Of which financial				

The depreciation of the period corresponded mainly to the impairment of entities in France including the holdings for an amount of € 154.3 million, and an entity in Turkey for € 11.2 million.

The release of the period corresponded mainly to a French entity for € 43.2 million, to an entity in Morocco for € 8.8 million, to an entity in the United Kingdom for € 2.2 million and to a Spanish entity for € 0.2 million.

Net value of the financial fixed assets

(in € thousand)	Gross amount	Depreciation	Net value
Investments in consolidated companies	5,915,215	-573,202	5,342,013
Investments in non-consolidated companies	124	-124	-
Other investments	85	-85	-
Total Investments	**5,915,424**	**-573,411**	**5,342,013**
Loans and accrued interests	330,234	-	330,234
Others	247,532	-	247,532
Total Other financial assets	**577,766**	**-**	**577,766**
TOTAL	**6,493,190**	**-573,411**	**5,919,779**

Main subsidiaries and investments

(in € thousand)	Gross value at December 31, 2016	Net value at December 31, 2016	% interest	Net Income at December 31, 2016[1]	Shareholders' equity at December 31, 2016[1,2]
France					
Worldline SA	87,849	87,849	70%	237,133	336,987
Bull SA	610,648	610,648	100%	-4,518	441,486
Atos Infogérance	223,058	43,201	100%	-29,291	-27,795
Atos Intégration	160,313	50,697	95%	-27,136	-21,146
Atos Consulting	16,539	16,539	68%	1,367	2,835
Atos Participation 2	30,616	16,046	100%	-4	16,051
Atos International	103,725	0	100%	-21,634	21,915
Atos Investissement 10	46,140	0	100%	-21	16,910
Atos Management France	25,922	0	100%	-4,280	-7,308
Atos Investissement 12	62	35	100%	-5	40
Atos Meda	8,840	8,840	100%	-1,538	-477
Atos Investissement 19	59	59	100%	-5	37
Atos Investissement 20	37	0	100%	-5	1
Atos Investissement 21	37	7	100%	-5	12
Atos Worldgrid	32,328	32,328	100%	5,149	18,824
Royaume-Uni					
Canopy	30,245	5,412	11%	1,507	-326
Italia					
Atos Multimédia	68	68	100%		169
Atos Origin Srl	57,183	206	100%		173
Benelux					
St Louis RE	2,174	2,174	100%	0	2,175
Spain					
Atos Spain SA	114,590	114,590	100%	11,185	65,802
GTI	751	496	33%	56	304
Germany					
Atos Information Technology GMBH	587,072	587,072	100%	22,323	543,702
The Netherlands					
Atos International BV	3,765,747	3,765,747	100%	164,335	3,339,327
Turkey					
Atos Bilisim	11,212	0	81%	-2,354	2,269
TOTAL	**5,915,215**	**5,351,307**			

1 *Audit in progress not yet finalized.*
2 *Net equity excl. 2016 net income.*

Note 4 Trade accounts, notes receivable and other receivables

Trade accounts, notes receivable and other receivables

(in € thousand)	Gross amount at December 31, 2016	Depreciation	Net value December 31, 2016	Net value December 31, 2015
Trade accounts and notes receivable and doubtful debtors	52,055	-245	51,810	45,578
Invoices to be issued	8,098	-	8,098	11,952
Trade accounts and notes receivables	**60,153**	**-245**	**59,908**	**57,530**
State and income tax	38,077	-	38,077	12,887
VAT receivable	2,758	-	2,758	4,928
Intercompany current account	518,200	-	518,200	336,707
Other debtors	20,164	-	20,164	7,795
Other debtors	**579,199**		**579,199**	**362,317**
TOTAL	**639,352**	**-245**	**639,107**	**419,847**
Of which operating		*-245*		

The increase of the trade accounts and doubtful debtors is due to the intra-group re-invoicing at the end of the year 2016.

Maturity of trade accounts receivable and other debtors

(in € thousand)	Gross amount at December 31, 2016	Up to 1 year	1 to 5 years
Trade accounts and notes receivable and doubtful debtors	52,055	51,766	289
Invoices to be issued	8,098	8,098	-
State and income tax	38,077	38,077	-
VAT receivable	2,758	2,758	-
Intercompany current account	518,200	518,200	-
Other debtors	20,164	20,164	-
TOTAL	**639,352**	**639,063**	**289**

Accrued income

(in € thousand)	December 31, 2016	December 31, 2015
Accrued income included in Receivable accounts		
Other debtors	15,692	941
TOTAL	**15,692**	**941**

The accrued income are quite exclusively related to Canopy dividends distribution amounting € 15 million.

Note 5 Cash and cash equivalents

Cash and cash equivalents and mutual funds

(in € thousand)	Gross amount at December 31, 2016	Depreciation	Net value December 31, 2016	Net value December 31, 2015
Mutual funds	9,361	-	9,361	199,085
Treasury stocks - owned shares	12,925	-	12,925	45,175
Short Term Bank deposits	115,628	-	115,628	654,345
Cash at bank	440,916	-	440,916	164,970
TOTAL	**578,830**	**-**	**578,830**	**1,063,575**

Movement in Treasury stocks-owned shares

The movement on the owned shares in 2016 is related to the transfers detailed below.

- The transfers of owned shares are related to the delivery of 498,149 performance shares to employee for an amount of € 32.3 million.

The existing 196,435 shares as of December 31, 2016 will be attributed in the framework of the performance plan, among which 12,120 are in the delivery process as of December 31, 2016 to be attributed on January 2, 2017.

Short term bank deposits

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

Note 6 Prepayments and deferred expenses

(in € thousand)	December 31, 2016	December 31, 2015
Translation losses	6,638	47,105
Prepaid expenses	143	152
Deferred expenses	9,924	11,762
TOTAL	**16,705**	**59,019**

The deferred expenses are only related to expenses on borrowings.

Note 7 Shareholders' equity

Common stock

	December 31, 2016	December 31, 2015
Number of shares	104,908,679	103,519,242
Nominal value *(in €)*	1	1
Common stock *(in € thousand)*	104,909	103,519

Capital ownership structure over three years

	December 31, 2016		December 31, 2015		December 31, 2014	
	Shares	%	Shares	%	Shares	%
Siemens	12,483,153	11.9%	12,483,153	12.1%	12,483,153	12.3%
Financière Daunou 17	-	0%	-	-	9,502,125	9.4%
Blackrock Inc.[1]	-	0%	5,251,419	5.1%	-	-
Board of Directors	668,316	0.6%	652,134	0.6%	416,450	0.4%
Employees	1,489,140	1.4%	2,257,667	2.2%	2,790,656	2.8%
Treasury stock	196,435*	0.2%	694,584	0.7%	1,689,417	1.7%
Others	90,071,635	85.9%	82,180,285	79.4%	74,450,726	73.5%
TOTAL	**104,908,679**	**100.0%**	**103,519,242**	**100.0%**	**101,332,527**	**100.0%**

1 *On the basis of the threshold crossing statement made on October 13, 2015.*
* *among which 12,120 shares in the process of delivery, to be effective on January 2, 2017*

Siemens AG owns a 11.9% stake which it committed to keep until September 30, 2020. No other reference shareholder has announced its will to maintain a strategic shareholding in the Group's share capital.

During 2016, the Group was informed of the following threshold crossings:

- BlackRock Inc. declared having successively crossed the statutory thresholds of 5% of the share capital and voting rights:
  - downward on March 21, 2016 following the sale of shares off and on the market and a decrease in the number of shares owned as collaterals (i.e. 313,689 Atos SE shares);
  - upward on March 23, 2016 following the acquisition of shares off and on the market and an increase in the number of shares owned as collaterals (i.e. 697,928 Atos SE shares);
  - downward on March 31, 2016 following the sale of shares on the market and a decrease in the number of shares owned as collaterals (i.e. 546,910 Atos SE shares);
  - upward on April 1, 2016 following an increase in the number of shares owned as collaterals (i.e. 710,908 Atos SE shares);
  - downward on April 4, 2016 following the sale of shares off market and a decrease in the number of shares owned as collaterals (i.e. 595,660 Atos SE shares).

On April 4, 2016, BlackRock Inc. declared holding 4.97% of the share capital and voting rights of the Company.

- Bank of America Corporation declared having crossed, indirectly through companies of its group that it controls, upward on April 29, 2016 (following an acquisition of shares on the market), and downward, on May 4, 2016 (following a sale of shares on the market) the statutory thresholds of 5% of the share capital and voting rights. On May 4, 2016, Bank of America Corporation declared holding 0.4% of the share capital and voting rights of the Company.

The 11th resolution of the Annual General Meeting of May 26, 2016 renewed the authorization to trade in the Group's shares. The number of shares purchased may not exceed 10% of the Company's common stock. As of December 31, 2016, the Company held 196,435 shares of treasury stocks (including 12,120 shares in the process of delivery, to be effective on January 2, 2017) representing 0.2% of the common stock.

The shares owned by employees are held through mutual funds and corporate savings plans. The shares of the Company owned by employees and the members of the Board of Directors are excluded from the free float.

Share capital and voting rights

As at December 31, 2016	Shares	% of share capital	% of voting rights
Siemens	12,483,153	11.9%	11.9%
Board of Directors	668,316	0.6%	0.6%
Employees	1,489,140	1.4%	1.4%
Treasury stock	196,435	0.2%	-
Free float	90,071,635	85.9%	86.0%
TOTAL	**104,908,679**	**100.0%**	**100.0%**

Changes in shareholders' equity

(in € thousand)	December 31, 2015	Exercise of share options	Dividends	Appropriation of result	Capital increase	Net Income 2016	December 31, 2016
Common stock	103,519				1,390		104,909
Additional paid-in capital	2,757,813				86,923		2,844,736
Legal reserve	10,133			219			10,352
Other reserves	25,511						25,511
Retained earnings	1,001,867		-113,537	40,657			928,987
Net income for the period	40,876			-40,876		29,462	29,462
TOTAL OF THE SHAREHOLDERS' EQUITY	**3,939,719**		**-113,537**	**0**	**88,313**	**29,462**	**3,943,957**

As at December 31, 2016, Atos SE issued share capital amounted to € 104.9 million, divided into 104,908,679 fully paid-up common stock of € 1.00 par value each.

Atos SE distributed €113.5 million of dividends related to 2015 fiscal year results, among which € 47.1 million have been paid in cash, the rest amounting €66.4 million have been paid with shares distribution.

In 2016, Atos SE increased its share capital by incorporating additional paid-in-capital for € 88.3 million related to the issuance of 1,389,437 new common stocks split as follows:

- 892,830 new shares resulting from the payments of the 2015 dividend in shares;
- exercise of 496,607 stock options in 2016.

Potential common stock

Based on 104,908,679 outstanding shares as of December 31, 2016, the share capital of the Group could be increased by 3,128,274 new shares, representing 2.98% of the share stock before dilution. This dilution could come from the exercise of stock subscription options granted to employees or from the acquisition of performance shares, as follows:

(in shares)	December 31, 2016	December 31, 2015	Change	% dilution
Number of shares outstanding	**104,908,679**	**103,519,242**	**1,389,437**	
From stock subscription options	648,629	1,294,524	-645,895	0.62%
From performance shares	2,479,645	2,080,335	399,310	2.36%
Potential dilution	**3,128,274**	**3,374,859**	**-246,585**	**2.98%**
TOTAL POTENTIAL COMMON STOCK	**108,036,953**	**106,894,101**	**1,142,852**	

On the total of 648,629 of stock options, no option had a price of exercise higher than € 100.25 (year-end stock price as of December 31, 2016).

Note 8 Provisions

Provisions

(in € thousand)	December 31, 2015	Charges	Release used	Release unused	December 31, 2016
Subsidiary risk	37,205	6,745	-24,126	-	19,824
Contingencies	10,142	262		-477	9,927
Litigations		-	-	-	0
TOTAL	**47,347**	**7,007**	**-24,126**	**-477**	**29,751**
Of which					
• *operating*		*257*	*-*	*-*	*257*
• *financial*	*27,993*	*6,750*	*-24,126*	*-477*	*-17,853*
• *exceptional*					

The evaluation of the participating interest let to a charge and a release mainly for the following subsidiaries:

- Charge:
  - Atos Management France for € 4.3 million;
  - Atos Investissement 10 for € 2.4 million;
  - Atos Turkey for € 0,1 million.
- Release:
  - Atos International for € 19.5 million;
  - Atos Meda for € 4.6 million.

Note 9 Financial borrowings

Closing net debt

(in € thousand)		Up to 1 year	1 to 5 years	Over 5 years	Gross value December 31, 2016	Gross value December 31, 2015
Bank overdraft		561,057	-	-	561,057	1,138,162
Other borrowings		488,297	962,538	300,000	1,750,835	1,508,675
Total Borrowings		**1,049,354**	**962,538**	**300,000**	**2,311,892**	**2,646,837**
Cash at bank	Note 5	440,917		-	440,917	164,970
CLOSING NET DEBT		**608,437**	**962,538**	**300,000**	**1,870,975**	**2,481,867**

Financial borrowings included mainly:

- bond issued in 2015 for € 600 million and 2016 for € 300 million with accrual interest for a total of € 908.1 million (see highlights 2016);
- syndicated loan for € 470 million;
- intercompany loans for € 366.1 million;
- profit-sharing for € 4.3 million;
- borrowing EUROFACTOR for € 1.8 million.

Syndicated loan (2014-2021)

On November 6, 2014, Atos signed with a number of major financial institutions a five-year € 1.8 billion credit facility maturing in November 2019 with an option for Atos to request the extension of the Facility maturity date until November 2021.

The second option of extension for one year has been exercised in 2016 and the new maturity of the € 1.8 billion credit facility is therefore November 2021.

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

This facility is used for the general needs of the Group.

As of December 31, 2016, Atos SE used € 470 million on this facility.

Note 10 Trade accounts, notes payable and other liabilities

Maturity of trade accounts, notes payable and other liabilities

(in € thousand)	Gross amount December 31, 2016	Up to 1 year	1 to 5 years	Gross amount December 31, 2015
Trade accounts and notes payable	12,583	12,583	-	28,531
Trade accounts and notes payable	**12,583**	**12,583**	**-**	**28,531**
Social security and other employee welfare liabilities	2,267	2,267	-	1,990
VAT payable	1,493	1,493	-	5,832
Intercompany current account liabilities	831,266	831,266	-	867,338
Other liabilities	14,765	14,765	-	12,570
Other liabilities	**849,791**	**849,791**	**-**	**887,730**
TOTAL	**862,374**	**862,374**	**-**	**916,261**

Terms of payments

The general terms of purchases were sixty days as from the date of issuance of the invoice except lawful or agreed contrary provisions between the parties.

The breakdown of accounts payable at the end of the financial year was as follows:

(in € thousand)	Gross amount December 31	Associated companies	Other	Overdue for more than one year	Overdue for less than one year	Invoices non due at December 31
2016						
Accounts payable and liabilities	**12,583**	**8,101**	**4,482**	**148**	**73**	**12,362**
	100,0%			1,2%	0,6%	98,2%
Accounts payable	**-2,710**	**-3,465**	**755**	**148**	**73**	**-2,931**
Invoices to be received	**15,293**	**11,566**	**3,727**	**-**	**-**	**15,293**
2015						
Accounts payable and liabilities	28,531	21,602	6,929	46	1,569	26,916
	100.0%			0.2%	5.5%	94.3%
Accounts payable	3,596	253	3,343	46	1,569	1,981
Invoices to be received	24,935	21,349	3,586	-	-	24,935

Deferred Expenses

(in € thousand)	December 31, 2016	December 31, 2015
Invoices to be received	15,293	24,935
Other liabilities	1,146	1,175
State and employee related liabilities	1,697	424
TOTAL	**18,136**	**26,534**

Note 11 Unrecognized exchange gains

It was related to unrecognized exchange gains for € 6.8 million.

Note 12 Revenue

Revenue split

	December 31, 2016		December 31, 2015	
	(in € thousand)	(in %)	(in € thousand)	(in %)
Trademark fees	159,350	93.9%	98,930	92.5%
Re-invoicing	2,846	1.7%	3,998	3.7%
Parental guarantees	7,435	4.4%	4,022	3.8%
Total revenue by nature	**169,631**	**100.0%**	**106,950**	**100.0%**
France	25,995	15.3%	24,175	22.6%
Foreign countries	143,636	84.7%	82,775	77.4%
Total revenue by geographical area	**169,631**	**100.0%**	**106,950**	**100.0%**

Note 13 Other expenses

Expenses

(in € thousand)	December 31, 2016	December 31, 2015
Expenses of the functions' Group	-16,349	-16,714
Directors' fees	-424	-502
Other expenses	-619	-1,059
TOTAL	**-17,392**	**-18,275**

Expenses detailed above mainly included marketing, communication, investor relations and Human Resources expenses invoiced by Atos International SAS and other holdings subsidiaries to the Company including fees paid to the International Olympic Committee.

Note 14 Financial result

(in € thousand)	December 31, 2016	December 31, 2015
Dividends received	15,138	
Intercompany current account interests	907	3,495
Other financial assets income	18,008	23,591
Investment banking revenues	2,265	1,810
Reversal of provisions on investments in consolidated companies	54,454	4,947
Reversal of provisions on treasury stock		1,968
Reversal of other financial provisions	24,603	3,512
Disposal of short-term investment	392	2,576
Foreign exchange gains	877	55,121
Total of the financial incomes	**116,644**	**97,020**
Interests on borrowings	-19,045	-12,110
Securitisation interests	-1,272	-1,516
Intercompany loans interests	-18,027	-21,779
Intercompany current accounts interests	-50	-36
Provision for depreciation on investments in consolidated companies	-167,081	-53,772
Provision for deferred expenses	-2,942	-2,106
Other financial provisions	-6,750	-31,506
Short term borrowing interests	-590	-3,389
Foreign exchange losses	-1,278	-939
Other financial expenses	-32,388	-32,345
Total of the financial expenses	**-249,422**	**-159,498**
NET FINANCIAL RESULT	**-132,778**	**-62,478**

Financial incomes

Atos SE's subsidiary Canopy UK did distribute €15 million of dividends in 2016 included in Dividends received.

Financial expenses

The other financial expenses are related to the loss incurred on the delivery of the 498,149 performance shares to the employees for an amount of € 32.3 million (32.3 € million in 2015).

The depreciation on investments has been disclosed in the Note 3 Financial Fixed Assets.

The other financial provisions were mainly due to the evaluation of participating interest and had been disclosed in Note 8 Provisions.

Note 15 Non-recurring items

(in € thousand)	December 31, 2016	December 31, 2015
Selling price from disposal of financial investments		
Other income	34,329	39,181
Total of non-recurring income	**34,329**	**39,181**
Net book value of fixed assets sold		-46
Other expenses	-4,536	-8,417
Total of non-recurring expenses	**-4,536**	**-8,463**
NON RECURRING ITEMS	**29,793**	**30,718**

In 2016, the non-recurring incomes are related to the re-invoicing to group entities for the cost of the performance plan granted to employees and to the operations of mergers and acquisitions.

The non-recurring expenses are related to fees costs in relation to Atos SE's participation.

Note 16 Tax

Tax consolidation agreement

As per article 223-A of the French Fiscal Code, Atos SE signed a Group tax consolidation agreement with a certain number of its French subsidiaries with effect as of January 1, 2001.

Atos SE as parent company of the Group is designated as the only entity liable for the corporate tax of the Group tax consolidation:

The main features of the agreement are:

- the result of the consolidated companies is determined as if they had been taxed individually;
- Atos SE is the only company liable for any additional tax to be paid in the event of an exit by a subsidiary from the Group. In the event of tax audit, the subsidiary which exited from the Group remains liable toward Atos SE of any additional income tax related to the time it was part of the tax consolidation.

Decrease and increase of the future tax charge of Atos SE taxed separately

At year end, decreases and increases of the future tax charge were broken down as follows:

(in € thousand)	Basis Decrease	Basis Increase
Non-deductible provisions for timing differences	778	262
TOTAL	**778**	**262**

No deferred tax assets or liabilities had been recognized.

Breakdown between net income on ordinary activities and non-recurring items

(in € thousand)	Before tax	Computed tax	Net amount
Net income on ordinary activities	-6,554	-	-6,554
Non-recurring items and employee participation	29,793	-	29,793
Tax Charge	-	6,223	6,223
TOTAL	**23,239**	**6,223**	**29,462**

The result of the fiscal consolidation is a profit of € 41.2 million before use of losses carried forward. After use of the losses carried forward the taxable profit 2016 was an amount of € 8.9 million with a tax charge of € 3 million. The tax that would have been paid in the absence of French tax consolidation was an expense of € 17.8 million. The total amount of the losses carried forward was € 262.4 million as of December 31, 2016.

Note 17 Off-balance sheet commitments

Commitments given

(in € thousand)	December 31, 2016	December 31, 2015
Performance Guarantees	4,589,165	5,147,884
Bank guarantees	324	324
TOTAL	**4,589,489**	**5,148,208**

Total parental guarantees amounted to € 4, 589.5 million as of December 31, 2016 compared to € 5,148.2 million at the end of December 2015.

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

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

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

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

In the framework of the UK Atos Pension Funds ("UK APF") indexation negotiations, the Board of Atos SE, during its December 17, 2015 meeting, agreed to provide a parental guarantee to the Atos Pension Schemes Limited as trustee of the Atos Pension Fund. Under the said guarantee, Atos SE will guarantee the obligations of the sponsoring employers of the UK APF (currently Atos IT UK Limited and Atos IT Services UK Limited) to make certain payments to the UK APF. The maximum amount of the guarantee is GBP 150 million (€ 176.0 million).

In the framework of the Atos (SEMA) pension Scheme indexation discussions, the Board of Atos SE, during its July 26, 2016 meeting, agreed to provide a parental guarantee to the Atos Pension Schemes Limited as trustee of the Atos (SEMA) Pension Scheme. Under the said guarantee, Atos SE will guarantee the obligations of the sponsoring employers of the Atos (SEMA) Pension Scheme (currently Atos IT UK Limited and Atos IT Services UK Limited) to make certain payments to the Atos (SEMA) Pension Scheme. The maximum amount of the guarantee is GBP 385 million (€ 451 million).

Commitments received

(in € thousand)	December 31, 2016	December 31, 2015
Syndicated loan	1,220	1,220

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

Note 18 Risk analysis

Market risks: fair value of financial instruments

Cash at bank and short term deposits, trade accounts receivable, bank overdraft and trade accounts payable

Due to the short term nature of these instruments, the Group considers that the book value constitutes a reasonable estimate of their market value as of December 31, 2016.

Long and medium term liabilities

As of December 31, 2016, Atos SE presents a long and medium term liabilities of 470 million related to the syndicated loan.

Liquidity risk

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

The facility is available for general corporate purposes. As of December 31, 2016, Atos SE used € 470 million on this facility.

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

Securitization program

Atos securitization program of trade receivables has been renewed for 5 years on June 18, 2013 with a maximum amount of receivables sold of € 500 million and a maximum amount of financing of € 200.0 million.

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

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

As of December 31, 2016, the Group has sold:

- In the compartment "ON" € 257.5 million receivables for which € 10 million were received in cash. The sale is with recourse, thus re-consolidated in the balance sheet;
- In the compartment "OFF" € 41.5 million receivables which qualify for de-recognition as substantially all risks and rewards associated with the receivables were transferred.

The Group aligned its contractual obligations under this program on the most favourable conditions of the renewable multicurrency credit facility described above.

Liquidity risk at December 31, 2016

Instruments	Fix/Variable	Line *(in € million)*	Maturity
Syndicated loan	Variable	1,800	November 2021
Securitization program	Variable	200	June 2018
Bond borrowing	Fix	600	July 2020
Bond borrowing	Fix	300	September 2023

Credit risk

The Group has a fully-integrated process concerning credit risk. In its trade relations, the Group manages its credit risk with a portfolio of diversified customers and follow-up tools.

Financially, the Group monitors the credit risk on its investments and its market operations by rigorously selecting leading financial institutions and by using several banking partners. The Group thus considers its credit risk exposure as being limited.

Market risk

The Group monetary assets comprise receivables and loans, securities investments and cash at bank. Monetary liabilities comprise financial, operating and other liabilities.

Interest rate risk

The exposure to interest rate risk encompasses two types of risks:

- a price risk on fixed-rate financial assets and liabilities. For example, by contracting a fixed-rate liability, the Company is exposed to potential opportunity losses should interest rates fall. A change in interest rates would impact the market value of fixed-rate financial assets and liabilities. However, this loss of opportunity would not impact financial income and expenses as reported in the Company's Income Statement and, as such, future net income of the Company up to maturity of these assets and liabilities;
- a cash-flow risk on floating-rate financial assets and liabilities. The Company considers that a variation in rates would have little effect on floating-rate financial assets and liabilities.

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

Note 19 Related parties

There is no transaction made by the Company (trade mark fees, financing operations and tax consolidation) that were not performed under market conditions.

Note 20 Subsequent events

On 2016, November 30 Atos SE announced the launch of the employee shareholding plan entitled "Sprint 2016" under the framework of article L. 225-138-1 of the French Commercial Code (Code de Commerce) and articles L. 3332-18 et seq. of the French Labor Code (Code du travail).

The subscription period has taken place from December 1, 2016 to December 22, 2016 (inclusive), with a settlement-delivery of the shares occuring as of February 17, 2017. The share capital is consequently increased by € 294,965, amounting a total of € 105,203,644 after the operation.

E.5.5 Atos SE financial summary for the last five years

(in € million)	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012
I - Common stock at period end					
Common stock	104.9	103.5	101.3	98.2	85.7
Number of shares outstanding	104,908,679	103,519,242	101,332,527	98,165,446	85,703,430
Maximum number of shares that may be created by:					
• conversion of convertible bonds					10,980,950
• exercise of stock subscription options	3,352,594	3,374,859	2,806,747	5,015,053	7,542,180
II - Income for the period					
Revenue.	169.6	107.0	116.6	122.5	63.6
Net income before tax. employee profit-sharing and incentive schemes. Depreciation. amortisation and provisions	23.5	32.7	339.1	94.7	694.8
Corporate income tax	6.2	8.2	-2.7	6.3	7.6
Net income after tax. employee profit-sharing. depreciation. amortisation and provisions	29.5	40.9	336.4	71.0	499.2
Dividend distribution	-	113.5	79.7	68.7	51.3
III – Per share data (in euros)					
Net income after tax and employee profit-sharing but before depreciation. Amortization and provisions	0.3	0.4	3.3	1.0	8.2
Net income after tax. employee profit-sharing. depreciation. amortisation and provisions	0.3	0.4	3.3	0.7	5.8
Dividend per share	1.6	1.1	0.8	0.7	0.6
IV – Employees					
Average number of employees during the period	1.0	1.0	-	-	-
Total payroll for the period	3.0	3.4	-	-	-
Employee social security and welfare payments	0.9	1.9	-	-	-

F

Risks analysis

[G4-14]

The Company conducted a review of risks that could have a material adverse impact on its business, or results (or its ability to achieve its objectives) and considers that there are no significant risks other than those presented hereafter.

F.1 External risk factors

[G4-13]

F.1.1 The market

The activity of the Group is dependent on the demand fluctuation in the different markets of our clients. Atos is performing periodically a review of the different markets to plan and adapt its activities.

Faced with major budgetary pressure, Government and Public Services are delivering breakthrough performance improvement though the digitalization of their processes and citizens relationships.

Challenged by the political market conditions, low interest rates, low volatility, and new capital adequacy regulations, Financial Services companies are refocusing their portfolio of businesses and keeping a strong focus on Operational excellence and cost optimization.

Manufacturing customers have seen an improvement of their profitability, due to productivity improvement programs completed in the recent past, which allows for increase in IT investments especially to support growth.

Faced with the continuing changes in regulations, ongoing market consolidation and even more aggressive competition, Telecom, Media & Utilities companies are transforming to data-driven business models supported by cloud and Big Data.

F.1.2 Country risks

Atos operates in 72 countries. Some countries are more exposed than others to political or economic risks that may affect the Group's business and profitability. However, most of the revenue of the Group is generated from "stable" countries.

A compliance dashboard is periodically updated for each country by Legal & Compliance department, allowing monitoring the specific risks of each country regarding regulations and compliance matters.

The Group makes a periodic Strategic Operational Review of its activities in order to fully revisit all options in respect of portions of the business which would not have the critical size on their market, as well as activities considered as being non-core business.

F.1.3 Environmental risks

[G4-EC2]

For Atos, the specific risks in connection with the main environmental challenges concern climate change, natural disasters and regulatory compliance.

Environmental risks are taken into account in Enterprise Risk Management (ERM) and Legal Risk Mapping (LRM) processes.

The result of the internal risk analysis, carried out in 2016, ranks these specific risks at a low level with a minor potential impact on the achievement of the Group's objectives.

F.1.4 Clients

The Group delivers services to a large number of clients which are large international groups or public organizations throughout different markets and countries, which limits its risk of dependency on one particular client. The Group's top 10 customers generated 17% of total Group revenues in 2016 and the top 50 customers generated 46.6% of total Group revenues.

F.1.5 Suppliers

Atos has a strategic target to reduce the number of vendors it works with. Many of these key vendors work with us to design, implement and operate IT systems for our own and our customers' needs. While there are alternative solutions for most sources of supply, there is always the chance of possible failure of those suppliers businesses and/or products and/or services, or the inability to renew agreements on acceptable terms, which may have an adverse impact on Atos operations.

Risks associated with vendors are jointly managed by Global Procurement and the Divisions. The Global Procurement function is responsible for managing the cost base of Atos and with managing commercial relationship with the vendors including their identification and selection, input into customer bids, contract negotiation and signature, cost savings actions and innovation ideas.

Regarding the ranking of the main vendors of Atos, the largest one accounted for 7.3% of total Group purchases in 2016, the five biggest represented 16.2% of the total and the ten biggest amounted to 23.4%.

At December 31, 2016, there was no binding commitment with vendors for capital expenditures higher than € 5 million.

F.1.6 Partnerships and subcontractors [G4-10] and [G4-EC8]

Atos sometimes relies on partners and/or subcontractors to deliver services in particular contexts. Having recourse to third parties is a common practice in the industry but represents a business risk that must be closely monitored on the basis of quality, cost, delivery, innovation, management and sustainability requirements.

Partnerships may be formed or subcontractors may be used in areas where the Group does not have the specific expertise necessary to fulfil the terms of a particular contract, or in order to comply with local legislation. All requests to enter into partnerships or use subcontractors are initiated locally by the operational team evaluating the proposal or in specific case at Group level.

Subcontracting is managed by Global HR Workforce Managers working in the GBU's; but the commercial relationship is through contracts negotiated by the Global Procurement function.

During 2016, the Group had in average 6,170 subcontractors (headcount) working across more than 70 countries

In order to manage compliance risks with partnerships (including corruption or conflict of interest risks), a "business partner tool" supports the due diligence and approval process when contracting with partners.

F.1.7 Counterparty risk

Payments services (delivered by Worldline) expose Atos to a counterparty risk in the case a counterparty (mainly card issuer client) would be in default while the clearing and settlement are processed (which may take a few days depending on the type of processing, the day of the week and the card scheme).

To mitigate these risks, Worldline has developed a methodology for:

- defining the type of risk, calculating and managing risk exposures;
- evaluating and monitoring its counterparties' financial standing.

The main objective is to mitigate the impact of significant counterparty credit events on the Company. This framework has been fully implemented for banks and merchants.

F.2 Business risks

[G4-13]

F.2.1 Innovation and new offerings

In a context of rapid technological evolutions, rapid business transformation and emergence of (new) offers on the market, there is a risk for IT companies to miss technological shifts or to neglect business model disruptions. Such risks may result in the loss of opportunities, but also to prevent accessing more profitable or growing markets.

In this domain, Atos has deployed a proactive strategy under the supervision of the Chief Technology Officer, which involves a Scientific Community looking ahead for future trends, and a network of recognized "experts".

The R&D investment committee is in charge of approving and monitoring R&D projects – for which a specific risk assessment process (named "RAPID") has been setup.

F.2.2 Technology and IT risks

IT system breakdowns could be critical both for the Group's internal operations and its customers' needs in respect of the services provided. The Group has implemented specific programs and procedures to ensure the proper management of IT risks, covering security and back-up systems and effective insurance cover.

IT production sites, offshore development centers, maintenance centers and Data Centers are specifically subject to extensive administrative and technical procedures for safeguarding and monitoring, covering physical and IT system access, energy supply breakdown or disruption, fire, regulation of extreme temperature changes, data storage and back-up, contingency and disaster recovery plans.

Atos has also deployed an information security management system relying on ISO 27001 standard (which for most of it is certified) for strengthening its defense capabilities and for preventing unauthorized access to information and systems.

However, the visibility of Atos and its clients may attract hackers to conduct attacks on Atos systems that could compromise the security of data. An information breach in the system and loss of confidential information (especially in payments activities) could have a longer and more significant impact on the business operations than a hardware failure. The loss of confidential information could result in losing the customers' confidence and thus the loss of their business, as well as imposition of fines and damages.

In order to minimize the impact of security incidents, reduce delay of reaction and enforce its cyber-security defenses, Atos has implemented a CSIRT (Computer Security Incident Response Team) that centralizes all security events and security incidents worldwide, coordinates remediation actions on a 24x7 basis follow the sun while providing forensic and threat management forces and expertise.

F.2.3 Risks related to contracts and project performance

The IT services provided to customers are sometimes a critical element for the performance of their commercial activities. Oftentimes IT solutions also play a key role in the development of their businesses. Any inadequate implementation of sensitive IT systems or any deficiency in the performance of services, either related to delays or to unsatisfactory levels of services, may result in significant prejudicial consequences for clients and may result in penalty claims or litigations.

Below are some of the key risks Atos needs to manage:

- **degraded performance resulting from third party products and/or product customization:** Systems Integration frequently involves products (whether software or hardware, standard or adapted or specifically developed for customized requirements) designed and developed by third parties and which, by definition, the IT service provider cannot control. In addition, the particular requirements of certain clients who wish for specific functionalities may disrupt the operation of the product or generate significant delays or difficulties in providing the services;
- **exposure due to inadequate assessment of services or delivery failures:** Also, it is a practice of the IT sector to enter into certain contracts on a fixed-rate basis whereas other contracts are invoiced according to the service provided. For fixed-rate contracts, an under assessed scope of the provided services or dedicated resources to a specific project may lead to a budget or agreed timeframe overrun, and lead to an operating loss, by exceeding budget or payments of penalties for late performance.

The Group seeks to minimize the risks described above through rigorous review processes (of which a technical & delivery assessment of the solution) right from the offer stage. A dedicated specific process is in place, called Atos Rainbow under which service proposals are reviewed, with an inventory of risks being kept for tracking purposes. This process also covers the execution phase of the contract, including updates of the risk registers. This allows the Group to take any mitigating action where appropriate and follow up on outstanding actions.

In order to further strengthen Atos' operational excellence, a Group Contract Management program is deployed on major accounts to globalize and homogenize contract management activities, combining legal risk assessment, contractual obligations and performance management.

F.2.4 Acquisition / External growth risk

Acquisitions / external growth operations may have adverse impacts on the achievement of the Group's objectives, especially in the case of:

- under-performing contracts which were not properly identified during the acquisition process;
- ineffective integration efforts preventing expected level of synergies from being reached or ineffective integration of employees.

In the context of the recent acquisitions (Xerox IT Services, Unify, Equens), Atos has rolled out an integration program closely monitored by general management through a weekly "Integration Committee". This program aimed to improve efficiency in these activities through the use of Atos best practices, and included notably an in-depth review of contracts at risk in all countries in order to assess properly the fair value of contracts and implement corrective actions.

F.2.5 Human Resources

F.2.5.1 Dependence on qualified personnel

In today's IT services market, companies remain dependent on the skills, the experience and the performance of their staff and the key members of their management teams. The success of organizations in this field depends on their ability to retain key qualified staff and to use their competences for the benefit of customers. Therefore, Atos is focused on providing challenging career opportunities and job content. Over the reporting period, Atos has been able to continue its focus on employability furthermore developing strategic and tactical workforce management and offering better career perspective supported by competency development through the Atos University programs. Given Atos' ambition to be trusted digital partner of the client, development and certification of "digital" skills and competencies, in technology, commercial and support functions, has been intensified in 2016. With the set-up of the Atos Corporate Academy, a campus in India, training offerings will be further expanded, not only for internal staff but also for clients.

Special attention was also given to attracting early professionals from Top universities with an improved recruitment site and on campus presentations.

F.2.5.2 Employee attrition

To enhance the Group ability to attract and retain staff, the Human Resources department has developed competitive rewarding structures. More and more efforts were initiated in social collaboration to create communities of professionals and experts, in which sharing of knowledge and expertise is encouraged. Particular focus was put on digital experts offering a dedicated career framework.

Via workforce management and broadening of the MyMobility initiative, employees were encouraged to investigate and on-board new, often international career development opportunities. In addition, a new initiative was launched successfully to consider preferably internal candidates for high qualified positions.

These programs allowed faster adaptation of people to client needs and led to greater mobility, which also helped to balance attrition. Furthermore an increase in Trust Index as well as in the social dimension of the Dow Jones Sustainability Index (DJSI) has been achieved. Atos is now considered in the DJSI as IT sector lead.

F.2.5.3 Offshoring

Atos increasingly fulfils its client contracts using offshore facilities in order to optimize its cost structure. Offshoring is used in Business Platforms and Solutions and Infrastructure and Data Management. To keep up with increasing demand, the Group developed its offshore capacity with more than 25,000 staff at the end of December 2016, mainly based in India. The combination of insourcing and offshoring for the delivery of projects led the Group to adapt and optimize the insourced resources to other contracts. Given Atos' ongoing need to attract and to deploy Human Resources, the Group made sure it was able to optimize resource utilization rate. The Group processes in this area are mature and the offshore facilities of the Company have been certified. Atos is therefore well positioned and ready in any case of business risks associated with offshoring.

F.3 Compliance and reputation risk

F.3.1 Regulatory risks

The activities of the Group are in general not subject to specific legal, administrative or regulatory authorizations.

However, activities related to payments in Europe have been subject since 2011 to the European Payments Institution regulation. A dedicated follow-up is performed to ensure that the requirements of this regulation are met by the entities concerned.

F.3.2 Compliance risks

In the last few years, Atos' international presence has been reinforced, resulting in a potentially greater exposure to compliance risks. Atos has addressed these areas by way of an enhancement and refinement of its compliance program in order to take into account the compliance risks specific to new activities and jurisdictional exposure, such as bribery, competition, market abuse, money laundering, international sanctions, export control & customs (ECC) regulations.

As an employer and as a service provider, Atos is regularly exposed to Personal Data Protection regulations, which protect the identity, privacy and liberties of individuals in the digital world. Atos has therefore deployed a strong and coordinated data protection organization at all levels of its organization to provide training, support and expertise to the operations.

A wide array of internal policies have been implemented to enable a systematic integration of compliance risks in predefined corporate solutions in all Atos Business Units and to prevent the unapproved use of Atos goods and services by third parties. Additionally, since 2014, a system of checks and approvals with respect to key compliance risks has been reinforced in the mandatory Atos Rainbow business review for all commercial transactions.

Compliance initiatives are further described in section D.4.1.1. Compliance.

F.3.3 Intellectual property protection

The Group's intellectual property may be challenged or infringed and the Group may be subject to infringement claims, cross license agreement requests or license requirements under open source.

The Group relies on a combination of contractual rights and copyright, trademark, patent, domain name and trade secret laws to establish and protect its proprietary technology and co-owned intangible assets. Third parties may challenge, invalidate, circumvent, infringe or misappropriate its intellectual property.

While the Group strives to ensure that its intellectual property is sufficient to permit to conduct its business independently, others, including its competitors, may develop similar technology, duplicate its services or design around its intellectual property. In such cases the Group could not assert its intellectual property rights against such parties or may have to obtain licenses from these third parties (including in the context of cross license agreements, pursuant to which the Group would also grant a license under its intellectual property). The Group may have to litigate to enforce or determine the scope and enforceability of its intellectual property rights, trade secrets and know-how, which is expensive, could cause a diversion of resources and may not prove successful. The loss of intellectual property protection or the inability to obtain third party intellectual property could harm the Group's business and ability to freely operate.

Due to their complexity, the technology domains addressed by the Group are subject to an increase in the number of risks related to intellectual property but also in the financial impact they may have. In order to tackle these risks and to manage them efficiently, the Group develops its own strategy by means of specific governance described in the "Atos IP policy" and is providing dedicated resources which are entrusted with the implementation of appropriate policies and processes, and a strong worldwide patent applications filings campaign. This governance is headed by an intellectual property Steering Committee which convenes on a quarterly basis and gathers top management representatives and internal stakeholders and ramifies deeply into operations by means of an Intellectual Property Managers network active within Research & Development at Divisions or local level.

F.3.4 Reputation risks

Media coverage of possible difficulties, especially related to the implementation of significant or sensitive projects, could affect the credibility and image of the Group vis-a-vis its customers, and consequently, its ability to maintain or develop some activities.

A crisis management policy, at Group and Divisions levels, ensures that an appropriate response and escalation to the appropriate level of management are performed in case of major incidents.

F.4 Financial markets risks

The Group proceeds to a specific review of its liquidity risk and considers itself as being able to face future requirements. As described in section E.3.3 Financing policy of this document, Atos' policy is to cover fully its expected liquidity requirements by long-term committed loans or other appropriate long-term financial instruments. Terms and conditions of these loans include maturity and covenants leaving sufficient flexibility for the Group to finance its operations and future developments.

More details on liquidity risk, cash flow interest rate risk, foreign exchange risk, market value of financial instruments, price risk and credit risk are described in section E.4.7.3 Financial risk management of this document and in Note 23 to the consolidated financial statements (E.4.7.4).

The risk on shares is limited to treasury shares.

F.5 Risk management activities

In addition to managing the risk embedded in each process, dedicated activities are also deployed for a transversal management of risks.

F.5.1 Enterprise risk management (ERM)

A risk mapping is performed each year under the sponsorship of general management. The selected methodology involves the managers of the Group TOP 200 through workshops and questionnaires, to collect their perception of the main risks, their relative importance (inherent risk) and mitigation effectiveness (residual risk).

This assessment covers potential risks related to environment (stakeholders, natural disasters), the transformation & business development (technology change, organization, market positioning), operations (clients, people, IT, processes) and the information used for decision making (financial and operational).

This recurring process, allows identifying evolutions from one year to another. Improvement plans for the main residual risks are designed at GBU and Group level, with assigned owners and milestones/timelines for follow-up and completion.

Results are shared with general management and Group Executive Committee, to ensure that appropriate measures are deployed to manage the main risks, and presented to the Audit Committee of the Board of Directors.

In parallel, a Legal Risk Mapping (LRM) is also deployed to focus on Legal and Compliance aspects of risks – including environmental challenges. This process involves legal experts as well as key managers and is used as an input for the compliance program of the Group.

F.5.2 Business risk assessment and management

Atos has a robust business risk management approach reinforced during the last years, based on specific processes and organization.

F.5.2.1 Business risk management system

Atos Rainbow is a set of procedures and tools that provides a formal and standard approach to bid execution and contract monitoring. The Group operates a risk management system that facilitates the analysis (by identification and assessment) and treatment (by control and financing) of business risks throughout the life cycle of a project. This process is integrated with the control and approval process when entering into new contracts. The objective is to ensure that the Group only bids for projects that can be delivered effectively and to provide an early warning system for any project that encounters problems or diverges from its original targets. Specifically, the risk management process:

- identifies potential exposures, including technical, legal and financial risks that could have an impact during the life cycle of the project;
- evaluates, both qualitatively and quantitatively, the significance and materiality of any such exposures;
- ensures that appropriate and cost-effective risk control or risk mitigation measures are initiated to reduce the likelihood and impact of negative outcomes on the project; and,
- manages residual exposure through a combination of external risk transfer instruments and internal contingency reserves in order to optimize the use of exposed capital.

All operational projects are monitored on a monthly basis using the Rainbow Delivery Dashboard, providing status on both financial, delivery and technology, customer, legal and supplier KPI's.

F.5.2.2 Bid Control and Business Risk Management organization

The control and approval process governing the bidding and contracting activities report to the Group Senior Vice-President for Bid Control and Business Risk Management, ensuring the capturing and ongoing tracking of risks identified at the bidding stage throughout the delivery cycle.

Bid Control and Business Risk Management report directly to the Group Chief Financial Officer, with the risk managers in the GBUs and the Global Divisions reporting directly to the Group Senior Vice-President for Bid Control and Business Risk Management, shortening the lines of command.

F.5.2.3 Group Risk Management Committee

A Group Risk Management Committee convenes on a monthly basis to review the most significant contracts and the sensitive ones. The Committee is chaired by the Group CFO and lead by the Senior Vice-President for Bid Control and Business Risk Management. Permanent members of the Committee include the Senior Executive Vice-President Operations, Executive Vice-Presidents in charge of the Global Divisions and several other representatives from the Global Functions, including Finance, and Legal. On a quarterly basis, the Audit Committee conducts a thorough review of all the major contracts considered to be high risk. The Global Divisions and the Risk Managers perform the continuous monitoring of contracts in deviation of their initial business case.

F.5.3 Insurance

Global insurance policies have been taken out with reliable international insurance companies, providing the Group with appropriate insurance coverage for its worldwide operations. The total cost of these policies in 2016 represented circa 0.16% of total Group revenue.

The most important global insurance programs are bought and managed centrally at renewal on January 1 for Liability insurance and on April 1 for Property Damage and Business Interruption insurance. In 2014, the Property Damage and Business Interruption policy and Professional Indemnity policies were both renewed for limits respectively of € 200 million and € 150 million. Several additional policies cover insurable business risks such as general liabilities or car fleet, and are maintained at cover limits commensurate with the Group's size and risk exposures.

Deductible retentions are used both to promote good risk management practices and to control the quantity of claims and level of premiums.

Each country also contracts insurance policies in accordance with local regulations, customs and practice. These include employers' liability, workers compensation and employee travel.

Atos' wholly-owned reinsurance company provides insurance for some layers of the property policy and professional indemnity policies, which are the most critical policies for the Group's operations.

Insurable losses are not a frequent occurrence. This is partly due to quality risk management processes deployed at all key locations to protect assets from fire and other unexpected events as well as ensuring business continuity in the event of damage or loss. In offers and contracts a uniform and mandatory process of risk management is used as described in previous chapter.

Risks are also monitored by the Underwriting Committee of the Atos reinsurance company who maintains adequate net equity and technical reserves commensurate with the level of insured risks, and ensures a satisfying diversification of external reinsurer. The Underwriting Committee also carries out regular surveys and analysis to monitor the relevance of Atos' insurance cover.

F.6 Claims and litigation

The Atos Group is a global business operating in some 72 countries. In many of the countries where the Group operates there are no claims, and in others there are only a very small number of claims or actions made involving the Group. Having regards to the Group' size and revenue, the level of claims and litigation remains low.

The low level of claims and litigation is attributable in part to self-insurance incentives and the vigorous promotion of the quality of the services performed by the Group and the intervention of a fully dedicated Risk Management department, which effectively monitors contract management from offering through delivery and provides early warnings on potential issues. All potential and active claims and disputes are carefully monitored, reported and managed in an appropriate manner and are subject to legal reviews by the Group Legal Department.

During the second half of 2016, some significant claims made against the Group were successfully resolved in terms favorable to the Group.

Group Management considers that sufficient provisions have been made.

The total amount of the provisions for litigation risks, in the consolidated accounts closed as of December 31, 2016, to cover for the identified claims and litigations, added up to € 53 million (including tax claims but excluding labour claims).

F.6.1 Tax claims

The Group is involved in a number of routine tax claims, audits and litigations. Such claims are usually solved through administrative non-contentious proceedings.

A number of the tax claims are in Brazil, where Atos is a defendant in some cases and a plaintiff in others. Such claims are typical for companies operating in this region. Proceedings in this country usually take a long time to be processed. In other jurisdictions, such matters are normally resolved by simple non-contentious administrative procedures.

Following the decision in a reported test case in the UK, there is substantial ongoing court claim against the UK tax authorities for a tax (Stamp Duty) re-imbursement of an amount over € 10 million.

The total provision for tax claims, as inscribed in the consolidated accounts closed as at December 31, 2016, was € 24.4 million.

F.6.2 Commercial claims

There are a small number of commercial claims across the Group. Litigations are handled by the Group Legal Department.

The Group is facing a very small number of IP cases of a highly speculative nature in which the claims are heavily inflated and without merit.

There were a number of significant on-going commercial cases in various jurisdictions that the Group acquired through the acquisition of Siemens IT Solutions and Services, of Bull Group and Xerox ITO. Some of these cases involve claims on behalf of the Group and in 2016 a number of them were successfully resolved.

The cases coming from Unify which has been recently acquired by the Group from Siemens are subject to post-closing discussions and the Group is confident that it will obtain a satisfactory coverage of the associated risks.

As a result, the Unify cases have no impact on the total provision of € 28.5 million for commercial claim risks, as inscribed in the consolidated accounts closed as at December 31, 2016.

F.6.3 Labor claims

There are approximately 100,000 employees in the Group and relatively few labor claims. In almost every jurisdiction there are no or very few claims. Latin America is the only area where there is a significant number of claims but such claims are often of low value and typical for companies operating in this region.

The Group is a respondent in a few labor claims of higher value in France and in Latin America, but in the Group's opinion most of these claims have little or no merit and are provisioned appropriately.

The whole claims exceeding € 300,000 have been provisioned for an overall amount of € 6.5 million as inscribed in the consolidated financial statements as at December 31, 2016.

F.6.4 Representation & Warranty claims

The Group is a party to a very small number of representation & warranty claims arising out of acquisitions/dispositions.

F.6.5 Miscellaneous

To the knowledge of the Company, there are no other administrative, governmental, judicial, or arbitral proceedings, pending or potential, likely to have or having had significant consequences over the past semester on the Company's and the Group's financial situation or profitability.

G
Corporate governance and capital

G.1 Management of the Company

Thierry Breton has been the Chairman and Chief Executive Officer of the Company since February 10, 2009 when the statutory governance was changed from a Supervisory Board and Management Board system to a system with a Board of Directors. On the occasion of the vote concerning the Company's transformation from a "Société Anonyme" (public limited-liability company) into a "Societas Europaea" (European public limited-liability company or "European Company") decided by the Annual General Meeting of May 30, 2012, this unitary Board structure was upheld by the shareholders in the Articles of Association of the Company that were submitted for their approval. The Board of Directors confirmed this choice of governance by deciding to unify the functions of Chairman and Chief Executive Officer and confirming Thierry Breton as Chairman and Chief Executive Officer upon the renewal of his term of office which occurred in May 2012, May 2015 and consecutively to the Combined General Meeting held on December 30, 2016.

The reason for this management structure and the means to ensure a balance of powers in the governance structure are detailed hereunder in the section entitled "Management Mode".

G.2 Legal Information

G.2.1 Corporate form

[G4-7]

The Company, which was initially incorporated as a "Société Anonyme" (public limited-liability company) was transformed into a European public limited-liability company ("Societas Europaea" (European Company) or "SE") pursuant to a decision of the Extraordinary General Meeting of May 30, 2012. It is governed by applicable European Community and national provisions on "Sociétés Anonymes" as well as by the Articles of Association.

G.2.2 Corporate purpose and other information

- **Corporate purpose**: under article 2 of the Articles of Association, the Company's purpose in France and elsewhere is as follows:
  - the processing of information, systems engineering, studies, advice and assistance notably in the finance and banking sectors;
  - the research into, study, realization and sale of products or services which help in promoting or developing the automation and broadcasting of information and notably: the design, application and implementation of software, computer, on-line and office automation systems;
  - it can also operate, either by itself or using any other method, without any exception, or create any company, make all contributions to existing companies, merge or create alliances therewith, subscribe to, purchase or resell all shares and ownership rights, take all interests in a partnership and grant all loans, credits and advances;
  - and more generally any commercial, industrial, real-estate, movable property or financial transactions, either directly or indirectly related to one of the above mentioned purposes.
- **Company name**: the corporate name of the Company has been changed to "Atos SE" (previously "Atos") upon the transformation into a "Societas Europaea" (European Company) (article 3 of the Articles of Association).
- **Nationality:** French.
- **Registered office and principal place of business**: under article 4 of the Articles of Association, the registered offices of Atos SE are located at 80, quai Voltaire – 95870 Bezons, France – +33 (0)1 73 26 00 00.
- **Registered** in the Pontoise Registry of Commerce under Siren number 323 623 603.
- **Business identification code (APE code):** 7010Z.
- **Date of incorporation and term**: The Company was incorporated in 1982 for a period of 99 years, i.e. up to March 2, 2081.

G.2.3 Provisions of the Articles of Association

Members of the Board of Directors (articles 13, 14 and 15 of the Articles of Association)

The Company is managed by a Board of Directors composed of a minimum of three members and a maximum of twelve members that are appointed by the Ordinary General Meeting of Shareholders. The Board of Directors will be renewed annually by rotation in such a way as to allow a rotation of one third of the members of the Board of Directors. The term of office of the Directors is three years. The number of members of the Board of Directors over the age of 70 must not be greater than one third of the total serving members. Each Director is required to own at least 500 Company shares during the term of his or her office (this rule however does not apply to the Director representing employee shareholders).

Chairman (article 21 of the Articles of Association)

The Board of Directors elects a Chairman from among its members. The Chairman represents the Board of Directors. He organizes and directs the Board's activities, on which he reports at General Meetings of Shareholders. He oversees the proper functioning of the Company's bodies and makes sure, in particular, that the Directors are able to carry out their assignments.

Chief Executive Officer (article 23 of the Articles of Association)

Pursuant to the choice made by the Board of Directors, the general management is handled either by the Chairman, or by an individual appointed by the Board of Directors who has the title of Chief Executive Officer. The Chief Executive Officer has the broadest powers to act in all circumstances in the name of the Company. He exercises these powers within the limits of the Company's purpose and what the law, the Articles of Association and the Internal Rules of the Board of Directors expressly assign to the General Meetings of shareholders or the Board of Directors. The Chief Executive Officer represents the Company in its relationship with third parties.

Notices to attend Board meetings and decisions of the Board of Directors (article 18 of the Articles of Association)

The Board of Directors convenes as often as the Company's interest demands and at least every three months. Notice of Board meetings is sent to Directors by the Chairman. If no Board meeting has been called for over two months, at least one third of the Directors are empowered to ask the Chairman to call a meeting in order to handle the specific matters included on the agenda. The Chief Executive Officer is also empowered to ask the Chairman to call a Board meeting in order to discuss specific matters included on the agenda. Decisions are taken by majority of the members present or represented. In the event of a tie in the voting, the Chairman has a casting vote.

Powers of the Board of Directors (article 17 of the Articles of Association)

The Board of Directors determines the orientations of the Company's business and monitors their implementation. With the exception of powers expressly assigned to General Meetings of Shareholders and within the limits of the Company's purpose, it handles all matters involving the proper functioning of the Company and settles matters through its deliberations. The Board of Directors sets the limitation of the Chief Executive Officer's powers, where required, in its internal rules, by indicating the decisions which require a prior authorization of the Board of Directors.

Related-party agreements (article 25 of the Articles of Association)

Any agreement entered into (directly, indirectly or through an intermediary) between the Company and its Chief Executive Officer, one of its Deputy Chief Executive Officers, any of its Directors or one of its shareholders holding a fraction of the voting rights greater than 10% or, if it is a Company shareholder, the Company that controls it in the meaning of article L. 233-3 of the French Commercial Code, must receive the prior authorization of the Board of Directors. Agreements between the Company and another company, if the Chief Executive Officer, one of the Deputy Chief Executive Officers or one of the Directors of the Company is an owner, indefinitely responsible partner, manager, Director, member of the Supervisory Board or, in general, a senior manager of this company, are also subject to prior authorization. Such prior approval does not apply to agreements covering standard operations that are concluded under normal conditions nor to those entered into by two companies where one of them holds, directly or indirectly, the entire share capital of the other, after deducting, if applicable, the minimum number of shares required to meet the requirements of article 1832 of the Civil Code or articles L. 225-1 and L. 226-1 of the Commercial Code.

Directors' compensation (article 20 of the Articles of Association)

The members of the Board of Directors may receive as Directors' fees, a compensation, the aggregate amount of which, as determined by the General Meeting, is freely allocated by the Board of Directors. The Board of Directors may in particular allocate a greater share to the Directors who are members of the Committees.

Rights, privileges and restrictions attached to shares

Voting rights (article 33 of the Articles of Association)

Each share carries one voting right. There is no share with double voting right. On the occasion of the Combined General Meeting held on May 28, 2015, the shareholders approved the modification of article 33 of the Articles of Association aimed at excluding the application of the so called "Florange law" (Act dated March 29, 2014) related to the double voting rights and consequently, maintain single voting rights at General Meetings of the Company.

Participation in General Meetings of Shareholders (article 28 of the Articles of Association)

All shareholders may participate in General Meetings either in person or by proxy. All shareholders may be represented by their spouses, by another shareholder, or by partners with whom a civil solidarity pact ("PACS") has been concluded. They may also be represented by any other natural person or legal entity of their choice. The proxy must show evidence of this delegation.

The right of shareholders to participate in General Meetings is subject to the registration of the shares in the name of the shareholder or the financial intermediary registered on its behalf according to the regulations in force. Such financial intermediaries shall deliver to holders of bearer shares a shareholding certificate enabling them to participate in the General Meeting.

The shareholders, upon decision of the Company's Board of Directors, may take part in General Meetings through video conference or by telecommunication means, including the Internet. Article 28 of the Articles of Association provides for the terms and conditions of shareholders' participation in General Meetings in particular by means of an electronic voting form made available on the Company's website. E-voting has been available to the Company shareholders since the Combined General Meeting held on May 28, 2015, through the grant of access to a dedicated online voting website, ahead of the General Meeting.

Identifiable bearer shares (article 9 par.3 of the Articles of Association)

The Company may proceed to the identification of holders of bearer shares at any time.

Changes to shareholders' rights

Any amendment to the Articles of Association, which set out the rights attached to the shares, must be approved by a two-thirds majority at an Extraordinary General Meeting. A unanimous shareholder vote is required to increase the liabilities of shareholders.

Terms and conditions for calling and general conduct of Ordinary General Meeting and Extraordinary General Meeting (articles 34 and 35 of the Articles of Association)

General Meetings of Shareholders are considered to be "Extraordinary" when the decisions relate to a change in the Articles of Association or Company's nationality or where required by law; and, "Ordinary" in all other cases. The Extraordinary General Meeting rules by a majority of two-third of the expressed votes, and the Ordinary General Meeting rules by the majority of expressed votes; expressed votes do not include blank and null votes of the present or represented shareholders, or of shareholders having voted by mail.

General Meetings are called and conducted in accordance with the terms and conditions of French law.

Disclosure of threshold crossing (article 10 of the Articles of Association)

In addition to the thresholds defined by applicable laws and regulations, all private individuals and legal entities, acting alone or in concert, who acquire, directly or indirectly, a fraction of the share capital equal to or greater than 2% or, following a shareholding of 2%, any multiple of 1% are required to inform the Company, by registered letter with return receipt requested, within 5 trading days from the date on which one of these thresholds is crossed, of the total number of shares, voting rights or securities giving access to the share capital or voting rights of the Company held by them.

Failure to comply with the above requirements results in rescission of the voting rights attached to those shares relating to the unreported fraction at all General Meetings of Shareholders held during a two-year period following the date or regularization filing of the aforementioned notice. Application of this penalty is subject to a request by one or more shareholders holding at least 5% of the Company's share capital or voting rights mentioned in the minutes of the General Meeting.

The same information obligation applies, within the same terms and conditions, each time the fraction of the share capital or voting rights of a shareholder decreases to less than one of the above-mentioned thresholds.

Control of the issuer

No provisions in the Articles of Association, or in any charter or Internal rules, may delay, postpone or prevent a change of control of the Company.

Financial statements (articles 37, 38 and 39 of the Articles of Association)

Legal Reserve

5% of the statutory net profit for each year, reduced by prior losses if any, has to be allocated to the legal reserve fund before dividends may be paid with respect to that year. Funds must be allocated until the amount in the legal reserve is equal to 10% of the share capital, and shall be allocated again if, for any reason whatsoever, the legal reserve falls below that threshold.

Approval of dividends

Dividend payments are approved by General Meeting of Shareholders, in accordance with articles L. 232-12 to L.232-18 of the French Commercial Code. The General Meeting of Shareholder may offer the shareholders, for all or part of the dividend available for distribution, an option for cash payments or payments in the form of new shares of the Company under the terms and conditions set by law.

G.2.4 Board of Directors

[G4-39]

Composition of the Board of Directors

The following terms of office as Director were renewed during 2016:

Date	Concerned Director	Event
May 26, 2015	**Aminata Niane** **Lynn Paine** **Vernon Sankey**	Renewal of the term of office as Director for 3 years
December 30, 2016	**Thierry Breton**	Anticipated renewal of the term of office for 3 years

As a result, as of December 31, 2016, the Board of Directors was composed of 11 members as listed below:

Thierry BRETON

Number of shares: 658,914
Date of birth: 01/15/1955
Nationality: French
Date of renewal: December 30, 2016
Term expires on: AGM ruling on the accounts of the 2018 financial year

Biography - Professional Experience

Chairman and Chief Executive Officer of Atos SE

Thierry Breton graduated from the Paris *Ecole Supérieure d'Electricité* (Supélec) and the *Institut des Hautes Etudes de Défense Nationale* (IHEDN, 46th class). In 1986, he became Project Manager of the Poitiers Futuroscope theme park, and then headed its teleport operations. He later served as an advisor to Education Minister René Monory in the area of new information technologies. He also served in the Poitou-Charentes Regional Council from 1986 to 1992 (as Vice-Chairman from 1988 on).

He then joined Bull as Director of Strategy and Development before becoming Deputy Managing Director. Member of the Board of Directors in February 1996, he was successively named Vice-Chairman of the Board then group Delegated Director.

After being appointed Chairman and Chief Executive Officer of Thomson (1997-2002) then Chairman and Chief Executive Officer of France Telecom (2002-2005), he was France's Minister for the Economy, Finance and Industry between February 25, 2005 and May 16, 2007, before becoming a professor at Harvard University (USA) for "*Leadership, Corporate Accountability*".

In November 2008, he became Chairman of the Management Board of Atos Origin. He is today Chairman and Chief Executive Officer of Atos SE.

Directorships and positions

Other directorships and positions as at December 31, 2016

Within the Atos Group

France:

Chairman of the Board of Directors: Worldline**

Outside the Atos Group

France:

Director: Carrefour SA**

Abroad:

Director: Sonatel** (Senegal), Sats** (Singapore)

Other positions held during the last five years

Within the Atos Group

Chief Executive Officer of Atos International

Chairman of the Board of Directors: Bull

Outside the Atos Group

None

*** Listed company (Worldline is controlled by Atos SE).*

Nicolas BAZIRE*

Chairman of the Nomination and Remuneration Committee

Number of shares:
1,024

Date of birth:
07/13/1957

Nationality:
French

Date of renewal:
May 27, 2014

Term expires on:
AGM ruling on the accounts of the 2016 financial year

Biography - Professional Experience

General Manager of Groupe Arnault SAS

Nicolas Bazire is a graduate of the Ecole Navale (1978), the Paris *Institut d'Etudes Politiques* (1984), former student of the *Ecole Nationale d'Administration*, Magistrate on the French *Cour des Comptes* (Court of Audit). Nicolas Bazire was an auditor then *Conseiller Référendaire* with the *Cour des Comptes*.

In 1993 he became Cabinet Director for French Prime Minister Edouard Balladur. He served as a Managing Partner at Rothschild & Cie Banque from 1995 to 1999, when he was named Chairman of the *Conseil des Commanditaires*.

He was appointed General Manager at Groupe Arnault in 1999, and became a member of the LVMH Board of Directors; he is also a member of the Executive Committee.

Nicolas Bazire is a Reserve Officer in the French Naval Reserve. He is an Officer in the French *Ordre National du Mérite* (National Order of Merit) and a *Chevalier* in the French *Légion d'honneur*.

Directorships and positions

Other directorships and positions as at December 31, 2016

Within the Atos Group
None

Outside the Atos Group

France:

- Member of the Supervisory Board: Montaigne Finance SAS, Semyrhamis SAS
- Vice-President of the Supervisory Board: Les Echos SAS
- Deputy CEO: Groupe Arnault SAS
- Director: LVMH Moët Hennessy Louis Vuitton SA**, Agache Développement SA, Europatweb SA, Financière Agache Private Equity SA, Groupe les Echos SA, LV Group SA, Suez SA**, Carrefour SA**, Fondation Louis Vuitton pour la Création (foundation)
- Permanent Representative:
  - Groupe Arnault SAS, Director of Financière Agache SA
  - Ufipar SAS, Director of Louis Vuitton Malletier SA
  - Montaigne Finance SAS, Director of GA Placements SA.
  - Lifipar, Director of SBM (Monaco)

Other positions held during the last five years

Within the Atos Group
None

Outside the Atos Group

- President: Société Financière Saint-Nivard SAS
- Member of the Supervisory Board: Lyparis SAS
- Director: Ipsos SA**, Marignan Investissements SA, Tajan SA and Go Invest SA (Belgium)

* *Independent Director.*
** *Listed company.*

Valérie BERNIS*

Number of shares: 500 **Date of birth:** 12/09/1958 **Nationality:** French **Date of appointment:** April 15, 2015, ratified by AGM held on May 28, 2015 **Term expires on:** AGM ruling on the accounts of the 2016 financial year	**Biography - Professional Experience** **Vice-President of Engie Foundation** Valérie Bernis is a graduate of the Institut Supérieur de Gestion and Université des Sciences Economiques in Limoges. In 1996, after 2 years spent as Communication and Press Advisor to the Prime Minister, she joined Compagnie de Suez as Executive Vice-President – Communications, and then in 1999, she became Executive Vice-President Financial and Corporate Communications and Sustainable Development. During the same period, she served for 5 years as Chairman and CEO of Paris Première, a French TV channel. Valérie Bernis is currently Vice-President of Engie Foundation. She currently is a Member of the Board of Directors of Suez and l'Occitane (since 2013).	
	Directorships and positions	
	Other directorships and positions as at December 31, 2016 **Within the Atos Group** None **Outside the Atos Group** • Member of the Board of Directors: Suez**, AROP, Palais de Tokyo • Independent member of the Board of Directors: l'Occitane** • Member of the Supervisory Board: Euro Disney SCA (until January 11, 2017)**	**Other positions held during the last five years** **Within the Atos Group** None **Outside the Atos Group** Member of the Board of Directors: Bull (until July 2013), CEGID (until July 2013), Société Monégasque d'Electricité et de Gaz (SMEG)(until June 2012)

* *Independent Director.*
** *Listed company.*

Roland BUSCH

Member of the Audit Committee **Number of shares:** 1,000 **Date of birth:** 11/22/1964 **Nationality:** German **Date of renewal:** May 27, 2014 **Term expires on:** AGM ruling on the accounts of the 2016 financial year	**Biography - Professional Experience** **Member of the Management Board of Siemens AG (Germany)** Roland Busch is a graduate of the University of Friedrich Alexander (Germany) where he received a PHD in Physics and of the University of Grenoble. He is a member of the Management Board of Siemens AG. During the past five years, Roland Busch was appointed Chairman of Infrastructure & Cities and Chief of Strategy with Siemens AG in Germany.	
	Directorships and positions	
	Other directorships and positions as at December 31, 2016 **Within the Atos Group** None **Outside the Atos Group** Abroad: • Executive Vice-President, Member of the Management Board of Siemens** (Germany) • Chairman Asia Pacific, Siemens** (Germany) • Head of Corporate Sustainability Office, Siemens** (Germany) • Vice-Chairman of the Board of Directors and Member of the Audit Committee of OSRAM Licht AG** (Germany)	**Other positions held during the last five years** **Within the Atos Group** None **Outside the Atos Group** • Chairman of Infrastructures & Cities, Siemens AG** • Chief of Strategy, Siemens AG** (Germany)

** *Listed company.*

Jean FLEMING

Director representing the employee shareholders

Number of shares: 854

Date of birth: 03/04/1969

Nationality: British

Date of renewal: May 29, 2013

Term expires on: AGM ruling on the accounts of the 2016 financial year

Biography - Professional Experience

***Client Executive, Business Transformation Services* at Atos IT Services UK Ltd (United Kingdom)**

Jean Fleming is a graduate of the London South Bank University where she obtained an MSc in Human Resources and from Brunnel University where she obtained a BA in Business Administration.

Former Operations Director, Business Process Services, she is now Client Executive, Business Transformation Services at Atos in the United-Kingdom.

Jean Fleming was appointed Director representing the employee shareholders.

Directorships and positions

Other directorships and positions as at December 31, 2016	Other positions held during the last five years
None	None

Bertrand MEUNIER*

Member of the Nomination and Remuneration Committee

Member of the Audit Committee

Number of shares: 1,000

Date of birth: 03/10/1956

Nationality: French

Date of renewal: May 28, 2015

Term expires on: AGM ruling on the accounts of the 2017 financial year

Biography - Professional Experience

***Managing Partner* of CVC Capital Partners Ltd (United Kingdom)**

Bertrand Meunier is a graduate of the *Ecole Polytechnique* and of Paris VI University. He joined PAI Partners in 1982 up until 2009. Bertrand Meunier joined CVC Capital Partners as a Managing Partner in 2012.

Directorships and positions

Other directorships and positions as at December 31, 2016

Within the Atos Group

None

Outside the Atos Group

France:

- Parex
- Vedici
- Linxens

Abroad:

CVC Group Ltd (Luxembourg)

Continental Food (Belgium)

Other positions held during the last five years

Within the Atos Group

None

Outside the Atos Group

- Chairman: M&M Capital SAS, Financière Le Play SAS
- Director: CVC Capital Partners (Luxembourg)

* *Independent Director.*

Colette NEUVILLE*

Number of shares:
1,012
Date of birth:
01/21/1937
Nationality:
French
Date of renewal:
May 27, 2014
Term expires on:
AGM ruling on the accounts of the 2016 financial year

Biography - Professional Experience

Chairman (founder) of the ADAM

Colette Neuville is a law graduate and a graduate of the Paris Institut d'Etudes Politiques and holds a post-graduate degree in economics and political science. She served as an Economist for NATO, the Moroccan administration (National Office for Irrigation), and the Loire-Bretagne agency. Ms. Neuville is the founding Chairman of ADAM (Association de Défense des Actionnaires Minoritaires) and member of the commission "Epargnants et Actionnaires Minoritaires" (Retail Investors and Minority shareholders) of the Autorité des Marchés Financiers (French Financial Markets Authority). She is the Lead Director of the Board of Directors, member of the Audit Committee and Chairman of the Appointments and Remuneration Committee of Groupe Eurotunnel SA. She is member of the Governance Committee of the Paris "Ecole de Droit et de Management". She is member of the Board of Directors of the FAIDER and the ARCAF. She is a member of the Club of Presidents of Remuneration Committees of IFA (Institute of Formation for Directors) and also a member of the Ethic Committee of Canal+.

Directorships and positions

Other directorships and positions as at December 31, 2016

Within the Atos Group

None

Outside the Atos Group

France:

- Director: Groupe Eurotunnel SA** (also member of the Audit Committee and Chairman of the Remuneration Committee and Lead Director since February 2014), ARCAF (*association des fonctionnaires épargnants pour la retraite*), FAIDER (*fédération des associations indépendantes de défense des épargnants pour la retraite*)
- Member: of the Consultative Commission "*Epargnants et actionnaires minoritaires*" ("Retail Investors and Minority shareholders") of the *Autorité des Marchés Financiers* (French Financial Markets Authority), of the *Conseil de Gouvernance de l'Ecole de Droit & Management de Paris*, of the Club of the Chairmen of Remuneration Committees of the *Institut Français des Administrateurs*, of the Ethic Committee of Canal+

Other positions held during the last five years

Within the Atos Group

France:

Member of the Supervisory Board then censor: Atos SA**

Outside the Atos Group

- Member of the European Forum for Corporate Governance, with the European Commission
- Director (and also member of the Audit Committee) of Numericable-SFR** from November 27, 2014 to January 12, 2016

* *Independent Director.*
** *Listed company.*

Aminata NIANE*

Member of the Audit Committee

Number of shares: 1,012

Date of birth: 12/09/1956

Nationality: Senegalese

Date of renewal: May 26, 2016

Term expires on: AGM ruling on the accounts of the 2018 financial year

Biography - Professional Experience

International Consultant

Aminata Niane holds an Engineering Degree in Science and Technology of Food Industries (Montpellier, France) and a Master in Business Administration (Birmingham, UK).

Then she started her career in 1983 as an engineer in big Senegalese companies in food-processing sector (SIPL and SONACOS).

This experience continued in 1987 in the Senegalese administration (Ministry of Commerce, Senegalese Institute for Standardization), then in 1991 in the first structures supporting the private sector, financed by the French Cooperation and the World Bank (Support Unit to the Business Environment and Private Sector Foundation).

Finally, after several years of entrepreneurial experience in strategy consulting, she was appointed in 2000 Managing Director of APIX, National Agency for Investment Promotion and Major Projects. She handled the creation and the management until May 2012. Then, she was Special Advisor of the President of the Republic of Senegal until May 2013.

Today she is International Consultant, after being with the African Development Bank, Lead Advisor-Office of the Vice-President Infrastructure, Private Sector and Regional Integration, and Manager for the return of the Bank to its registered offices in Abidjan.

Directorships and positions

Other directorships and positions as at December 31, 2016

None

Other positions held during the last five years

Within the Atos Group

None

Outside the Atos Group

- Chief Executive Officer of the *Agence Nationale Chargée de la promotion de l'Investissement et des Grands Travaux* (APIX) which became APIX SA (Senegal)
- Chairman of the Board of Directors: *Société Aéroport International Blaise Diagne* (ABID SA, Senegal)

* *Independent Director.*

Lynn PAINE*

<table>
<tr><td rowspan="2">

Number of shares:
1,000
Date of birth:
07/17/1949
Nationality:
American
Date of appointment:
May 26, 2016
Term expires on:
AGM ruling on the accounts of the 2018 financial year

</td><td colspan="2">

Biography - Professional Experience

John G. McLean Professor of Business Administration, Harvard Business School, former Senior Associate Dean

Lynn Paine is John G. McLean Professor of Business Administration at Harvard Business School where she served as Senior Associate Dean from 2010 to 2016. She is former chair of the School's general management unit and a specialist in corporate governance. An American with worldwide recognition, she currently teaches corporate governance in both the MBA and executive programs.

She co-founded and chaired the "Leadership and Corporate Accountability" required courses, which she has taught in the MBA program as well as the Advanced Management Program. Ms. Paine has also taught in numerous other executive programs including the Senior Executive Program for China and, currently, Leading Global Business, the Senior Executive Program focused on Africa, Women on Boards and Making Corporate Boards more Effective.

In addition to providing executive education and consulting services to numerous firms, she has served on a variety of Advisory Boards and panels. In particular, she was a member of the Conference Board Commission on Public Trust and Private enterprise and the Conference Board's Task Force on Executive Compensation. She also served on the Governing Board of the Center for Audit Quality in Washington D.C., and the Advisory Board of the Conference Board's Governance Center in New York. She was a Director of RiskMetrics Group (NYSE) prior to the company's merger with MSCI.

Directorships and positions

</td></tr>
<tr><td>

Other directorships and positions as at December 31, 2016

Within the Atos Group

None

Outside the Atos Group

Abroad:

- Academic Advisory Council, Hills Program on Governance – Center for Strategic and International Studies, Washington, D.C.
- Selection Panel, Luce Scholars Program, Henry Luce Foundation, NYC

</td><td>

Other positions held during the last five years

Within the Atos Group

None

Outside the Atos Group

- Senior Associate Dean, Harvard Business School, Boston, Massachusetts (2010-2016)
- Governing Board (Public Member), Center for Audit Quality, Washington D.C. (2007-2016)

</td></tr>
</table>

* *Independent Director.*

Pasquale PISTORIO*

Lead Director Member of the Nomination and Remuneration Committee **Number of shares:** 1,000 **Date of birth:** 01/06/1936 **Nationality:** Italian **Date of renewal:** May 28, 2015 **Term expires on:** AGM ruling on the accounts of the 2017 financial year	**Biography - Professional Experience** **Chairman of the Pistorio Foundation (Switzerland)** Pasquale Pistorio graduated in Electrical Engineering from the Polytechnic school of Turin. He began his career as a salesman for Motorola products and in 1967 he joined Motorola in Italy, rising through the ranks to become Director of International Marketing and Vice-President of Motorola Corporation in 1977. In 1978 he was promoted to General Manager of Motorola's International Semiconductor Division. In 1980 he was appointed Chairman and Chief Executive Officer of the SGS Group and oversaw, with success, in 1987, the integration of SGS with Thomson Semiconducteurs. The new company will be renamed STMicroelectronics in 1998. In 2005, Pasquale Pistorio is appointed *Honorary Chairman* of the Board of Directors and ambassador of ST Microelectronics.

Directorships and positions

Other directorships and positions as at December 31, 2016	Other positions held during the last five years
Within the Atos Group None **Outside the Atos Group** Abroad: • Honorary Chairman: STMicroelectronics Corporation (Switzerland), ST Foundation (Switzerland) and of the Kyoto Club (Italy) (charities) • Independent Director: Brembo S.p.A.** (Italy), XiD (Singapore)	**Within the Atos Group** None **Outside the Atos Group** Independent Director: Fiat S.p.A.**

* *Independent Director.*
** *Listed company.*

Vernon SANKEY*

Chairman of the Audit Committee **Number of shares:** 1,000 **Date of birth:** 05/09/1949 **Nationality:** British **Date of renewal:** May 26, 2016 **Term expires on:** AGM ruling on the accounts of the 2018 financial year	**Biography - Professional Experience** **Officer in companies** Vernon Sankey graduated from Oriel College, Oxford University (United Kingdom). He joined Reckitt and Colman plc in 1971, and became Chief Executive Officer in Denmark, France, the USA and in Great Britain. He was Group Chief Executive Officer in the period 1992-1999. Since then, he has held several non-executive positions as Chairman or Board member (Pearson plc, Zurich AG, Taylor Woodrow plc, Thomson Travel plc, Gala plc, Photo-Me plc, Firmenich SA, etc.) and was a member of the Management Board of the FSA (Food Standards Agency) UK.

Directorships and positions

Other directorships and positions as at December 31, 2016	Other positions held during the last five years
Within the Atos Group None **Outside the Atos Group** Abroad: • Chairman, former Director: Harrow School Enterprises Ltd (United Kingdom) • Member: Pi Capital (United Kingdom)	**Within the Atos Group** None **Outside the Atos Group** • Chairman: Firmenich (Switzerland) • Director: Zurich Insurance AG (Switzerland)

* *Independent Director.*

Declarations related to the members of the Board of Directors

To the best of the Company's knowledge, there have been no official public incrimination and/or sanctions taken by statutory or regulatory authorities (including designated professional organisms) against any of the members of the Board of Directors. No court has, over the course of the past five years at least, prevented the members of the Board of Directors from acting as member of an administrative, managing or supervisory body of an issuer or from participating in the management or oversight of an issuer's business. No Board member has been convicted of fraud over the past five years at least. No Board member has taken part as senior manager in a bankruptcy, receivership or liquidation over the past five years.

Potential conflict of interest and agreements

To the Company's knowledge, there are no existing service agreements between the members of the Board of Directors and Atos SE or one of its subsidiaries which would provide for benefits, except the following: Atos SE's Board of Directors decided on March 26, 2015 to detail Ms. Aminata Niane, in her capacity as Director, with a mission for the Company concerning Atos Group operations in West Africa and Morocco, pursuant to the provisions of article L. 225-46 of the French Commercial Code. On February 23, 2016, the Board of Directors approved the start of her mission as from March 1, 2016, and on February 21, 2017, it approved its renewal for twelve months, depending on the progress of the mission, as from March 1, 2017.

To the best of the Company's knowledge, save for the case of Dr. Roland Busch whose appointment was proposed pursuant to the agreements signed with Siemens in connection with the acquisition of Siemens Information Technology Services, which provided for the possibility for Siemens to submit an applicant as a Director of the Company, there are no arrangements, or any type of agreement with the shareholders, clients, service providers or others by which one of the members of the Board of Directors was selected as member of an administrative, managing or supervisory body or as a member of the general management of the Company.

To the best the Company's knowledge, there are no parental relationships between any executive officers and Directors of the Company.

Finally, to the best of the Company's knowledge, there are no restrictions accepted by the members of the Board of Directors concerning the sale of their potential shareholding in the Company's share capital other than the provision of the Articles of Association under which each Director must own at least 500 shares of the Company and the retention obligations that the Board of Directors defined for the Chairman and Chief Executive Officer of the Company and the security pledge by M. Thierry Breton over 246,553 shares of the Company.

G.3 Report of Chairman of the Board of Directors on corporate governance and internal control

Dear shareholders,

Pursuant to Article L. 225-37 of the French Commercial Code, as Chairman of the Board of Directors of Atos SE (hereinafter the "Company"), let me first of all present the preparation and organization conditions of the works of the Board of Directors since January 1, 2016, and secondly, the internal control procedures set up within the Atos Group.

The Board of Directors approved this report during its meeting of February 21, 2017.

The rules and principles that the Company used to determine the compensation and benefits attributed to its senior managers and executive officers are described in the "Executive compensation and stock ownership" section of the Registration Document.

The rules regarding the shareholders' participation in General Meetings are described in the "Legal Information" section of the Registration Document.

The factors which may have an influence on public takeover bids are described in the "Shareholders Agreements" section of the Registration Document.

G.3.1 Corporate Governance

[G4-13], [G4-34], [G4-38], [G4-40] and [G4-41]

G.3.1.1 Compliance with the AFEP-MEDEF Code - Frame of reference on corporate governance

French legislation and rules published by the financial market regulatory authorities apply to the Company's corporate governance.

The Company refers to the Corporate Governance Code of Listed Companies issued by the AFEP-MEDEF (revised version of November 2016) and has decided to use the Code, as soon as published, as a reference in terms of corporate governance, and to follow it up, through an annual Board meeting entirely dedicated to these issues.

In that respect, and as happens every year, Atos' Board of Directors met on December 19, 2016 to perform an annual review of the implementation by the Company of these governance principles. Following this meeting, also attended by employees member of the Participative Committee (body stemming from the European Company Council) who actively participated in the debates, the Board considered that the Company's governance practices are compliant with the recommendations of the AFEP-MEDEF Code.

The detail of the Board's assessment items on the implementation of the AFEP-MEDEF Code is available in its entirety on Atos' website: **atos.net.**

As at the date of publication of this Registration Document, and in compliance with the rule "Comply or Explain" set forth under article L. 225-37 of the Commercial Code and article 25.1 of the AFEP-MEDEF Code, the Company has deviated from the following provisions for the reasons hereafter indicated:

Recommendation of the AFEP-MEDEF Code	Justification
Number of directorships for executive and non-executive Directors (article 18.2 of the AFEP-MEDEF Code) An Executive Director should not hold more than two other directorships in listed corporations, including foreign corporations, not affiliated with his or her group.	As of December 31, 2016, the Chairman and Chief Executive Officer held three mandates as Director in listed Companies outside the Atos Group, two of them having their registered office abroad: Carrefour (France), Sonatel (Senegal) and Sats (Singapore). On October 1, 2015, the Chairman had accepted a third mandate outside the group, as independent Director of Sats, a listed company in Singapore. The Board of Directors, duly informed, unanimously approved this additional appointment due to the strategic interest of Atos to develop its knowledge of the Asian business in particular in the sectors of the applications in IT, Telecom, Big Data and Security, as was the case for the directorship already accepted by Mr. Breton in Sonatel (for Africa).

Moreover, upon the Chairman of the Board of Directors' initiative corporate governance issues are regularly addressed during Board meetings. The Board has indeed consistently expressed its will to take into account, and sometimes anticipate, recommendations on the improvement of corporate governance for listed companies whenever such recommendations are in line with the interests of the Company and of its shareholders.

This includes, in particular, the appointment of a Lead Director, the reinforcement of conditions for stock option or performance share plans for which the senior managers of the Company are beneficiaries, the reinforcement of the presence of women on the Board of Directors, the addition, in 2015, of performance conditions on the acquisition of rights under the supplementary pension scheme that benefit the Chairman and Chief Executive Officer, or the consultation of the Shareholders' General Meeting on the strategic orientation plans for 3 years (December 2013 and December 2016), which, in December 2016, also dealt with the anticipated renewal of the term of office of the Chairman and Chief Executive Officer for 3 years in order to align his mandate on the 2017-2019 strategic orientation plan.

G.3.1.2 Management Mode

The statutory governance of the Company was changed from a Supervisory Board and Management Board system to a system with a Board of Directors further to the decisions of the Combined General Meeting held on January 10, 2009. This evolution has simplified and unified the governance by adapting it to the Company's situation. On the occasion of the vote concerning the Company's transformation from a "Société Anonyme" (public limited-liability company) into a "Societas Europaea" (European public limited-liability company or "European Company") decided by the Annual General Meeting of May 30, 2012, the unitary Board structure, with Board of Directors, was upheld by the shareholders in the Articles of Association of the Company that were submitted to their approval.

The Board of Directors confirmed the choice of governance by deciding to unify the functions of Chairman and Chief Executive Officer and appointed Thierry Breton as Chairman and Chief Executive Officer on January 10, 2009 and upon the renewal of his term of office in 2012, 2015 and on December 2016.

The Board of Directors believes that this unified management structure allows for the necessary proactivity which enabled the Chief Executive Officer to implement the Company reconstruction since 2009, the successful integrations of Siemens IT Solutions and Services since 2011 and Bull since 2014, and is one of the factor of the successful three-year strategic plans 2011-2013, 2014-2016, and now 2017-2019.

Yet, the Company has implemented several mechanisms to ensure a good balance of powers at corporate governance level. The Board of Directors is composed by 80% of independent Directors and has constituted two internal Committees, to help in the decision process, composed majoritarily or entirely of independent members. Since 2010, in accordance with the recommendations of the French Financial Market Authority, the Board has appointed, alongside the Chairman of the Board, a Lead Director, in order to ensure the implementation of best corporate governance standards by the Board of Directors.

Limitations on the powers of the Chief Executive Officer

The Board has also defined, in its internal rules, reserved matters which require the Board's prior authorization:

- purchase or sale of shareholdings exceeding € 100 million;
- purchase or sale of assets exceeding € 100 million;
- purchase of assets or shareholdings beyond the Group's usual activities;
- purchase or sale of real property exceeding € 100 million;
- strategic alliance or partnership which may have a structural impact for the Group;
- parental company guarantees exceeding the scope of the delegation granted to the Chairman and Chief Executive Officer.

G.3.1.3 The Board of Directors: composition and functioning

Mission of the Board of Directors

The mission of the Board of Directors is to determine the strategy and trends of the Company's activity and to oversee their implementation. Moreover, the Board of Directors appoints senior executive officers and rules on the independence of Directors on a yearly basis, possibly imposes limitations on the powers of the Chief Executive Officer, approves the Chief Executive Officer report, convenes the General Meetings and decides on the agenda, undertakes the controls and verifications which it deems opportune, the control and audit of the sincerity of the financial statements, the review and approval of the financial statements, the communication to the shareholders and reviews communications to the market of high quality information.

Composition of the Board of Directors

As at December 31, 2016, the Board of Directors was composed of eleven members: Thierry Breton (Chairman of the Board and Chief Executive Officer), Nicolas Bazire, Valérie Bernis, Dr. Roland Busch, Jean Fleming (Director representing employee shareholders), Bertrand Meunier, Aminata Niane, Colette Neuville, Lynn Paine, Pasquale Pistorio and Vernon Sankey.

Article 14 of the Articles of Association of the Company provides for an annual renewal mechanism by rotation of the Company's Directors, allowing one third of the Directors to be renewed each year, pursuant to the AFEP-MEDEF Code of Corporate Governance.

Name	Nationality	Age	Date of appointment/ renewal	Committee member	End of office term	Number of shares held
Thierry Breton	French	62	2016		AGM* 2019	658,914
Nicolas Bazire[1]	French	59	2014	N&R*	AGM 2017	1,024
Valérie Bernis	French	58	2015		AGM 2017	500
Roland Busch	German	52	2014	A*	AGM 2017	1,000
Jean Fleming[2]	British	48	2013		AGM 2017	854
Bertrand Meunier	French	61	2015	N&R/A	AGM 2018	1,000
Colette Neuville	French	80	2014		AGM 2017	1,012
Aminata Niane	Senegalese	60	2016	A	AGM 2019	1,012
Lynn Paine	American	67	2016		AGM 2019	1,000
Pasquale Pistorio	Italian	81	2015	N&R	AGM 2018	1,000
Vernon Sankey[3]	British	67	2016	A	AGM 2019	1,000

* *AGM: Annual General Meeting; N&R: Nomination and Remuneration Committee; A: Audit Committee.*
1 *Chairman of the Nomination and Remuneration Committee.*
2 *Director representing the employee shareholders appointed for 4 years pursuant to the Articles of Association (art. 16).*
3 *Chairman of the Audit Committee.*

Pursuant to the Articles of Assocation, each Director must own at least 500 shares.

The Board comprises a Director representing employee shareholders, appointed by the General Meeting, who is expressly designated as member of the Board in the Internal Rules. In that respect, he participates to the meetings and deliberations of the Board. He has the same obligations as any other Directors, in particular confidentiality, save for the obligation to hold at least 500 shares of the Company.

As of December 31, 2016, the Company had not designated an employee Director within the meaning of article L. 225-27-1 of the French Commercial Code as these provisions were not applicable to the Company. In accordance with the provisions of the Rebsamen law of August 17, 2015, the Company will submit to the annual General Meeting ruling on the financial statement for the 2016 financial year a proposal of modification of the Articles of Association in order to allow the appointment of one or several directors representing employees.

The Board is composed for more than half of it (55%) of Directors not of a French nationality, thus reflecting the Group's international dimension.

Internal Rules

Internal Rules govern the work of the Board of Directors. They specify the rules on composition, functioning and the role of the Board, compensation of Directors, assessment of the works of the Board, information of Directors, the role, competence, and operating rules of the Committees of the Board, missions and prerogatives of the Lead Director, the specific missions which can be granted to a Director and the confidentiality obligations imposed on Directors. The Internal Rules also specify the terms and conditions of attendance by the Participative Committee employee representatives (set up pursuant to the agreement dated December 14, 2012 between the Company and the European Company Council – see infra) to the meetings with the Board representatives and the Board plenary meeting on the review of the Company's compliance practices with rules of corporate governance.

As soon as appointed, a copy of the Internal Rules as well as the Charter of the Board of Directors and the Guide to the prevention of insider trading are provided to the Directors who subscribe to these documents. The content of these documents is described more specifically in the "Codes and Charts" section of the Registration Document. When a new Director is taking office, various sessions are proposed with the main Group Executives on business and the organization thereof.

Lead Director

In accordance with the Autorité des Marchés Financiers' (French Financial Markets Authority) recommendation of December 7, 2010 in the Autorité des Marchés Financiers' supplemental report on corporate governance, executive compensation and internal control, upon proposal of the Nomination and Remuneration Committee, the Board of Directors appointed Pasquale Pistorio as the new Lead Director during its meeting of December 22, 2010. The Board of Directors meetings held following the General Meeting of May 30, 2012 and May 28, 2015, decided to renew the term of office of Pasquale Pistorio as Lead Director.

As per the internal rules of the Board of Directors, the Lead Director is in charge of ensuring continuous commitment and the implementation of best corporate governance standards by the Board of Directors. In that respect, he is in charge, in particular, of the assessment of the Board's work, carried out every year under his supervision. A detailed presentation of the works carried out in that respect is available in section G.3.1.8. He is also in charge of arbitrating potential conflicts of interest. He is questioned on the functioning of the Board. The Board of Directors may assign specific governance-related tasks to the Lead Director. In connection with the carrying out of his duties, the Lead Director is assisted by the Company's General Secretarial team for administrative tasks.

Evolution of parity at Board level

As at December 31, 2016, the Board of Directors was composed for more than 45% of women. The 40% threshold was exceeded more than a year ahead of the time frame of implementation of the provisions of Copé-Zimmerman law.

Employee's participation at Board level

In accordance with the provisions of the Rebsamen law of August 17, 2015, the Company will submit to the Annual General Meeting ruling on the financial statement for the 2016 financial year a proposal of modification of the Articles of Association in order to allow the appointment of one or two directors representing employees.

Pending the implementation of this new scheme, the scheme of participation of employees existing since 2012 will continue to be applied as is. In that respect, the Company has implemented an innovative scheme of participation of employees through the creation of the European Company Council of Atos SE and the designation, among such council members, or within Atos' employees, of a Participative Committee made up of four persons, which meets with members of the Board of Directors and discusses on topics on the agenda of Atos SE's Board meetings. Once a year, the Participative Committee is invited to a plenary meeting of the Board of Directors corresponding to the session on the review of compliance practices of the Company with rules of corporate governance. In addition to this usual annual meeting, the Participative Committee was also invited, in November 2016, to participate to the Board Meeting dealing with the strategic plan for the next three years "Ambition 2019".

In addition, the Company has voluntarily submitted to the shareholders' General Meeting held in 2013, and will again submit to the shareholders' General Meeting in 2017, the re-appointment of a Director representing employee shareholders.

With the implementation of all these schemes, the Company is showing its great interest for employee representation within the Group.

G.3.1.4 Directors' independence

Definition of an independent Director

As per the AFEP-MEDEF Code

The AFEP-MEDEF Code of Corporate Governance defines as independent, a Director when "*he or she has no relationship of any kind whatsoever with the corporation, its group or the management of either that may colour his or her judgment*". The AFEP-MEDEF Code also determines that a certain number of criteria must be reviewed in order to determine the independence of a Director:

- the Director shall not be, or shall not have been within the previous five years:
  - an employee or Executive Director of the corporation,
  - an employee, Director or Executive Director of a company that the company consolidates,
  - an employee, Director or Executive Director of the parent of the company or of a company that the latter consolidates;
- the Director shall not be an Executive Director of a company in which the corporation holds a directorship, directly or indirectly, or in which an employee appointed as such or an Executive Director of the corporation (currently in office or having held such office for less than five years) is a Director;
- the Director shall not be (or be bound directly or indirectly to) a customer, supplier, investment banker or commercial banker:
  - that is material for the corporation or its group,
  - for a significant part of whose business the corporation or its group accounts;
- the Director shall not be related by close family ties to an Executive Director;
- the Director shall not have been a statutory auditor of the corporation within the previous five years;
- the Director shall not have been a Director of the corporation for more than twelve years. The loss of the Director status occurs on the date at which this period of twelve years is reached.

As regards Directors representing significant shareholders of the Company or of its parent company, these may be considered as being independent, provided that they do not take part in the control of the Company. In excess of a 10% holding of stock or votes, the Board, upon a report from the Nomination and Remuneration Committee, should systematically review the qualification of a Director as an independent Director, having regard to the make-up of the Company's share capital and the existence of a potential conflict of interest.

Independence criteria based on the significant nature of the relationship with the Company

As recommended by the AFEP-MEDEF Code, as part of the assessment of how significant the relationship with the Company or its group is, the Board of Directors, during its meeting held on December 19, 2016, on the recommendation of the Nomination and Remuneration Committee retained:

- a quantitative criterion, being the consolidated turnover of 1% performed by the Company with a group within which an Atos Director holds a function and/or a mandate. This criterion was set on the basis of the specificities of the Atos Group activity, in particular the rigorous procedures related to answers to bidding processes;
- a qualitative criteria, i.e.: (i) the duration and continuity of the business relationship (seniority of the relationship or impact of potential contract renewals...), (ii) the importance or intensity of the relationship (potential economic dependency), and (iii) the structure of the relationship (Director free of any interest...).

Review of the Directors' independence

The Board of Directors, during its meeting of December 19, 2016, relying on the preliminary work of the Nomination and Remuneration Committee, reviewed the independent status of each of its members, on the basis of the above-mentioned criteria. On this basis, eight out of the ten members of the Board (i.e. 80%) to be taken into account [(1)], are considered as independent, i.e. more than half of the Board members, in conformity with the AFEP-MEDEF recommendations. In particular, the Audit Committee and the Nomination and Remuneration Committee are both chaired by an independent Director.

Three out of eleven members of the Board are not considered as independent, namely, Mr. Thierry Breton due to his office as Chief Executive Officer, Roland Busch due to his relations with Siemens which he represents (as main shareholder of the Company having significant relationship with it), and Jean Fleming, Director representing the employee shareholders, by virtue of her quality as employee of a subsidiary of the Company (it being specified that as Director representing the employee shareholders, Ms. Jean Fleming is not taken into account in the percentages of independent Directors).

The detailed assessment of the Directors' independence based on the above mentioned criteria is reproduced in the below table :

Director	Not to be, or not having been within the previous five years: - an employee or Executive Director of the corporation; - an employee, Director or Executive Director of a company that the company consolidates; - an employee, Director or Executive Director of the parent of the company or of a company that the latter consolidates	Not to be an executive director of a company in which the corporation holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive director of the corporation (currently in office or having held such office for less than five years) is a director	Not to be a customer, supplier, investment banker or commercial banker: - that is material to the corporation or its group, - or for a significant part of whose business the corporation or its group accounts. Quantitative criteria (1% consolidated turnover)	Qualitative criteria Length	Importance	Organisation
Nicolas Bazire	YES	YES	YES	YES	YES	YES
Valérie Bernis	YES	YES	YES	YES	YES	YES
Thierry Breton	NO	NO	YES	YES	YES	YES
Roland Busch	NO	YES	NO	NO	NO	NO
Jean Fleming	NO	YES	YES	YES	YES	YES
Bertrand Meunier	YES	YES	YES	YES	YES	YES
Colette Neuville	YES	YES	YES	YES	YES	YES
Aminata Niane	YES	YES	YES	YES	YES	YES
Lynn Paine	YES	YES	YES	YES	YES	YES
Pasquale Pistorio	YES	YES	YES	YES	YES	YES
Vernon Sankey	YES	YES	YES	YES	YES	YES

(1) *As per article 8.3 of the AFEP-MEDEF Code, Directors representing the employee shareholders are not taken into account in order to determine the percentages of independent Directors.*

Not to be related by close family ties to an executive director	Not to have been an auditor of the corporation within the previous five years	Not to have been a director of the company for more than twelve years	Not being a representative of a shareholder holding more than 10% of the share capital or voting rights	Qualification
YES	YES	YES	YES	Independent
YES	YES	YES	YES	Independent
YES	YES	YES	YES	Not independent
YES	YES	YES	NO	Not independent
YES	YES	YES	YES	Not independent
YES	YES	YES	YES	Independent
YES	YES	YES	YES	Independent
YES	YES	YES	YES	Independent
YES	YES	YES	YES	Independent
YES	YES	YES	YES	Independent
YES	YES	YES	YES	Independent

G.3.1.5 Board of Directors meetings

Operating rules

As per the internal rules of the Board of Directors, the Board of Directors, convened by its Chairman, shall meet at least 5 times a year and as often as necessary in the interest of the Company. The Directors may attend Board of Directors' meetings by video-conference or conference call. The meetings of the Board of Directors shall follow the agenda determined by the Chairman and communicated to the Directors. Whenever possible, the necessary documents and elements are sent to the Directors with the agenda.

The Board of Directors shall elect a Chairman from among its members, who shall be a real person, and, if the Board deems it appropriate, one or more Vice-Chairmen. It shall determine their functions, which shall not exceed those of their mandate as Director, and which may be terminated by the Board at any time. The Board of Directors shall appoint, determining his or her term of office, a secretary who may be chosen from among the Directors or from outside.

The Directors shall have the option of being represented at meetings of the Board of Directors by another Director. Each Director may only represent one of his or her colleagues during the same Board of Directors.

The Board of Directors may only deliberate validly if at least half of its members are present. Decisions shall be passed by a majority of members present or represented. If the votes are equal, the Chairman of the session shall cast the deciding vote.

The Board of Directors meeting minutes shall be kept by the secretary of the Board of Directors. Excerpts of meeting minutes of the Board of Directors may be created and certified by the persons entitled to do so.

Works in 2016

Pursuant to the Articles of Association and the Internal Rules, the Board of Directors has met as often as necessary. During the 2016 financial year, the Board of Directors met 12 times. Attendance of Directors at these meetings was an average of 87%.

The Board of Directors met to discuss the following topics:

As far as financial statements, budget and financial commitments are concerned:

- review and approval of the 2017 budget;
- review of the financial information and quarterly reports and forecasts;
- review of and closure of consolidated half-year and yearly financial statements;
- review of financial presentations and press releases;
- approval of parental company guarantees and review of off-balance commitments;
- review of the presentations to be made on the Investor Day;
- authorizing the Chairman and Chief Executive Officer to proceed to the issuance of bonds.

As far as strategic projects and operations are concerned:

- review of the 2017-2019 strategic orientation plan, with a specific meeting in the presence of the Participative Committee made up of representatives of Atos SE European Company Council;
- review of the strategic trends of the Group;
- regular reviews of the external growth operations.

As far as compensation is concerned:

- setting the elements of the Chairman and Chief Executive Officer's compensation for the three years of the 2017-2019 strategic plan;
- confirming the elements of the defined benefits pension scheme benefiting to the Chairman and Chief Executive Officer on the occasion of the renewal of his term of office;
- setting the objectives of the variable part for H2 2016 and H1 2017, and confirming the results for his variable compensation related to H2 2015 and H1 2016;
- setting the objectives of the performance conditions for 2016 applicable to the defined benefits pension scheme benefiting to the Chairman and Chief Executive Officer, confirming the results for the performance conditions for 2015 applicable to the said pension scheme;
- setting up of a performance shares allocation plan;
- confirming achievement of performance conditions, including the achievement of the CSR performance conditions, and setting new annual objectives for the same in connection with on-going performance share plans, deciding on the delivery method of performance shares; and
- approval of an employee stock ownership plan.

As far as governance is concerned:

- convening the Annual General Meeting, and including on the agenda the option for the payments of the dividend in the form of new shares, reviewing and approving the Board of Directors report to the Annual General Meeting, setting the price of the shares to issue in connection with the payment of the dividend in new shares;
- convening of a Combined General Meeting on December 30, 2016, particularly in order to (i) submit the strategic orientation plan for 2017-2019 to the advisory vote of the shareholders, (ii) rule on the anticipated renewal of the term of office of the Chairman and Chief Executive Officer and by anticipation to the "Sapin 2" law, rule on the principles and criteria for the determination, the distribution and the allocation of the elements of compensation applicable to the Chairman and Chief Executive Officer. It is proposed to add an item (iii) drafted as follows and (iii) amend the articles of association in order to raise the age limit applicable to the Chairman of the Board of Directors from 70 to 80 years old and the age limit applicable to the Chief Executive Officer from 70 to 75 years old ;
- approval of the modification of the Internal Rules of the Board of Directors following the entry into force of the European audit reform;
- review of a reporting about the new scheme of the Group dealing with the prevention of insider trading following the new European regulation on "Market abuse";
- review of the compliance of the Company's practices with corporate governance rules, in the presence of the Participative Committee, made up of representatives of Atos SE European Company Council;
- review of the condition of nomination of one or several directors representing employees in accordance with the Rebsamen law provisions;
- review of the operation of the corporate bodies and corporate governance (non-dissociation of the offices of Chairman of the Board and Chief Executive Officer, nomination of the Chairman of the Board and Chief Executive Officer after the renewal of Thierry Breton's term of office as Director by the Combined General Meeting held on December 30, 2016, confirmation of the composition of the Committees after the renewal of terms of office decided by the Annual General Meeting, renewal of the delegation of powers of the Chairman and Chief Executive Officer, propositions of renewal of Directors, assessment of the Board's work, review of the independence of Directors, conformity review of the Company's practices with the AFEP-MEDEF recommendations, review and approval of the Chairman's report on governance and internal control, annual review of related parties agreement authorized during previous financial years).

The Board regularly heard the review of the statutory auditors as well as the works of the two permanent Committees of the Board of Directors: the Audit Committee and the Nomination and Remuneration Committee.

The powers of these Committees are governed by the Internal Rules of the Board of Directors. The Committees are solely advisory in preparing the works of the Board which is the only decision-making and liable body. They report to the Board of Directors. Their recommendations are discussed at length during the meetings, where applicable, on the basis of the documentation generated by the Committees.

G.3.1.6 The Audit Committee

Mission

Within its relevant fields of competence pursuant to the provisions of the Internal Rules of the Board of Directors, the Audit Committee shall have the task of preparing and facilitating the work of the Board of Directors. For this purpose it shall assist the Board of Directors in its analysis of the accuracy and sincerity of the Company's corporate and consolidated accounts. The missions of the Audit Committee have been specified by the Internal Rules of the Board of Directors, modified during the meeting of December 19, 2016, following the entry into force of the European audit reform.

The Committee formulates all opinions or recommendations to the Board of Directors within the area described here below. The Committee particularly receives from the Board of Directors the following assignments:

With respect to the accounts:

- to monitor the financial reporting process, and as the case may be, issue recommendations to guarantee integrity of the said process;
- to proceed with the prior examination of and give its opinion on the draft annual, half-yearly and, where applicable, quarterly company and consolidated accounts prepared by the financial management;
- to examine the relevance and the permanence of the accounting principles;
- to be presented with the evolution of the perimeter of consolidated companies;
- to meet, whenever it deems necessary, the auditors, the general management, the financial, treasury and accounting management, internal audit or any other member of the management; these hearings may take place, when appropriate, without members of the general management being present;
- to examine the financial documents distributed by the Company at the annual accounts closing as well as the important financial documents and press releases;
- to report on the results of the financial statements certification, on the way this mission contributed to the integrity of the financial information and about the role that the Committee played in the process.

With respect to the external control of the Company:

- to examine questions concerning either the appointment or renewal of the statutory auditors;
- to monitor the conduct of the assignment entrusted to the statutory auditors;
- to approve the provision of services by the statutory auditors or by their network members for the benefit of the Company or its subsidiaries, other than the certification of the accounts and the services required from the statutory auditors by the law. The Committee bases its recommendations on the analysis of the risk to the independence of the statutory auditor(s) and on the safeguard measures applied by them;
- to ensure the the statutory auditors act in compliance with their duty of independence.

With respect to the internal control and risk-monitoring of the Company:

- to assess, along with the persons responsible at Group level, the efficiency and the quality of the systems and procedures for internal control of the Group, to examine the significant off-balance sheet risks and commitments, to meet with the person responsible for internal audit, to give its opinion on the organization of the department and to be informed of its work program. The Committee shall be provided with the internal auditor's reports or a periodic summary of these reports;
- to assess the reliability of the systems and procedures that are used for establishing the accounts, as well as the methods and procedures for reporting and handling accounting and financial information;
- to regularly make itself aware of the financial situation, the situation of the treasury and any significant commitments or risks, notably through a litigation review, and to examine the procedures adopted to assess and manage such risks.

Composition

During the 2016 financial year, the Audit Committee was composed as follows [1]:

- Vernon Sankey* (Chairman of the Committee);
- Dr. Roland Busch;
- Aminata Niane*;
- Bertrand Meunier*.

i.e. four members, three of which are independent.

Vernon Sankey, Chairman of the Audit Committee has financial and accounting skills acquired over the years by virtue of his mandates as Chief Executive Officer, Chairman and Board member of several companies located in Switzerland and the United Kingdom. Bertrand Meunier has extensive knowledge of accounting and corporate finance due to his long-standing experience as manager of private equity investment funds (formerly PAI Partners – now CVC Capital).

Operating rules

Under the Internal Rules of the Board of Directors, the Audit Committee members should be provided, at the time of appointment, with information relating to the Company's specific accounting, financial and operational features.

The Audit Committee should interview the statutory auditors, and also the persons responsible for finance, accounting and treasury matters. The review of accounts by the Audit Committee should be accompanied by a presentation from the statutory auditors stressing the essential points not only of the results of the statutory audit, in particular the adjustments resulting from the audit and significant weaknesses in internal control identified during the auditor's works, but also of the accounting methods chosen. It should also be accompanied by a presentation from the chief financial officer describing the corporation's risk exposures and its material off-balance-sheet commitments.

*(1) Independent directors are identified by this symbol: *.*

As far as internal audit and risk control are concerned, the Committee must interview those responsible for the internal audit. It should be informed of the program for the internal audit and receive internal audit reports or a regular summary of those reports. The Committee may use external experts as needed.

In 2016, the Audit Committee, in its operation, could benefit from Company internal skills, in particular the Group Chief Financial Officer, the Internal Audit Director, the Group Senior Vice-President Bid Control and Business Risk Management, the Senior Vice-President Group Controlling & Accounting, the Group General Counsel, the Investor Relations and Financial Communication Director, as well as the statutory auditors who attended, as applicable and upon request from the Committee Chairman, meetings of the Audit Committee.

All documentation presented to the Committee was communicated to the Committee by the Group Chief Financial Officer several days prior to the meetings.

Works in 2016

During the 2016 financial year, the Audit Committee met 7 times. Attendance of members to the meetings was an average of 86%.

During the 2016 financial year, the Audit Committee reviewed the accounting and financial documents, including the statements related to off-balance sheet, before their presentation to the Board; the Committee also reviewed the main accounting items. The Audit Committee examined the quarterly financial reports on the Group's performance, and the draft financial press releases before their submission to the Board of Directors. The Audit Committee reviewed the forecast information.

The Audit Committee was regularly informed of the conclusions of the main missions and reviewed the summary reports concerning the activities of the internal audit. The Committee was informed on a regular basis of the monitoring and management of risk of the significant contracts. The Committee also reviewed the state of the declared claims and litigations and the provisions. The Committee was involved in the drafting of the "Chairman's report". The Committee was regularly informed on the state of the Group's treasury and financing needs and as well on Unify financial performances. The Committee heard the intermediate and final reports of the statutory auditors concerning the annual and half-yearly accounts, as well as the reports of their other works carried out in connection with their general audit mission.

The Committee also analysed the consequences of the entry into force of the European audit reform on its activity. It also examined the fees and the independence of the statutory auditors.

The Audit Committee was informed of the conditions for distribution of dividend, in particular the option for the payments of the dividend in shares.

G.3.1.7 The Nomination and Remuneration Committee

[G4-52] and [G4-53]

Mission

Within its relevant fields of competence, the Nomination and Remuneration Committee shall have the task of preparing and facilitating the decisions of the Board of Directors.

With respect to nominations, the general field of competence of the Nomination and Remuneration Committee is to seek and examine any application for an appointment to the position of member of the Board of Directors or to a position of executive officer of the Company and to formulate an opinion on these applications and/or a recommendation to the Board of Directors.

The Nomination and Remuneration Committee examines major operations involving a risk of a conflict of interest between the Company and the members of the Board of Directors. The qualification of an independent Director shall be discussed by the Nomination and Remuneration Committee and reviewed and discussed each year by the Board of Directors before the publication of the Registration Document.

With respect to compensation, the Nomination and Remuneration Committee's task is to formulate proposals regarding the compensation of the Chairman and Chief Executive Officer (the amount of the fixed compensation and definition of the rules governing the variable compensation, ensuring the consistency of these rules with the annual assessment of the performances and with the medium-term strategy of the Company, as well as checking the annual application of such rules).

The Nomination and Remuneration Committee also contributes to the preparation of the profit sharing policy of the staff of the Company and its subsidiaries. In particular, the Committee's task is to formulate proposals regarding the decisions to grant options for the subscription and/or purchase of Company shares, or Company performance shares to the benefit of executive officers and Directors and any or all employee of the Company and its subsidiaries.

The rules relating to the compensation of senior executives are described in the "Executive Compensation and Stock Ownership" section of the Registration Document.

Concerning the members of the Board of Directors, the Committee is responsible for proposing to the Boards of Directors to rule each year on the total amount of the Directors' fees (*jetons de presence*) which is submitted to the approval of the General Meeting of Shareholders and the way in which such Directors' fees shall be distributed among the Directors, particularly taking into account the presence of the members at the Board of Directors meetings and the Committees of which they are members, the level of liability incurred by the Directors and the time dedicated to their functions.

The Committee also makes observations and/or recommendations related to the pension and insurance plans, payments in kind, various financial rights granted to executive officers and Directors of the Company and their subsidiaries.

Composition

During the 2016 financial year, the Nomination and Remuneration Committee was composed as follows [(1)]:

- Nicolas Bazire (Chairman)*;
- Bertrand Meunier*;
- Pasquatle Pistorio*.

All of its members are independent, being in perfect conformity with the recommendations of the AFEP-MEDEF Code. As of December 31, 2016, the Nomination and Remuneration Committee did not include an employee Director within the meaning of article L. 225-27-1 of the French Commercial Code as these provisions were not applicable to the Company.

Operating rules

The Nomination and Remuneration Committee meets without the Chairman and Chief Executive Officer's presence for the setting of the Chairman and Chief Executive Officer's compensation policy and its related objectives as well as the assessment of this latter's performance on the occasion of the allocation of his variable compensation. The Nomination and Remuneration Committee delivers an opinion to the Board of Directors on the performance of the Chairman and Chief Executive Officer.

The Chairman and Chief Executive Officer is associated to the works of the Committee relating to appointments.

Works in 2016

During the 2016 financial year, the Nomination and Remuneration Committee met 5 times. Attendance of members to the meetings was 100%.

The Nomination and Remuneration Committee met in 2016 in order to deal in particular with the following subjects so as to formulate opinions and recommendations to the Board of Directors:

- setting of the elements of the compensation of the Chairman and Chief Executive Officer for the three years of the 2017-2019 strategic orientation plan;
- review of variable compensation of the Chairman and Chief Executive Officer that is due for the second semester of 2015 and the first semester of 2016;
- setting of the performance objectives applicable to the variable compensation of the Chairman and Chief Executive Officer for the second semester of 2016, and for the first semester of 2017;
- anticipated renewal of the term of office as Director of the Chairman and Chief Executive Officer for 3 years to align it on the 2017-2019 strategic orientation plan;
- confirming the elements of the supplementary pension scheme with defined benefits benefiting to the Chairman and Chief Executive Officer on the occasion of the renewal of his term of office;
- review of the conformity with the recommendations of the revised AFEP-MEDEF Code regarding the Chairman and Chief Executive Officer's compensation;
- validation of performance terms and conditions of certain on-going performance share plans;
- setting of terms and conditions of certain on-going performance share plans (including performance conditions, shares delivery method);
- validation of performance conditions applicable to the supplementary pension scheme with defined benefits benefittingto the Chairman and Chief Executive Officer and proposal of 2016 and 2017 performance conditions under the revised scheme;
- review of a project of an employee stock ownership plan;
- review of a performance shares allocation plan in favor of the Chairman and Chief Executive Officer and a number of employees of the Group;
- review of the presentation of the elements of compensation of the Chairman and Chief Executive Officer to be submitted to the advisory vote of the shareholders during the 2016 Annual General Meeting in accordance with the provisions of the AFEP-MEDEF Code ("Say on Pay");
- composition of the Board of Directors and the renewal of Directors mandates during the 2016 Annual General Meeting;
- total amount of Directors' fees (*jetons de presence*) envelope that was proposed during the 2016 General Meeting and the terms and conditions of allocation of these Directors' fees;
- review of the Board members' independence;
- review of the terms and conditions for the nomination of one or several Directors representing the employees, in accordance with the provision of the "Rebsamen" law.

G.3.1.8 Assessment of the works of the Board of Directors

[G4-44]

As mentioned in the Internal Rules of the Board of Directors, the Board of Directors must assess its capacity to meet the expectations of the shareholders by periodically analyzing its composition, organization and its operation, as well as the composition, organization and operation of its Committees.

The Internal Rules of the Board of Directors provide that for this purpose, once a year, the Board of Directors shall devote one item on its agenda to the discussion of its operation and inform the shareholders each year, in the Registration Document, of the conduct of these assessments and the subsequent follow-up.

In accordance with the AFEP-MEDEF recommendations, the Board of Directors has undertaken since 2009 the annual assessment under the supervision of its Lead Director, Pasquale Pistorio. For the 2016 financial year, the Board decided during its meeting held on December 19, 2016, to proceed to a formalized assessment under the same conditions as for the previous years.

*(1) Independent Directors are identified by this symbol: *.*

The formalized assessment carried out on the works of the Board and its Committees during the 2016 fiscal year, allowed to deepen the appreciation of the works achieved at the Board level as well as in the Committees, as to the conditions in which these meetings are prepared and in particular at the Committees' level (the latter also being subject to an assessment).

The assessment was carried out pursuant to the following procedure:

- under the supervision of the Lead Director, each Director answers a questionnaire which he is individually provided, with the possibility of individual interviews with the Lead Director. The questionnaire addresses such topics as:
  - the suitability of the Board and Committees composition,
  - the suitability of the agenda and information provided in that respect, of the time devoted to specific subjects,
  - the suitability of the means provided to the Committees to carry out their mission,
  - the quality of the recommendation from both Committees,
  - the quality of the minutes of meetings,
  - the documents/information the Directors wish to be addressed/provided,
  - the improvements to be made;
- at the end of these works, an item was put on the agenda of the Board of Directors' meeting of February 21, 2017 in order to report on the outcome of this assessment and consider the improvements to retain.

The results of the assessment are very positive, as for the previous years. The following points emerged from the Lead Director's analysis and, were shared with all the Directors:

- the Directors were fully satisfied with the diversity of the composition of the Board of Directors, with a very satisfactory proportion of women (5/11, i.e. 45% of members) and of Directors of foreign nationality (6/11, i.e. 55% of members). They also mentioned that the diversity of skills was appropriate at the Board level;
- they were pleased that the Board of Directors addressed in 2016 in details such issues as strategy, growth and Atos positioning towards competitors, as was requested last year; they considered that it would be beneficial for this exercise to be renewed next year, for example through the organisation of a specific day devoted to these strategic topics;
- the functioning of the Board and its Committees was most appreciated; the Directors generally underlined the high quality of the supporting documentation and considered that sustainability and corporate responsibility topics - for which Atos has been benefiting of a large recognition in the last few years and in particular in 2016 (DJSI World and Europe at "Gold Class" level for a second year in a row and a n°1 DJSI positioning in the IT services sector in the world and in Europe)- should be discussed in details at Board level one or two times a year next year.

The assessment of the performance of the Chief Executive Officer took place twice in 2016, during the Board of Directors' meetings that ruled in February and July, respectively for the second semester 2015 and the first semester 2016, on the achievement of the performance criteria of the Chairman and Chief Executive Officer's variable compensation.

G.3.2 Internal control

The internal control system whose definition is stated in section G.3.2.1 below and designed within Atos relies on the internal control reference framework prescribed by the AMF (Autorité des Marchés Financiers).

The "general principles" section of the AMF framework has been used to describe in a structured manner the components of the internal control system of Atos — section G.3.2.3 Components of the internal control system. Specific attention has been given to the internal control system relating to accounting and financial information — section G.3.2.4 Systems related to accounting and financial information, in compliance with the application guide of the AMF.

Internal control players are described in section G.3.2.2 Internal control system players.

G.3.2.1 Internal control definition and objectives

Internal control system designed throughout the Group aims to ensure:

- compliance with applicable laws and regulations;
- application of instructions and directional guidelines settled by general management;
- correct functioning of Company's internal processes particularly those implicating the safeguarding of its assets;
- reliability of financial information.

One of the objectives of internal control procedures is to prevent and control risks of error and fraud, in particular in the accounting and financial areas. As for any internal control system, this mechanism can only provide reasonable assurance and not an absolute guarantee against these risks.

G.3.2.2 Internal control system players

The main bodies involved in the implementation of internal control procedures at Atos are as follows:

Board of Directors supported by Audit Committee

The Board of Directors prepares governance rules detailing the Board's role supported by its Committees. Those Committees enlighten the Board as to the quality of the internal control system. The Audit Committee, in particular, is informed of the content and the implementation of internal control procedures used to ensure the reliability and accuracy of financial information and stays informed about the proper implementation of the Internal Control System.

General management and Executive Committee

General management is responsible for the management of the Group's business and focuses on strategic aspects to develop the Group. As part of its role, general management defines the framework of the internal control system.

The Executive Committee leads the operational performance of the Group. Management at different levels is responsible for implementing and monitoring the internal control system within their respective areas of responsibility.

Audit, Risk and Compliance (ARC) Committees

At Global Division level, ARC has been setup under the supervision of Group Internal Audit, in order to strengthen the local supervision of Internal Control topics. Their purpose is to share the main audit conclusions with local management, and to review action plans related to identified weaknesses or potential risks.

Internal control & ERM (Enterprise Risk Management)

Internal control & ERM function is to ensure the coordination of the internal control system, like the implementation of the Book of Internal Control and its continuous improvement within the Group. Internal control also runs the Enterprise Risk assessment.

Internal control relays in each Global Function/Division/GBU assist in the deployment of the various initiatives.

Internal Audit

The Internal Audit organization is centralized which enables a global working practice following one Group audit plan and a consistent audit methodology. Internal Audit operating principles are defined in the Group Internal Audit Charter, which was validated by general management. The Audit Committee also received regular reports on the Internal Audit work plan, objectives of assignments, and associated results and findings. The Internal Audit department liaises with the statutory auditors to ensure an appropriate co-ordination between internal and external control.

In 2016, Group Internal Audit department obtained the renewal of the French Institute for Internal Audit's IFACI certification. This accreditation attests to the quality of the Internal Audit (IA) function in organizations, the level of compliance with international standards and IA's degree of control over key challenges.

G.3.2.3 Components of the internal control system

A - Organization/control environment

The organization, competencies, systems and policies (methods, procedures and practices) represent the ground layer of the internal control system and the fundamentals of the Group. The main components are presented in this section.

Matrix organization: The Company runs a matrix organization structure that combines operational management (Global Business Units (Geographies)/Divisions) and Functional Management (Sales & Markets and Support Functions). This matrix structure allows a dual view on all operations and therefore enhances the control environment.

Compliance coordination: Compliance is managed by a committee chaired by the Group General Counsel, in order to ensure that the organizations, processes and activities effectively support the compliance policy of Atos.

Responsibilities and powers: The following initiatives aim to frame the assignment of responsibilities:

- **delegation of Authority:** In order to ensure efficient and effective management control from the country level to general management level, a formal policy sets out the authorization of officers of subsidiaries to incur legal commitments on behalf of the Group with clients, suppliers and other third parties. The delegation of authority policy has been updated in January 2014, approved by the Board of Directors and rolled-out under the supervision of the Group Legal & Compliance department;
- **segregation of Duties:** The segregation of duties (SOD) policy is defining accountability for implementing and monitoring organizational and technical measures proportionate to the risks of errors or fraud. A tool has been used to perform automatic assessments of those rules in the main systems.

Policies and procedures: The key policies and procedures contributing to an appropriate control environment include:

- **the Code of Ethics:** As described in section *G.6.2 Code of Ethics*, and in line with Atos commitment to Corporate Social Responsibility (Atos has signed the UN Global Compact), this Code, part of each employee's work contract outlines the importance paid by Atos for compliant, ethical and fair business behaviors;
- **Atos Rainbow:** Rainbow is a set of procedures and tools that provides a formal and standard approach to bid management, balancing sales opportunities and risk management for all types of opportunities. Rainbow is the means by which Atos' management is involved in controlling and guiding the acquisition of the Group's contracts. Above specific thresholds Rainbow reviews are performed at general management level;
- **operational policies and procedures** have also been implemented in all departments. The main impacting policies and procedures in terms of internal control include "Payments & Treasury Security Rules", "Pension Governance", "Investment Committee", "Data Protections", "Contributions", "Safety and Physical Security" and "Credit Risk Policy". They are gathered in the Book of Internal Policies.

Process management: Along with the centralization of the Group Policies, the "Business Process and Rollout Management" (BPOM) department focuses on creating an Atos Business Process Center of Excellence (BPCOE) in coordination with business process owners and the functions related to Internal Control, Quality, security etc. The BPCOE community, supported by process analysts, is responsible for documenting existing and targeted business processes, including the supporting organization, KPIs, and internally and externally mandated compliance parameters.

Human Resource management: The Group Human Resource management policy relies on the ***Global Capability Model*** (GCM) which is a standard for categorizing jobs by experience and expertise across the Group. A Group Policy on bonus scheme completes this system by setting incentives.

Information Systems: Group Business Process and Internal IT department is in place to provide common internal IT infrastructures and applications for Atos staff worldwide. It supports functions like Finance (accounting and reporting applications), Human Resources (resourcing tool, corporate directory), Communication (Group websites and Intranet) or Project Managers (capacity planning and project management).

Security and access to these infrastructures and applications as well as their reliability and performance are managed by this department and benefit from the core expertise and resources from the Group.

B – Communication of relevant and reliable information

Several processes are in place to ensure that relevant and reliable information is provided within the Group.

Monthly reviews of operational performance by Division and Operational Entity are organized under the responsibility of the Group Chief Financial Officer and in the presence of the relevant Executive Vice-Presidents.

A shared ERP system is deployed and used in most countries of the Group, enabling easier exchange of operational information. It allows producing cross border reporting and analysis (cross border project analysis, customer profitability…) as well as business reports through different analytical axis (Division, geographical and market axis).

Formal information reporting lines have been defined, following the operational and the functional structures. This formal reporting, based on standard formats, concerns both financial and non-financial information as well as operational risks (through Risk Management Committees), treasury (with Payments and Treasury Security Committee), or financial restructuring (Equity Committee).

This bottom-up communication is accompanied by top-down instructions, issued regularly, and especially for budgeting and financial reporting sessions.

C – System for risk management

Risk management refers to means deployed in Atos to identify, analyze and manage risks. Although risk management is part of a manager's day to day decision making process, specific formal initiatives have been led concerning risk management, as described in section F5 –Risk management activities of this document.

Risk management activities include a yearly Enterprise Risk Management assessment, identifying the key challenges that may impact the company. The ERM methodology is also used to perform the Legal Risk Mapping, targeting more specifically legal and compliance risks.

Operational risks on projects are managed by the risk management function (including a Group Risk Management Committee who met monthly to review the most significant and challenging contracts). Similarly, the same process has been reproduced for R&D projects with a dedicated organization.

Risks related to logical or physical security are managed by the Security Function.

All risk management activities include an assessment of the key risks, and a regular follow up of mitigation actions.

Control activities have also been implemented (through the Book of Internal Control), on the basis of main risks identified, as described next section related to "control activities".

D - Control activities

Atos key control activities are described in the Book of Internal Control (BIC). This document, sent out to all entities by the general management, complements the different procedures by addressing the key control objectives of each process to achieve an appropriate level of internal control.

It doesn't cover only the financial processes, but also the various operational processes (Opportunity to Order, Order to Cash, Offering Lifecycle, HR Management) and Risk & Compliance activities (Security, Legal, Sustainability).

An updated version of the Book of Internal Control has been released and distributed throughout the Group in January 2016, in order to take into account additional controls and some improvements in various processes. This framework will continue to evolve, according to growing maturity of processes and emerging risks.

An IT control framework (part of the BIC) has been defined, detailing control activities related to client service. This framework has been used to issue "ISAE3402" reports [1] for several Atos clients.

E - Monitoring

Monitoring of internal control system is the responsibility of the Group and Local Management, and is also supported by Internal Audit missions.

Control self-assessments are performed by the main Functions through questionnaires filled by GBUs/Countries, and reviewed at Group level. Action plans are initiated when deviations were reported.

Internal Audit is ensuring, through its reviews, that the internal control procedures are properly applied and supports the development of internal control procedures. Internal Audit also defined, in partnership with Group and Local management, action plans for continuously improving internal control processes.

In 2016, Internal Audit carried out a total of 51 audit assignments (including investigations at the request of general management) assessing the functioning of internal control system: 27 in the domain of support functions (Finance, Human Resources, Purchasing, Sales) and 24 related to Operations/core business. All assignments have been finalized by the issuance of an audit report including action plans to be implemented by the related division or country.

Twice a year, a full review of high and medium open recommendations is performed by Internal Audit with concerned owners, and reported up to the Group Executive Committee. End 2016, circa 85% of audit recommendations have been implemented in due time.

Internal Audit has also actively contributed to help the business meeting the compliance requirements to maintain the "payments institution" status for Worldline Belgium. An annual assessment has therefore been included in the audit plan.

Audits on Service Organization Controls (SOC) have been performed by independent auditors for the main service providers who run processes on behalf of Atos, notably in the areas of payroll processing, accounts payable management or general ledger accounting processing.

G.3.2.4 Systems related to accounting and financial information

The financial governance of the Group supports a set of global financial processes, which are part of the Group Internal Control system and are carefully monitored due to their sensitive nature:

- finance processes: general accounting, budgeting and forecasting, consolidation and reporting, treasury, credit risk management;
- "expert" functions processes: taxes, insurance, pensions, real estate transactions;
- operational processes: bidding, contract execution, financial business model.

A - Local and Group financial organization

The management of the Finance function is performed through two main Committees that meet on a bi-monthly basis and are chaired by the Group CFO:

- **the Group Finance Committee** (GFC) is composed of the Directors of the main functions within the Finance organization and Finance Directors of the Divisions. This Committee deals with cross functional topics critical to the Group;
- the **Operational Finance Committee** (OFC) comprises CFOs from the GBUs, Treasury and Controlling Directors (and other Directors according to the agenda). It deals with operational topics and GBU specific issues.

A direct reporting line to the Group Finance Function, as it is the case for the other support functions, reinforces the integration of the financial function, contributes to the full alignment of key finance processes and provides an appropriate support to operational entities of the Group.

The Group Finance department is in charge of piloting the **financial processes**, especially through financial consolidation, monitoring of compliance matters, supply of expertise and control of the reported financial information. Group Finance reviews significant accounting options and positions, as well as potential Internal Control weaknesses, and it initiates any required corrective actions.

(1) ISAE3402 (International Standards for Assurance Engagements (ISAE) No. 3402). A global assurance standard for reporting on controls at a service organization used for auditor's report on internal control of a service to a third party. Activities of Atos typically have an impact on the control environment of its clients (through information systems), which may require the issuance of "ISAE3402 reports" for the controls ensured by Atos.

B – Group Finance policies & procedures

Group Finance has drawn up a number of Group policies and procedures to control how financial information is recorded and processed in the subsidiaries. These policies and procedures are discussed with the statutory external auditors before issuance. They cover a number of elements:

- **Financial accounting policies** cover Group reporting and accounting principles, guidelines on how financial information must be prepared, with common presentation and valuation standards. They also specify the accounting principles to be followed by Atos entities in order to prepare budgets, forecasts and submit actual financial reporting required for Group consolidation purposes. Group Reporting Definitions (GRDs), internal guidelines for IFRS and accounting rules applicable in the Operations, are regularly updated.

Training and information sessions are organized regularly in order to disseminate these policies and procedures within the Group. A dedicated Intranet site is accessible to all accounting staff to facilitate the sharing of knowledge and issues raised by members of the Atos financial community.

- **Instructions and timetable:** Financial reporting including budgets, forecasts and financial statements by subsidiary is performed in a standard format and within a timetable defined by specific instructions and procedures. Group Finance liaises with statutory auditors to coordinate the annual and half-year closing process.

C – Information systems

Information systems play a key role in the establishment and maintenance of a control system related to accounting and financial information. They have strongly structured the processes and have enabled automated preventive controls. They also provide ongoing monitoring and analysis capabilities.

An integrated ERP system supports the production of accounting and financial information in almost all the subsidiaries within the Group except for those recently acquired.

A **single group reporting and consolidation tool** is used for financial reporting (operational management reporting and statutory data). Each subsidiary reports its financial statements on a standalone basis in order to be consolidated at Group level. There is no intermediary consolidation level and all accounting entries linked to the Group consolidation remain under the direct control of Group Finance. Off balance sheet commitments are reported as part of the mainstream financial information and are reviewed by Group Finance.

D – Monitoring and control

In addition to the financial processes defined, monitoring and control processes aims to ensure that accounting and financial information complies with all applicable policies, rules and instructions.

The Closing File (which is closely linked with the Book of Internal Control) has been deployed at local level across all GBUs. It requires the main subsidiaries to complete a standard electronic closing file on a quarterly basis in order to formalize key internal controls performed over financial cycles and provide appropriate back up to support closing positions. Templates created by Group Finance illustrate the expected level of control for the main items.

Functional reviews are performed by Group financial support functions on significant matters relating to financial reporting, such as tax issues, pensions, litigations, off balance sheet items or business performance and forecasts.

Operational and financial reviews: Group Controlling supports Operations and general management in the decision making process through monthly reviews and by establishing a strong link with country and division management in performing financial analysis and monitoring, enhancing control over operations and improving the accuracy and reliability of information reported to the Group.

Representation letters: During the annual and half-year accounts preparation, the management and financial head of each subsidiary are required to certify in writing that:

- they have complied with the Group's accounting rules and policies;
- they are not aware of cases of proven or potential fraud that may have an impact on the financial statements;
- the estimated amounts resulting from assumptions made by management enable the Company to execute the corresponding actions; and
- to the best of their knowledge, there was no major dysfunction in the control systems in place within their respective subsidiaries.

Internal Audit department: The review of the internal control procedures linked to the processing of financial information is a key component of the reviews conducted by the Internal Audit department on an ongoing basis. The Internal Audit department works together with Group Finance to identify the main risks and to focus its audit plan accordingly.

G.3.2.5 Outlook and related new procedures to be implemented

In 2017, financial, commercial and social development programs, as well as other transformation initiatives, will pursue their effects to improve and streamline processes, with benefits for the Internal Control System. In particular, recently acquired entities will be fully integrated in Atos internal control system.

Initiatives identified through the updated risk mapping will be monitored to ensure that proper attention is given to those topics.

The Internal Audit department will pursue the internal review program updated following the risk assessment performed in 2016, and the follow-up of its recommendations.

Conclusion

Based on the above, we have no other observation with regard to internal control and procedures implemented by the Group.

The above elements participate to guarantee the appropriate level of internal control even if they cannot provide an absolute guarantee that the Group's goals in this respect will be achieved and that all risks will have been completely eliminated.

Thierry Breton

Chairman & Chief Executive Officer

G.3.3 Statutory auditors' report prepared in accordance with article L. 225-235 of French Commercial Code (Code de Commerce) on the report prepared by the Chairman of the Board of Directors of Atos SE

This is a free translation into English of the statutory auditors' report issued in French prepared in accordance with article L. 225-235 of French Commercial Code on the report prepared by the Chairman of the Board of Directors issued in French and is provided solely for the convenience of English speaking users.

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

To the Shareholders,

In our capacity as statutory auditors of Atos SE and in accordance with article L. 225-235 of French Commercial Code (Code de Commerce), we hereby report on the report prepared by the Chairman of your company in accordance with article L. 225-37 of French Commercial Code (Code de Commerce) for the year ended 31 December 2016.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the company and containing the other disclosures required by article L. 225-37 of French Commercial Code (Code de Commerce), particularly in terms of corporate governance.

It is our responsibility:

- to report to you on the information contained in the Chairman's report in respect of the internal control procedures relating to the preparation and processing of the accounting and financial information; and
- to attest that this report contains the other disclosures required by article L. 225-37 of French Commercial Code (Code de commerce), being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control procedures and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- obtaining an understanding of the internal control procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and the existing documentation;
- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with article L. 225-37 of French Commercial Code (Code de Commerce).

Other disclosures

We attest that the Chairman's report includes the other disclosures required by article L. 225-37 of French Commercial Code (Code de commerce).

Neuilly-sur-Seine, March 30, 2017

The statutory auditors

French original signed by

Deloitte & Associés
Jean-Pierre Agazzi

Grant Thornton
French member of Grant Thornton International
Victor Amselem

G.4 Executive compensation and stock ownership

G.4.1 Directors' fees

[G4-51]

In accordance with a resolution adopted at the Combined General Meeting of May 26, 2016, the 2016 annual budget for directors' fees was set at € 500,000.

The rules of payment of the directors' fees are set by the Board of Directors, based on the proposal of the Nomination and Remuneration Committee. In order to enhance its compliance with the AFEP-MEDEF Code, the Board of Directors, during its meeting held on December 17, 2015, on the proposal from the Nomination and Remuneration Committee, decided to amend the allocation rules of the Directors' fees in order to include a significant variable portion, by increasing by 50% the amount of the variable compensation for each attended Board meeting and by reducing the amount of the fixed compensation by 20%. For 2016, the fees were allocated on the basis of the following principles:

- for the Board of Directors: a fixed compensation of € 20,000 per director plus a variable fee of € 1,500 per attended meeting. The lead director receives an additional compensation of € 1,500 for each attended Board meeting;
- for the Committees: compensation remains unchanged and is only based on attendance to the meetings: € 1,500 per attended meeting for the Chairman of the said Committee and € 750 per attended meeting for each member of the Committee.

As it was the case the previous years, Thierry Breton has renounced to the director's fees he was entitled to.

With the exception of (i) Thierry Breton, Chairman and Chief Executive Officer, (ii) Jean Fleming, director representing employee shareholders, and (iii) Aminata Niane, entrusted by the Board of Directors with a 12-months mission concerning Atos Group operations in West Africa and Morocco [(1)], the members of the Board of Directors did not receive in 2016 any other compensation from Atos SE or any of its subsidiaries.

(1) Atos SE's Board of Directors decided on March 26, 2015 to entrust Ms. Aminata Niane, in her capacity as Director, with a specific mission concerning Atos Group operations in West Africa and Morocco, pursuant to the provisions of article L. 225-46 of the French Commercial Code. On February 23, 2016, the Board of Directors approved the start of her mission of twelve months as from March 1, 2016. Ms Niane's compensation pursuant to this mission amounts to 50,000 euros over 12 months. The compensation owed pursuant to 2016 amounts to 41,666.60 euros.

Director's fees paid and due to directors according to their attendance at the Board of Directors and Committees meetings in 2016.

(in euros)	2016				2015			
	Paid[a]		Owed[b]		Paid[c]		Owed[d]	
Nicolas Bazire	44,500		44,000		48,500		44,500	
Jean-Paul Béchat	N/A		N/A		42,966[1]		N/A	
Valérie Bernis	24,877[2]		33.500		N/A		24,877[2]	
Thierry Breton	-		-		-		-	
Roland Busch	26,000	*	29,750	*	36,500	*	26,000	*
Jean Fleming[3]	35,000	*	35,000	*	39,000	*	35,000	*
Bertrand Meunier	39,500	*	47,000	*	44,750	*	39,500	*
Colette Neuville	37,000		38,000		41,000		37,000	
Aminata Niane	39,500	*	43,250	*	36,250	*	39,500	*
Lynn Paine	37,000	*	38,000	*	41,000	*	37,000	*
Michel Paris	9,322		N/A		44,500		9,322	
Pasquale Pistorio	46,000	*	47,750	*	51,250	*	46,000	*
Vernon Sankey	47,500	*	48,500	*	48,393[4]	*	47,500	*
Lionel Zinsou-Derlin	N/A		N/A		18,068[5]		N/A	
TOTAL	**386,199**		**404,750**		**492,177**		**386,199**	

N/A: non applicable.
* *These fees granted to directors residing outside of France correspond to the amounts paid or due by Atos SE before withholding tax.*
a *Directors' fees paid in 2016 for the year 2015.*
b *Directors' fees due for the year 2016.*
c *Directors' fees paid in 2015 for the year 2014.*
d *Directors' fees due for the year 2015.*
1 *Mr. Jean-Paul Béchat died on November 24, 2014. The fixed portion of his Directors' fees for 2014 was calculated on a pro rata basis up to this date.*
2 *Ms. Valérie Bernis was appointed Director on a temporary basis by the Board of Directors during its meeting held on April 15, 2015, The fixed portion of her directors' fees for 2015 was calculated on a prorata basis as from her temporary appointment.*
3 *Ms. Jean Fleming, director representing employee shareholders is employed by Atos IT Services UK Limited.*
4 *An additional € 2,143 was paid to Mr. Vernon Sankey to compensate his activity as Acting Chairman of the Audit Committee during the last months of 2014.*
5 *The term of office of Mr. Lionel Zinsou-Derlin ended at the Combined General Meeting of May 27, 2014. The fixed portion of his directors' fees for 2014 was calculated on a pro rata basis up to this date.*

G.4.2 Executive compensation

[G4-51]

Thierry Breton was appointed Chairman of the Management Board on November 16, 2008 and has been Chairman of the Board and Chief Executive Officer since February 10, 2009. On December 30, 2016, following the General Meeting of the Atos Shareholders, which approved the renewal by anticipation of Thierry Breton's term of office for a three-year period aligned with the duration of the 2017-2019 strategic plan, the Board of Directors renewed his mandate as Chairman of the Board and Chief Executive Officer. This new mandate will end in 2019 on the date of the Shareholders' General Meeting validating the 2018 consolidated financial statements.

G.4.2.1 Principles of the compensation of Thierry Breton – Chairman and Chief Executive Officer

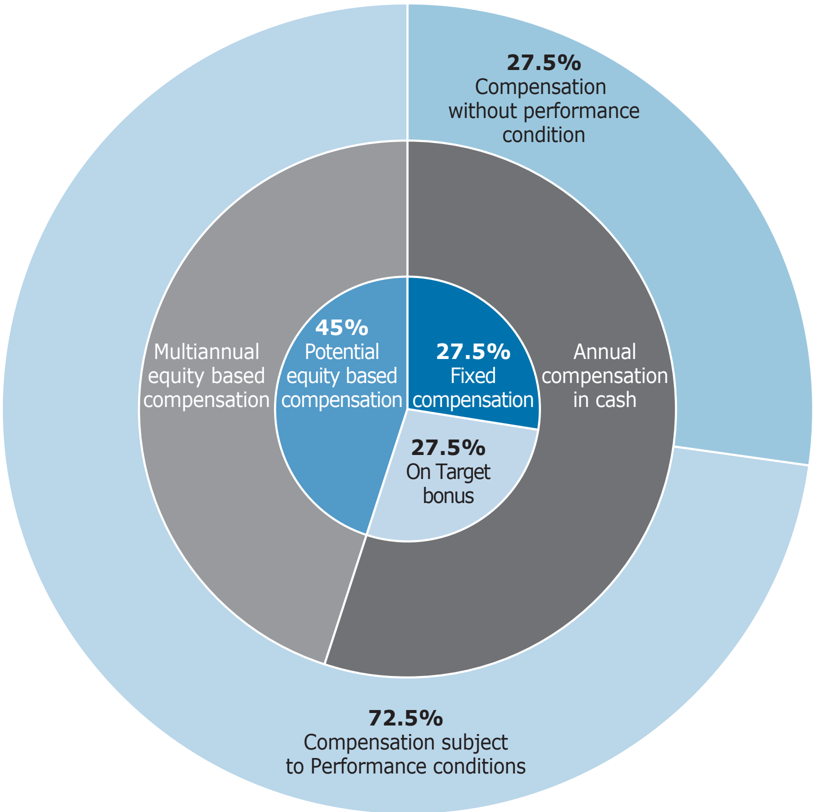
The principles of the compensation of the Chairman and CEO of Atos SE are proposed by the Nomination and Remuneration Committee, approved by the Board of Directors and submitted to the Shareholders' vote. The Nomination and Remuneration Committee's role and composition are detailed in a dedicated paragraph in the corporate governance section of this document.

The principles governing the determination of the compensation of the Chairman and CEO are established in the framework of the AFEP-MEDEF Code to which the Company is referring:

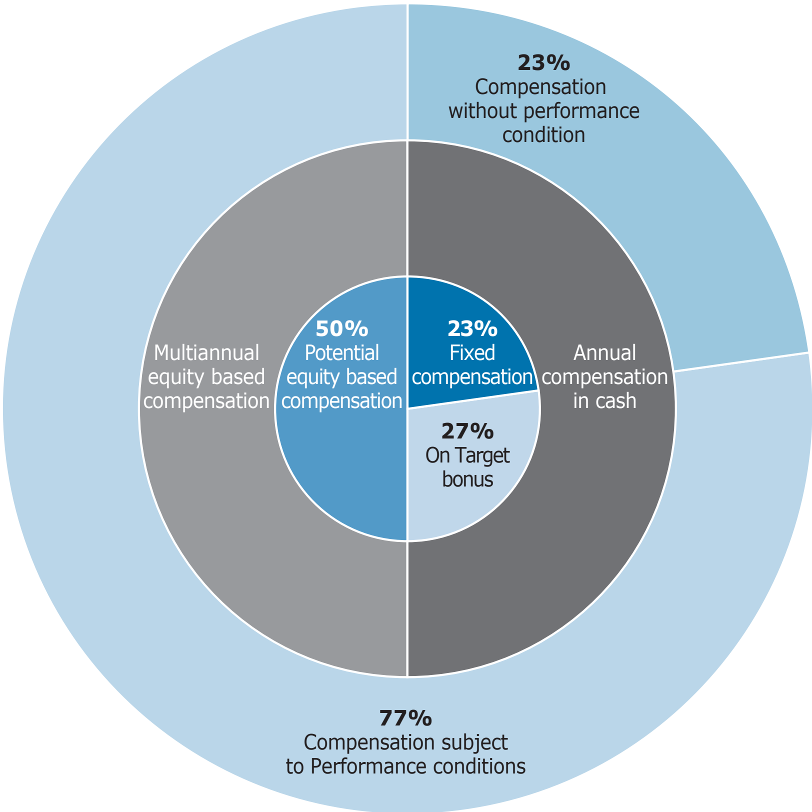
- Principle of **balance**: the Nomination and Remuneration Committee ensures that no element represents a disproportionate share of the Chairman and CEO's compensation.

- Principle of **competitiveness**: The Nomination and Remuneration Committee also ensures the competitiveness of the remuneration of the Chairman and CEO, through regular compensation surveys.
- Related to **performance**: The Chairman and CEO's compensation is closely linked to **company performance**, notably through a variable compensation plan determined on a half-year basis. The payment of the semester bonuses is subject to the achievement of precise, simple, and measurable objectives which are closely linked to Company's objectives, as regularly disclosed to the shareholders. In order to develop a **community of interest with the Group's shareholders** and to associate Atos managers and Chairman and CEO with the performance and financial results of the Company in a long-term perspective, a part of their compensation is equity based, including performance shares. Finally, the compensation policy of the Chairman and CEO supports Atos' commitment to corporate responsibility. In this context, performance criteria related to the **social and environmental responsibility** of the Company have been established in the performance share plans granted as from 2013.

IN THE CONTEXT OF THE THREE-YEAR PLAN: "2016 AMBITION"



IN THE CONTEXT OF THE THREE-YEAR PLAN: "2019 AMBITION"



The Board of Directors, during its meeting on November 24, 2016, implemented the principle of competiveness by basing its decision of setting the compensation applicable throughout the plan 2017-2019, on comparisons with nation-wide, European, international and sectoral references; this benchmarking outlined the consistency between the Company's performance and the resulting financial recognition for the Chairman and CEO.

G.4.2.2 Elements of the compensation of Thierry Breton – Chairman and Chief Executive Officer

For the 2016 year

The elements of the compensation of Thierry Breton, Atos SE Chairman and CEO, were decided by the Board of Directors during a meeting held on December 22, 2011, upon recommendation of the Nomination and Remuneration Committee. This decision has been confirmed following the General Meeting of Shareholders held on May 30, 2012, on the renewal of Thierry Breton's mandate, as well as during the Meeting held on November 18, 2013, following the adoption of Atos' strategic orientations to 2016.

Moreover, for the first time, Atos submitted to the vote of the shareholders, during the General Meeting held on December 27, 2013, a specific resolution on the main strategic guidelines of the Group for the period 2014-2016, which was adopted with 99.63% of the vote. This resolution also included all the various elements composing the compensation of the Chairman and CEO for the period 2014-2016, which are consubstantial with the strategic plan, and as they have been approved by the Board of Directors.

These elements include:

- a **total compensation in cash**, from January 1, 2012, which has been maintained for the three-year plan "2016 Ambition", and which is composed of:
  - fixed Annual Compensation of € 1.35 million;
  - variable compensation, subject to performance conditions, annual target being equal to € 1.35 million, with a maximum payment capped at 130% of the target variable compensation in case of over-performance and no minimum payment.

In order to monitor **Company's performance** more closely and establish a proactive way to support its strategic plan, the performance objectives for the Chairman and CEO are set and reviewed on a half-year basis. As a consequence, the variable compensation is paid every 6 months (usually in February or March, for the payment of the second semester of the previous year's bonus, and in August for the payment of the current year first semester's bonus).

Thus, **due remuneration** reflects amounts due for the first and second semesters of the relevant year; and **paid remuneration** reflects amounts paid for the second semester of the previous year and the following first semester.

The variable compensation of the Chairman and CEO is conditional, based on clear and demanding operating performance criteria exclusively related to quantitative and financial objectives. The objectives are fully aligned with the Group Ambitions, as they are regularly presented to the shareholders. Thus, objectives for the first-half of the year are set on the basis of the Company's budget approved by the Board of Directors in December and objectives for the second-half of the year on the basis of the "Full Year Forecast 2" approved in July.

Regarding the 2016 year, the nature and weighting of each indicator of the variable on-target Bonus of the Chairman and CEO are the following:

- Group operating margin (40%),
- Group free cash flow before equity changes, dividends paid to shareholders, and acquisitions/disposals (30%),
- Group revenue organic growth (30%);

- **Equity based compensation**: the Board of Directors, during the meeting held on May 30, 2012, and upon recommendation of the Nomination and Remuneration Committee, has set the weight of equity based compensation in the global compensation of the Chairman and Chief Executive Officer. Thus, according to the recommendations of the AFEP-MEDEF, and with consideration of market practices documented in the Registration Documents of CAC 40 companies, the Board of Directors ensured that compensation in the form of options and shares valued in accordance with IFRS standards, does not represent a disproportionate percentage of the Chairman and CEO's total compensation, by setting a maximum percentage.

  Thus, for the period of the three-year plan "2016 Ambition", total annual equity based compensation to the Chairman and CEO is limited, per annum, to circa 45% of the global remuneration of the Chairman and CEO, such compensation being subject to achieving several demanding performance conditions determined by the Board of Directors, whether internal or external, and based on financial criteria (such as: profitability, free cash flow and revenue growth) and corporate social responsibility objectives

- **Benefits in kind** granted to the Chairman and CEO since his appointment remained unchanged.

As from January 1, 2017

On the occasion of the presentation of the new 2017-2019 strategic plan, Atos submitted to its shareholders' vote, during the General Meeting held on December 30, 2016, a specific resolution on the elements of the compensation of the Chairman and CEO. This vote offered the shareholders, by anticipation of the new legal framework defined by the Sapin 2 law, the possibility to vote on all the various elements composing the compensation of the Chairman and Chief Executive Officer, which are consubstantial to the strategic plan, and as they have been decided by the Board of Directors. The shareholders approved this resolution with 81.73% of the vote.

These elements include:

- a **total compensation in cash**, from January 1, 2017, which is composed of:
  - fixed annual compensation of € 1.4 million,
  - variable compensation, subject to performance conditions, annual target being equal to € 1.65 million, with a maximum payment capped at 130% of the target variable compensation in case of over-performance and no minimum payment.
  - The performance objectives remain set and reviewed on a half-year basis and fully aligned with the Group Ambitions, as they are regularly presented to the shareholders;
- **equity based compensation**: for the period of the 2017-2019 strategic plan, the total equity based compensation of the Chairman and CEO is limited, based on the fair value set by reference to IFRS 2 recognized in the consolidated financial statements, to circa 50% of the global compensation of the Chairman and CEO. This 50% cap will be assessed over the duration of the 2017-2019 strategic plan and not on a yearly basis. Thus, every year, the Board of Directors will adapt the equity based compensation on the basis of equity granted for the past financial year, in order to comply with this cap;
- **benefits in kind** that remain unchanged.

In accordance with the provisions of the law of December 9, 2016, the so-called "Sapin 2" law, a resolution including the principles and criteria for setting, allocating, and granting the fixed, variable, long-term and exceptional elements making up the total compensation and all fringe benefits of the Executive Director will be submit to the shareholders' vote, during the Annual General Meeting which will be held on May 24, 2017.

G.4.2.3 Summary of the Compensation and Stock-Options and Performance Shares granted to the Chairman and CEO – AMF Table 1

Thierry Breton – Chairman and CEO	2016 *(in euros)*	2015 *(in euros)*
Due remuneration for the relevant year	3,013,729	2,799,533
Value of options granted during the year	-	-
Value of Performance Shares granted during the year	2,456,445	2,142,282
TOTAL	**5,470,174**	**4,941,815**

As a reminder, performance shares granted by the Board of Directors to the Chairman and CEO, on July 28, 2015 according to the authorization granted by the Atos shareholders' Combined General Meeting held on May 27, 2014 (22nd resolution), and on July 26, 2016, according to the authorization granted by the Atos shareholders' Combined General Meeting held on May 26, 2016 (20th resolution), after modulation according to the effective performance of the Group in 2016, have been valued based on fair value as determined pursuant to IFRS 2 standard retained for the consolidated financial statements.

G.4.2.4 Summary of the Chairman and CEO's compensation, paid by the Company and its subsidiaries – AMF Table 2

	2016		2015	
(in euros)	Due	Paid	Due	Paid
Fixed remuneration	1,350,000	1,350,000	1,350,000	1,350,000
Variable remuneration	1,656,991	1,602,991	1,442,813	1,371,263
Exceptional remuneration	-	-	-	-
Atos SE director's fees	-	-	-	-
Fringe benefits	6,738	6,738	6,720	6,720
TOTAL	**3,013,729**	**2,959,729**	**2,799,533**	**2,727,983**

In 2015, the financial objectives achievement has triggered a payout rate in percentage of the target variable compensation at 103.3% for the first semester and 110.4% for the second semester. For 2015, the annual variable compensation due to the Chairman and CEO corresponds to 106.9% of his target annual variable compensation.

In 2016, the financial objectives achievement has triggered a payout rate in percentage of the target variable compensation for the first and the second semester at 127.1% and 118.4% respectively. For 2016, the annual variable compensation due to the Chairman and CEO corresponds to 122.7% of his target annual variable compensation.

		2016		2015	
		First-half	Second-half	First-half	Second-half
Indicators	Weight	Payout*	Payout*	Payout*	Payout*
Group operating margin	40%	>100%	>100%	>100%	>100%
Group free cash flow [1]	30%	>100%	>100%	>100%	>100%
Group revenue organic growth	30%	>100%	>100%	<100%	100.0%
Payout in % of the semester on-target bonus		**127.1%**	**118.4%**	**103.3%**	**110.4%**

* *on the basis of the elasticity curve capped at 130%.*
1 *before acquisition/disposal and variation of equity and dividends.*

G.4.2.5 Fringe benefits of the Executive Director – AMF Table 11

Thierry Breton, the Chairman and CEO, does not have an employment contract and will not receive a severance payment at the end of his mandate nor any compensation for non-compete clause in the event of termination of his mandate.

Chairman and Chief Executive Officer	Employment contract YES/NO	Supplementary Pension plan YES/NO	Payments or Benefits effectively or potentially due in the event of termination or change of position YES/NO	Non-Compete Clause payment YES/NO
Thierry Breton Chairman of the Management Directory November 16, 2008 - February 10, 2009 Chief Executive Officer February 10, 2009 to date	NO	YES	NO	NO

Supplementary Pension Plan: The Chairman and CEO benefits from the supplementary pension plan reserved for members of the Group's Executive Committee ending their career at Atos SE or Atos International SAS governed by article L. 137-11 of the French Social Security Code. The beneficiary group is thus wider than the inner circle of executive directors.

The implementation of the Pension Plan of the Executive Committee members for the benefit of the present Chairman and CEO was authorized by the Board of Directors on March 26, 2009, was approved by the General Meeting of Shareholders on May 26, 2009 under the 4th resolution, and confirmed by the Board of Directors on December 17, 2009.

Atos SE and Atos International SAS examined, end of 2014 and beginning of 2015, the opportunity of strengthening the conditions for the acquisition of pension rights by providing for an acquisition of these rights conditioned upon the achievement of performance criteria.

In this context, on the basis of the report and recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company authorized on March 26, 2015 the revision of the existing collective supplementary pension scheme with defined benefits to the benefit of the members of the Executive Committee ending their career within Atos SE or Atos International SAS, because it also applies to the Chairman and Chief Executive Officer. These modifications were approved by the General Meeting of Shareholders on May 28, 2015 under the 10th resolution.

Within the framework of the renewal of the mandate as Chairman and Chief Executive Officer, pursuant to article L. 225-42-1 of the French Commercial Code, the Board of Directors, on November 24, 2016, acknowledged the compliance of the commitment with the Macron law provisions (cap on the rights granted, performance conditions) and authorized the continuance of the collective supplementary pension scheme with defined benefits to the benefit of the Chairman and Chief Executive Officer. The continuance of this commitment was approved by the General Meeting of Shareholders on December 30, 2016 under the 2nd resolution with 89.68% of the vote.

Performance conditions for pension rights acquisition in respect of the supplementary pension scheme

According to new plan rules, the acquisition of rights under the supplementary pension scheme is now subject to performance conditions set annually by Atos SE Board of Directors which may in particular refer to the performance conditions contained in stock option plans or free shares plans or to any other condition which it will consider more relevant.

Each year, the Board of Directors will meet in order to verify the completion, of the performance conditions during the preceding year.

Entire calendar quarters for periods after January 1, 2015 are only taken into account to assess the amount of the pension supplement if they relate to a year during which the performance conditions set by the Board of Directors will have been achieved. Failing that, the corresponding quarters will not be taken into account to determine the pension supplement.

The periods prior to January 1, 2015 are also subject to performance conditions and, likewise, will only be taken into account to determine the amount of the pension supplement if for each year, the performance conditions then set by the Board of Directors, either for the vesting of stock-options plans or for the vesting of free performance shares plans, were met.

Thus failing any performance conditions assessed for 2008, no entire calendar quarters related to this year will be taken into account in the assessment of the amount of the pension supplement.

Moreover, for the award of the additional pension it is expected that at least two-thirds of the years are validated under the performance conditions here above mentioned, during Mr. Thierry Breton's membership in the Executive Committee while performing his various terms of office. The Board of Directors will meet at the end of the term of office of the concerned person to verify whether this two-thirds requirement is satisfied. If that is the case, Mr. Thierry Breton will hence benefit to a pension supplement. Failing that, he will not be provided with any additional pension.

For the year 2015, the Board of Directors decided on March 26, 2015 to condition the acquisition of rights under the supplementary pension scheme to the same performance conditions than those retained for the performance share plan dated July 28, 2014. The Board of Directors verified the completion of these performance conditions on February 23, 2016.

For the year 2016, the Board of Directors decided on February 23, 2016 to condition the acquisition of rights under the supplementary pension scheme to the same performance conditions than those retained for the performance share plan dated July 28, 2015. On February 21, 2017, the Board of Directors verified the completion of these performance conditions and decided to condition the acquisition of rights under the supplementary pension scheme for the year 2017 to the same performance conditions than those retained for the performance share plan dated July 26, 2016 (as detailed in G.4.3.1).

Group operating margin	2016
Budget achievement *(%)*	**>100%[1]**
85% of budget or +10% vs previous year achieved	YES
Group free cash flow	**2016**
Budget achievement *(%)*	**>100%[1]**
85% of budget or +10% vs previous year achieved	YES
Group revenue organic growth	**2016**
Budget achievement *(%)*	**>100%[1]**
Group revenue growth objective	YES
Environmental and Social Responsibility[2]	**2016**
Rating of GRI G4 "Comprehensive" or, be part of the Dow Jones Sustainability Index (World or Europe)	YES

1 Targets adjusted to reflect actual 2016 exchange rates.
2 In 2016, the Atos performance was recognized both in the Dow Jones Sustainability Index World and in the Dow Jones Sustainability Index Europe.

Terms and conditions for determining the amount of the Executive Director's pension supplement

The annual amount of the pension supplement is 0.625% of the reference compensation per entire calendar quarters of seniority recognized by the scheme. The reference compensation is the average of the last sixty monthly compensation, multiplied by twelve.

For the assessment of this reference compensation, only the followings are taken into account:

- the fixed compensation of the Executive Director;
- the annual on-target bonus actually paid to the Executive Director excluding any other form of variable compensation. This annual bonus is taken into account within the cap of 130% of the basic compensation.

Cap on the Executive Director's pension supplement

The annual amount of the pension supplement paid under the present scheme to the Chairman and Chief Executive Officer cannot be superior to the difference between:

- 33% of the reference compensation above mentioned; and
- the annual amount of the basic, complementary and supplementary pensions.

Pension supplement

Assuming the Chairman and CEO was entitled to the pension supplement as from the day after the closing of the financial year, the gross amount of the pension supplement would be estimated at € 551 thousand per annum. The pension supplement will be subject to the following social contributions payable exclusively by the beneficiary: CSG/CRDS (7.1%), Health Contribution (1%), CASA (0.3%) and a special contribution of up to 14%. In addition, the pension supplement will be subject to tax income. The employer will pay an annual contribution at the rate of 32% on the pension amount paid. Pensions are paid by an insurer and Atos funds its commitments when beneficiaries retire.

Other rules

The membership requirement at the Executive Committee level is extended to five years minimum. The minimum age to benefit from the scheme is aligned on the statutory retirement age set by article L. 161-17-2 of the Social Security (i.e. between 60 to 62 years depending on the year of birth according to the current legislation) and the age for liquidation of the pension supplement is aligned on the age at which the person may liquidate his full pension under the general scheme. This age cannot in any case be less than the one foreseen in article L. 161-17-2 of the Social Security Code, it being specified that a survivor's pension is provided in case of death occurring before or after the age for the liquidation.

G.4.2.6 Compliance of total executive compensation with AFEP-MEDEF recommendations

The Company committed in 2008 to implement the recommendations of the AFEP-MEDEF corporate governance code for listed companies, relating, in particular, to the conditions of compensation of executive directors, and to regularly report thereon. The Board of Directors of Atos SE met on December 19, 2016 to perform the annual review of the implementation by the Company of these governance principles.

The Board assessed the implementation of these provisions by comparing the Company's 2015 Registration Document with the statistics set out in the yearly report on the implementation of the AFEP-MEDEF code of corporate governance for listed companies issued by the Haut Comité de Gouvernement d'Entreprise (High Committee for Corporate Governance) in October 2016. Following this meeting, also attended by some employee representatives of the Company's council, the Board of Directors of Atos SE considered that the Company's governance practices, including on the Chairman and Chief Executive Officer's compensation, are compliant with the recommendations of the AFEP-MEDEF Code.

The complete and detailed document which supported this Board assessment, as reviewed and updated by the Board, is made available on Atos' website.

G.4.3 Performance share plans and stock subscription or purchase option plans

[G4-51]

Atos is strongly committed to associating its employees with the long-term performance and results of the Group, notably through long-term incentive plans. Beneficiaries of such plans are mostly top managers of the Group, including the Chairman and CEO.

In the context of the 2014-2016 strategic plan, the Atos Board of Directors, upon proposal of the Nomination and Remuneration Committee, decided to implement performance share plans based on performance criteria reflecting key success factors for the achievement of the Group's ambitions with the aim of associating the first managerial lines and experts of Atos.

The rules and the features of the 2016 performance share plan as well as the previous grants of performance shares and stock subscription or purchase options are detailed in the following paragraphs.

G.4.3.1 Terms and conditions of the Performance Share Plan decided on July 26, 2016 of which the Chairman and CEO is one of the beneficiaries

In connection with the authorization granted for thirty-eight months, by the Combined General Meeting of May 26, May 2016 (twentieth resolution), the Board of Directors decided, during its meeting held on July 26, 2016, and upon the recommendation of the Nomination and Remuneration Committee, to proceed with the allocation of 947,885 ordinary performance shares of the Company, to be issued in favor of the first managerial lines of Atos, including the Chairman and Chief Executive Officer.

Performance conditions to be achieved over the three years 2016, 2017 and 2018 of the new plan relate to internal financial criteria linked to profitability, free cash flow and revenue growth, identical to those of the previous plan of July 28, 2015. As for the July 28, 2015 plan, the plan also provides for an external condition linked to the social and environmental performance of the company.

The features of the performance share allocation plan are as follows:

A. Presence condition: subject to certain exceptions provided in the plan such as death, disability or retirement of the beneficiary, the allocation of performance shares is conditioned on the preservation of employee or corporate officer status by the beneficiary during the vesting period.

B. Performance condition: the allocation of performance shares is also subject to the achievement of the following internal and external performance conditions, appraised for each of the three years 2016, 2017, and 2018.

Internal performance conditions

For each of the three years 2016, 2017, and 2018:

- the **Group free cash flow** before dividend and acquisition/sales results is at least equal to one of the following amounts:
  - **(i)** 85% of the amount of the Group free cash flow, before dividends and acquisition/sales results, as mentioned in the Company's budget of the year in question; or
  - **(ii)** the amount of the Group free cash flow before dividends and acquisition/sales results for the previous year with a 10% increase;
- the **Group operating margin** is at least equal to one of the following amounts:
  - **(i)** 85% of the amount of the Group's operating margin as mentioned in the Company's budget of the year in question, or
  - **(ii)** the amount of the Group operating margin for the previous year with a 10% increase;
- the **Revenue growth** of the year in question is at least equal to one of the two following amounts:
  - **(i)** Revenue growth rate as mentioned in the Company's budget minus a percentage decided by the Board of Directors, or
  - **(ii)** Yearly growth rate per reference to the Group growth targets.

It being specified that for each year, at least 2 of 3 internal performance criteria must be met. If one criterion is not met for the year in question, this criterion becomes compulsory for the following year.

External performance condition

For the years 2016, 2017, and 2018, Atos Group must at least achieve the rating of GRI G4 "Comprehensive" or be a member of the Dow Jones Sustainability Index (Europe or World).

The condition is achieved as soon as this criterion is validated for the three years during the vesting period.

C. Acquisition and conservation periods: The allocation of performance shares decided by the Board of Directors of Atos SE dated July 26, 2016 provides for all Beneficiaries of performance shares who are employees of companies of the Atos Group to definitively acquire the performance shares allocated to them on July 26, 2019, subject to achieving the performance conditions and the aforementioned presence condition. The shares thus acquired will not be subject to a conservation obligation and will be then immediately available for sale by their beneficiaries. If the performance conditions are not reached and/or the presence condition is not met, the performance shares granted will be rendered null and void.

D. Specific supplementary provisions applicable to the Chairman and Chief Executive Officer: The Board of Directors allocated a theoretical maximum number of 56,500 performance shares to the Chairman and Chief Executive Officer (theoretical maximum allocation - pls. see below). This number takes into consideration the recommendations of the AFEP-MEDEF Corporate Governance Code with respect to the Chairman and Chief Executive Officer, as well as his compensation over 3 years as set by the Board of Director's decision of May 30, 2012 as confirmed by the General Meeting of December the 27, 2013 and the Board of Directors of May 28, 2015.

As to its analysis, the Board of Directors, upon the recommendation of the Nomination and Remuneration Committee, considered the following elements:

- the theoretical maximum allocation to the Chairman and Chief Executive Officer represents around 6.0% of the total number of allocated shares;
- the principle and the supplemental requirement to modulate the definitive allocation of performance shares for the Chairman and Chief Executive Officer according to the effective performance of the Group in 2016 (1) and, with respect to the cap providing the portion of compensation in shares awarded to the Chief Executive Officer shall not exceed 45% of his global annual compensation (even in the most favorable circumstances);
- subject to the presence and performance conditions of the plan being achieved, the definitive allocation of performance shares for the Chairman and Chief Executive Officer may vary from 41,800 shares minimum up to 56,500 shares maximum in case of, respectively, low or over performance of Atos Group in 2016 corresponding to an achievement of 70% or 130% of his variable compensation in 2016;
- the conservation obligation, for the duration of his duties, of 15% of performance shares allocated to him will also apply to the Chairman and Chief Executive Officer;
- the prohibition to conclude any financial hedging instruments over the shares being the subject of the award during the whole duration of the mandate of the Chief Executive Officer.

The final number of performance shares granted to the Chairman and Chief Executive Officer was adjusted and validated by the Board of Directors on February 21, 2017, pursuant to the established rules. Thus, the actual grant corresponds to a number of 54,700 performance shares on the basis of a 2016 variable compensation equals to 122.7% of the on-target variable compensation.

(1) Modulation applicable to the members of the Atos Group general management

G.4.3.2 Achievement of the performance conditions related to the performance share plan dated July 28, 2015

The performance conditions related to the performance share plan dated July 28, 2015 were achieved for each of the years 2015 and 2016. The acquisition of the performance shares in respect of this plan remains subject to the achievement of the internal performance conditions for the first semester 2017 as well as the completion of the presence condition at the acquisition date, either on January 2, 2018 for beneficiaries who are employees of companies of the Atos Group with registered office in France or on January 2, 2020 for other beneficiaries.

Group free cash flow	2016	2015
Budget achievement *(%)*	**104.8%**	**112.2%**
Criterion completion	YES	YES
Group operating margin	**2016**	**2015**
Budget achievement *(%)*	**102.4%**	**100.5%**
Criterion completion	YES	YES
Group revenue growth	**2016**	**2015**
Budget achievement *(%)*	**100.5%**	**100.0%**
Criterion completion	YES	YES
External performance condition linked to the social and environmental performance	**2016**	**2015**
Criterion completion*	YES	YES
Achievement of performance conditions	***Subject to 2017 achievement***	

* *In 2016, for the fifth consecutive year, Atos has been selected as an index component of the Dow Jones Sustainability Indices (DJSI) Europe and World. By getting the very high total score of 84 points out of a maximum of 100 points with an increased note in most of the factors under economic, environmental and social categories, Atos ranked first in the IT Software & Services Group, which includes about 200 companies worldwide. This recognition follows a series of awards granted to Atos including the highest ranking of the Global Reporting Initiative - the GRI G4 comprehensive option - for its Corporate Responsibility Integrated Reports.*

G.4.3.3 Achievement of the performance conditions related to the performance share plan dated July 26, 2016

The performance conditions related to the performance share plan dated July 26, 2016 were achieved for each of the year 2016. The acquisition of the performance shares in respect of this plan remains subject to the achievement of the performance conditions for the years 2017 and 2018 as well as the completion of the presence condition at the acquisition date, on July 26, 2019.

Group free cash flow	2016
Budget achievement *(%)*	**104.8%**
Criterion completion	YES
Group operating margin	**2016**
Budget achievement *(%)*	**102.4%**
Criterion completion	YES
Group revenue growth	**2016**
Budget achievement *(%)*	**100.5%**
Criterion completion	YES
External performance condition linked to the social and environmental performance	**2016**
Criterion completion	YES
ACHIEVEMENT OF PERFORMANCE CONDITIONS	***Subject to 2017 & 2018 achievement***

G.4.3.4 Past grants of Performance Shares – AMF Table 10

The outstanding 2,479,645 rights to performance shares represented 2.4% of Atos SE's share capital as of December 31, 2016.

	Plan dated 12/22/2011	Plan dated 03/29/2012	Plan dated 07/24/2013	Plan dated 07/28/2014	Plan dated 07/28/2015	Plan dated 07/26/2016
Combined General Meeting authorization date	7/1/2011	7/1/2011	5/30/2012	5/29/2013	5/27/2014	5/26/2016
Board of Directors meeting date	12/22/2011	3/29/2012	7/24/2013	7/28/2014	7/28/2015	7/26/2016
Number of beneficiaries	**740**	**29**	**705**	**684**	**851**	**983**
France Plan	187	9	194	169	241	
International Plan	553	20	511	515	610	
Total number of granted performance shares	**991,050**	**19,850**	**723,335**	**691,000**	**868,000**	**947,885**
Of which to the executive director	65,000	-	45,000	46,000	55,000	56,500
France Plan	466,600	9,700	332,580	301,195	393,400	
International Plan	524,450	10,150	390,755	389,805	474,600	
Vesting date						**7/26/2019**
France Plan	12/22/2013 et 03/17/2014[a]	3/29/2014	7/24/2015	7/28/2016	1/2/2018	
International Plan	12/22/2015 et 03/17/2016[a]	3/29/2016	7/24/2017	7/28/2018	1/2/2020	
End of holding period	12/22/2015 et 03/17/2016[a]	3/29/2016	7/24/2017	7/28/2018	1/2/2020	7/26/2019
Performance conditions	Yes[1]	Yes[1]	Yes[1]	Yes[1]	Yes[1]	Yes[1]
Achievement of performance conditions	Yes	Yes	Yes	Yes		
Number of vested shares as at Dec. 31, 2016	**859,050**	**19,030**	**321,690**	**280,095**	**900**	**-**
France Plan	436,050	9,700	321,190	279,645	-	
International Plan	423,000	9,330	500 [2]	450[2]	900[2]	
Number of shares cancelled as at Dec. 31, 2016	**132,000**	**820**	**79,010**	**47,415**	**16,300**	**5,165**
France Plan	7,150	-	13,770	17,750	300	
International Plan	124,850	820	65,240	29,665	16,000	
International Mobility movements	**-**	**-**	**-**	**-**	**-**	
France Plan	-23,400		2,380	-3,800	-7,900	
International Plan	23,400		-2,380	3,800	7,900	
Outstanding performance shares as at Dec. 31, 2016	**-**	**-**	**322,635**	**363,490**	**850,800**	**942,720**
France Plan	-	-	-	-	385,200	
International Plan	-	-	322,635	363,490	465,600	

a for respectively 50% of the performance shares granted (Tranche 1 and Tranche 2).
1 Performance conditions of the various plans are summarized hereafter.
2 early-vested shares following the death of a grantee.

Conditions for the plan date07/26/2016 are the same for France and International plans.

Performance conditions	Plan dated 12/22/2011	Plan dated 03/29/2012	Plan dated 07/24/2013	Plan dated 07/28/2014	Plan dated 07/28/2015	Plan dated 07/26/2016
Group free cash flow before dividend and acquisition/sales results of the year in question is at least equal to one of the following amounts:	(i) 85% of the amount of the Group free cash flow, before dividends and acquisition/sales results, as mentioned in the Company's budget of the year in question; or (ii) the amount of the Group free cash flow before dividends and acquisition/sales results for the previous year with a 10% increase.					
And						
Group operating margin of the year in question is at least equal to one of the following amounts:	(i) 85% of the amount of the Group's operating margin as mentioned in the Company's budget of the year in question; or (ii) the amount of the Group operating margin for the previous year with a 10% increase.					
And						
Revenue growth of the year in question is at least equal to one of the two following amounts:				(i) Revenue growth rate as mentioned in the Company's budget minus a percentage decided by the Board of Directors; or (ii) Yearly growth rate per reference to the Group growth targets.		
And						
External condition linked to the social and environmental performance			For each year in question, Atos Group must at least achieve the rating of GRI G4 "Comprehensive" or be a member of the Dow Jones Sustainability Index (Europe or World).			
Years in question	2012 and 2013		2013 and 2014	2014 and 2015	2015, 2016 and 2017*	2016, 2017 and 2018

* *First semester for the internal performance conditions and full year for the external condition in case this condition would not be met for the year 2015 or the year 2016.*

% of the grant if the employment condition is met at the vesting date

Plan dated 12/22/2011 Plan dated 03/29/2012	50% if performance conditions are achieved for the 2012 year or the 2013 year, 100% if they are achieved for the both years. 0% otherwise.
Plan dated 07/24/2013	100% if performance conditions are achieved for the consecutive years. 0% otherwise.
Plan dated 07/28/2014	100% if for each year, the external performance condition is reached and at least 2 of 3 internal performance criteria are met given that the condition that would not be met would become compulsory for the following year. 0% otherwise.
Plan dated 07/28/2015	100% if for each year, at least 2 of 3 internal performance criteria are met given that the condition that would not be met in 2015 would become compulsory for the following year, and the external performance condition is validated at least two years over the 3-year period. 0% otherwise.
Plan dated 07/26/2016	100% if for each year, the external performance condition is reached and at least 2 of 3 internal performance criteria are met given that the condition that would not be met in 2016 or 2017 would become compulsory for the following year. 0% otherwise.

G.4.3.5 Performance shares granted during the year to the Chairman and CEO – AMF Table 6

The below table shows the performance shares granted to the Chairman and CEO, and in particular those granted during the year. Pursuant to the authorization granted by the Atos Shareholders' General Meeting held on May 26, 2016 (twentieth resolution), the Board of Directors, during its meeting held on July 26, 2016, upon recommendation of the Nomination and Remuneration Committee, decided the free grant of performance shares. Atos Chairman and CEO is one of the beneficiaries of this grant. Performance conditions related to the various plans stated hereafter are summarized in the "Past grants of performance shares" section.

	Plan date	Number of shares	Acquisition date	Availability date*	Share valuation (in €)**
Chairman and CEO	**December 22, 2011**	**32,500**	**December 22, 2013**	**December 22, 2015**	**926,957**
	December 22, 2011	32,500	March 17, 2014	March 17, 2016	913,680
	July 24, 2013	45,000	July 24, 2015	July 24, 2017	2,250,773
	July 28, 2014	46,000	July 28, 2016	July 28, 2018	1,543,058
	July 28, 2015	55,000	January 2, 2018	January 2, 2020	2,142,282
	July 26, 2016	54,700 [1]	July 26, 2019	July 26, 2019	2,456,445

** The Chairman and CEO is subject to a conservation obligation for the duration of his mandate of:*
- *25% of the performance shares vested in respect of the plan dated December 22, 2011;*
- *15% of the performance shares vested in respect of the plans dated July 24, 2013 and July 28, 2014;*
- *15% of the performance shares which might be vested in respect of the plans dated July 28, 2015 and July 26, 2016.*

*** Valuation of the shares at their grant date, pursuant to the application of the IFRS 2, after taking account of any discount related to performance criteria and the probability of presence in the Company after the vesting period, but before spreading the load under IFRS 2 throughout the vesting period. As from 2014, a probability of realization of the performance criteria has been included.*

1 Actual grant according to the modulation rules established by the Board of Directors for the Executive Director and the members of the Atos Group general management (refer to G.4.3.1 for further details)

G.4.3.6 Performance shares that have become available during the year for the Chairman and CEO – AMF Table 7

During 2016, the second half of the performance shares granted on December 22, 2011 (Tranche 2) became available for possible sale to the beneficiaries according to the France plan rules. The Atos Chairman and CEO is a beneficiary of this plan. Acquisition and availability terms are described above, in the paragraph related to the past grants of performance shares.

	Plan Date	Number of shares available during the financial year	Vesting Date	Availability Date
Chairman and CEO	December 22, 2011 Tranche 2	32,500	March 17, 2014	March 17, 2016

G.4.3.7 Past awards of subscription or purchase options – AMF Table 8

The Company has not issued any stock option plans for its employees or executive officers since the stock options granted on December 31, 2010. The table below shows the past grants over the last ten years.

Date of shareholders' meeting	Date of Board meeting	Exercise period start date	Exercise period end date	Strike Price *(in €)*	Options granted	Of which to members of the Board*	Numbers of beneficiaries	Options exercised	Options cancelled or expired	Situation at December 31, 2016	Value of unexercised options *(in € million)*
06/04/04	03/29/06	03/29/09	03/29/16	59.99	810,130	0	828	804,879	343,111	0	0.0
06/04/04	03/29/06	03/29/10	03/29/16	59.99	337,860	0	420				
06/04/04	12/01/06	12/01/10	12/01/16	43.87	50,000	0	1	50,000	0	0	0.0
06/04/04	12/19/06	12/19/09	12/19/16	43.16	15,100	0	24	15,188	3,745	217	0.0
06/04/04	12/19/06	12/19/10	12/19/16	43.16	4,050	0	6				
05/23/07	10/09/07	10/09/10	10/09/17	40.35	20,000	0	1	20,000	0	0	0.0
05/23/07	10/09/07	10/09/11	10/09/17	40.35	5,000	0	1	5,000	0	0	0.0
05/23/07	03/10/08	03/10/14	03/10/18	34.73	190,000	0	3	0	140,000	50,000	1.7
05/23/07	07/22/08	07/22/11	07/22/18	34.72	5,000	0	1	5,000	0	0	0.0
05/23/07	07/22/08	07/22/12	07/22/18	34.72	2,500	0	1	2,500	0	0	0.0
05/23/07	12/23/08	04/01/10	03/31/18	18.40	459,348	233,334	24	423,982	3,334	32,032	0.6
05/23/07	12/23/08	04/01/11	03/31/18	22.00	459,326	233,333	24	420,630	6,666	32,030	0.7
05/23/07	12/23/08	04/01/12	03/31/18	26.40	459,326	233,333	24	416,597	9,999	32,730	0.9
05/23/07	03/26/09	07/01/10	06/30/18	20.64	611,714	0	74	555,294	43,336	13,084	0.3
05/23/07	03/26/09	07/01/11	06/30/18	24.57	611,643	0	74	462,564	78,330	70,749	1.7
05/23/07	03/26/09	07/01/12	06/30/18	29.49	611,643	0	74	447,951	101,661	62,031	1.8
05/26/09	07/03/09	07/01/10	06/30/18	25.00	481,414	0	438	368,994	47,530	64,890	1.6
05/26/09	07/03/09	07/01/11	06/30/18	30.00	481,108	0	438	332,552	91,146	57,410	1.7
05/26/09	07/03/09	07/01/12	06/30/18	35.00	480,978	0	438	251,044	110,617	119,317	4.2
05/26/09	09/04/09	07/01/10	06/30/18	34.28	86,347	0	24	80,975	3,502	1,870	0.1
05/26/09	09/04/09	07/01/11	06/30/18	40.81	86,334	0	24	70,199	6,834	9,301	0.4
05/26/09	09/04/09	07/01/12	06/30/18	48.97	86,319	0	24	39,994	7,829	38,496	1.9
05/26/09	12/31/10	07/01/11	06/30/19	40.41	124,842	0	18	113,757	0	11,085	0.4
05/26/09	12/31/10	07/01/12	06/30/19	48.11	124,830	0	18	97,303	3,333	24,194	1.2
05/26/09	12/31/10	07/01/13	06/30/19	57.74	124,828	0	18	88,969	6,666	29,193	1.7
TOTAL					**6,729,640**	**700,000**		**5,073,372**	**1,007,639**	**648,629**	**20.9**

* *Current members of the Board of Directors.*

G.4.3.8 Stock options granted to the top ten employees who are not company officers, and options exercised by the ten employees with the highest number of options purchased or subscribed during 2015 – AMF Table 9

	Total number of granted or exercised options	Average Price	Plans
Options granted during the year by the issuer to the ten employees having the highest number of options granted (Global Information)	No Grant of Atos Stock-options since 2011		
Options held on the issuer exercised during the financial year by the ten employees of the issuer having the highest number of options purchased or subscribed (Global Information)	233,491	€ 45.27	Plans granted: March 29, 2006, March 26, 2009, July 3, 2009 and December 31, 2010

G.4.3.9 Stock options granted to or exercised by the Chairman and CEO during the year – AMF Tables 4 and 5

During 2016, Thierry Breton, Chairman and CEO, was not granted any options to purchase or buy shares of the Company. In addition, he did not hold any outstanding options as of January 1, 2016.

G.5 Resolutions

G.5.1 Resolutions submitted to the Annual General Meeting

Resolutions submitted to the shareholders' vote will be published in the *"Bulletin des Annonces Légales Obligatoires"* (official legal gazette for listed companies) in a notice of meeting which will be followed by a convening notice to the Annual General Meeting which will be held on May 24, 2017. These notices will be posted on the Atos Group website ("Investors" section) as required by applicable laws and regulations.

G.5.2 Elements of the compensation due or awarded at the end of the closed financial year to the Executive Director, submitted to the shareholders' vote

According to the article 26 of the revised AFEP-MEDEF code of November 2016, code to which Atos SE is referring in accordance with article L. 225-37 of the French Commercial Code (Code de Commerce), the elements of the compensation due or awarded to the Executive Director related to 2016 must be submitted to the shareholders' vote at the Annual General Meeting.

ELEMENTS OF THE COMPENSATION DUE OR AWARDED AT THE END OF THE CLOSED FINANCIAL YEAR 2016 TO THIERRY BRETON, ATOS SE CHAIRMAN AND CEO, SUBMITTED TO THE SHAREHOLDERS' VOTE

Compensation Components	Amounts	Comments
Fixed compensation	€ 1,350,000	The total remuneration in cash, as from January 1, 2012, has been set by the Board of Directors on December 22, 2011, upon recommendation of the Nomination and Remuneration Committee. This decision has been confirmed following the General Meeting of Shareholders held on May 30, 2012, on the renewal of Thierry Breton's mandate, as well as during the meeting held on November 18, 2013, following the adoption of Atos' strategic orientations to 2016. It is composed of a fixed part set at € 1.35 million, and of a variable part described below.
Variable compensation	€ 1,656,991 due with respect to the 2016 year i.e. 122.7% of the annual target variable compensation	The variable part is subject to performance conditions and can vary between 0% and 130% of the fixed compensation, according to the level of achievement of criteria exclusively quantitative, with a target bonus at 100% of the fixed compensation i.e. € 1.35 million. The variable compensation of the Chairman and CEO is conditional, based on clear and demanding operating performance criteria exclusively related to quantitative and financial objectives. The objectives are fully aligned with the Group Ambitions, as they are regularly presented to the shareholders. In 2016, the nature and weighting of each indicator of the variable on-target bonus of the Chairman and CEO are the following: ● Group Operating Margin (40%); ● Group Free Cash Flow before acquisition/disposal and variation of equity and dividends (30%); ● Group Organic Revenue Growth (30%). In order to monitor Company performance more closely and establish a proactive way to support its strategic plan, the performance objectives for the Chairman and CEO are set and reviewed on a half-year basis by Atos Board of Directors upon recommendation of the Nomination and Remuneration Committee. Thus, the objectives for the first-half of the year are set on the basis of the Company's budget approved by the Board of Directors in December and the objectives for the second-half of the year on the basis of the "Full Year Forecast 2" approved in July by the Board of Directors. Achievement of the performance criteria and the resulting variable compensation amount have been validated by the Board during the meetings held on July 26, 2016 and February 21, 2017: for the first semester of 2016, the variable bonus of Thierry Breton, Chairman and CEO, stood at € 857,588 (127.1% of the semester on-target bonus), and at € 799,403 (118.4% of the semester on-target bonus) for the second semester of 2016.

		First-half of 2016		Second-half of 2016	
	Indicators	**Weight**	**Payout***	**Weight**	**Payout***
	Group operating margin	40%	>100%	40%	>100%
	Group free cash flow [1]	30%	>100%	30%	>100%
	Group revenue organic growth	30%	>100%	30%	>100%
	Payout in % of the semester on-target bonus		127.1%		118.4%

* *On the basis of the elasticity curve capped at 130%.*
1 *before acquisitions/disposal and variation of equity and dividends.*

Compensation Components	Amounts	Comments
Multiannual variable compensation	N/A	Thierry Breton, Chairman and CEO, receives no variable multiannual compensation.
Director's fees	N/A	Thierry Breton, Chairman and CEO, has declined to accept his director's fees.
Fringe benefits	€ 6,738	Thierry Breton, Chairman and CEO, has a company car with driver.
Extraordinary Compensation	N/A	For the year 2016, there is no exceptional compensation due to Thierry Breton, Chairman and CEO.
Severance Pay	N/A	There is no severance pay of any kind (golden parachutes, non-compete clauses etc.)
Grant of Stock-options and/or Performance Shares	No stock-option Grant ~ Grant of 54,700 Performance Shares Shares valuation € 2,456,445 Based on the fair value as determined according to IFRS 2 standard retained for the consolidated financial statements.	The total compensation in equities, as from January 1, 2013, has been set by the Board of Directors on May 30, 2012, upon the recommendation of the Nomination and Remuneration Committee. • During 2016, Thierry Breton, Chairman and CEO, was not granted any options (either to purchase or to buy shares of the Company). • On July 26, 2016, the Board of Directors allocated a theoretical maximum number of 56,500 performance shares to the Chairman and Chief Executive Officer (theoretical maximum allocation - pls. see below). This number takes into consideration the recommendations of the AFEP-MEDEF Corporate Governance Code with respect to the Chairman and Chief Executive Officer, as well as his compensation over 3 years as set by the Board of Director's decision of May 30, 2012 as confirmed by the General Meeting of December the 27, 2013 and the Board of Directors of May 28, 2015. As to its analysis, the Board of Directors, upon the recommendation of the Nomination and Remuneration Committee, considered the following elements: • the theoretical maximum allocation to the Chairman and Chief Executive Officer represents around 6.0% of the total number of allocated shares; • the principle and the supplemental requirement to modulate the definitive allocation of performance shares for the Chairman and Chief Executive Officer according to the effective performance of the Group in 2016 [1] and, with respect to the cap providing the portion of compensation in shares awarded to the Chief Executive Officer shall not exceed 45% of his total annual compensation (even in the most favorable circumstances); • subject to the presence and performance conditions of the plan being achieved, the definitive allocation of performance shares for the Chairman and Chief Executive Officer may vary from 41,800 shares minimum up to 56,500 shares maximum in case of, respectively, low or over performance of Atos Group in 2016 corresponding to an achievement of 70% or 130% of his variable compensation in 2016; • the conservation obligation, for the duration of his duties, of 15% of performance shares allocated to him will also apply to the Chairman and Chief Executive Officer; • the prohibition to conclude any financial hedging instruments over the shares being the subject of the award during the whole duration of the mandate of the Chief Executive Officer. The final number of performance shares granted to the Chairman and Chief Executive Officer was adjusted and validated by the Board of Directors on February 21, 2017, pursuant to the established rules. Thus, the actual grant corresponds to a number of 54,700 performance shares on the basis of a 2016 variable compensation equals to 122.7% of the on-target variable compensation. The definitive acquisition of the Performance Shares granted under this plan is subject to the achievement of the following internal and external performance conditions, calculated for the three years 2016, 2017, and 2018: **Internal performance conditions** • Group Free Cash Flow before dividend and acquisition/sale results (above or equal to 85% of the amount as mentioned in the Company's budget, or, above or equal to the previous period results increased by 10%); • Group Operating Margin (above or equal to 85% of the amount disclosed in the Company's budget, or, above or equal to the previous period results increased by 10%); • Group Revenue Growth (above or equal to the revenue growth rate as mentioned in the Company's budget minus a percentage decided by the Board of Directors, or, above or equal to the yearly growth rate per reference to the Company's growth targets). The abovementioned indicators will be calculated on a constant scope of consolidation and exchange rates basis, and in accordance with the "Full Year Forecast 2" for the year 2016. For each year, at least 2 of 3 internal performance criteria must be met. If one criterion is not met for the year in question, this criterion becomes compulsory for the following year. **External performance conditions** • Social and Environmental Responsibility criteria in 2016, 2017 and 2018 (fulfill the GRI G4 "Comprehensive" requirements (or equivalent) (former GRI A), or being part of the Dow Jones Sustainability Index (Europe or World)). The condition is achieved as soon as this criterion is validated for the three years during the vesting period. The definitive acquisition of the Performance Shares will take place on July 26, 2019 subject to achievement of performance conditions and compliance with the presence condition.

1 Modulation applicable to the members of the Atos Group general management.

Compensation Components	Amounts	Comments	
Defined Benefit Supplementary Pension scheme	Does not apply	The Chairman and CEO benefits from the supplementary pension plan reserved for members of the Group's Executive Committee ending their career at Atos SE or Atos International SAS governed by article L. 137-11 of the French Social Security Code. The beneficiary group is thus wider than the inner circle of executive directors. The implementation of the Pension Plan of the Executive Committee members for the benefit of the present Chairman and CEO was authorized by the Board of Directors on March 26, 2009, was approved by the General Meeting of Shareholders on May 26, 2009 under the 4th resolution, and confirmed by the Board of Directors on December 17, 2009. Atos SE and Atos International SAS examined, end of 2014 and beginning of 2015, the opportunity of strengthening the conditions for the acquisition of pension rights by providing for an acquisition of these rights conditioned upon the achievement of performance criteria. In this context, on the basis of the report and recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company authorized on March 26, 2015 the revision of the existing collective supplementary pension scheme with defined benefits to the benefit of the members of the Executive Committee ending their career within Atos SE or Atos International SAS, because it also applies to the Chairman and Chief Executive Officer. These modifications were approved by the General Meeting of Shareholders on May 28, 2015 under the 10th resolution. Within the framework of the renewal of the mandate as Chairman and Chief Executive Officer, pursuant to article L. 225-42-1 of the French Commercial Code, the Board of Directors, on November 24, 2016, acknowledged the compliance of the commitment with the Macron law provisions (cap on the rights granted, performance conditions) and authorized the continuance of the collective supplementary pension scheme with defined benefits to the benefit of the Chairman and Chief Executive Officer. The continuance of this commitment was approved by the General Meeting of Shareholders on December 30, 2016 under the 2nd resolution. **Performance conditions for pension rights acquisition in respect of the supplementary pension scheme:** According to new plan rules, the acquisition of rights under the supplementary pension scheme is now subject to performance conditions set annually by Atos SE Board of Directors which may in particular refer to the performance conditions contained in stock option plans or free shares plans or to any other condition which it will consider more relevant. Each year, the Board of Directors will meet in order to verify the completion, of the performance conditions during the preceding year. Entire calendar quarters for periods after January 1, 2015 are only taken into account to assess the amount of the pension supplement if they relate to a year during which the performance conditions set by the Board of Directors will have been achieved. Failing that, the corresponding quarters will not be taken into account to determine the pension supplement. The periods prior to January 1, 2015 are also subject to performance conditions and, likewise, will only be taken into account to determine the amount of the pension supplement if for each year, the performance conditions then set by the Board of Directors, either for the vesting of stock-options plans or for the vesting of free performance shares plans, were met. Thus failing any performance conditions assessed for 2008, no entire calendar quarters related to this year will be taken into account in the assessment of the amount of the pension supplement. Moreover, for the award of the additional pension it is expected that at least two-thirds of the years are validated under the performance conditions here above mentioned, during Mr. Thierry Breton's membership in the Executive Committee while performing his various terms of office. The Board of Directors will meet at the end of the term of office of the concerned person to verify whether this two-thirds requirement is satisfied. If that is the case, Mr. Thierry Breton will hence benefit to a pension supplement. Failing that, he will not be provided with any additional pension. For the year 2016, the Board of Directors decided on February 23, 2016 to condition the acquisition of rights under the supplementary pension scheme to the same performance conditions than those retained for the performance share plan dated July 28, 2015. On February 21, 2017, the Board of Directors verified the completion of these performance conditions and decided to condition the acquisition of rights under the supplementary pension scheme for the year 2017 to the same performance conditions than those retained for the performance share plan dated July 26, 2016 (please refer to G.4.3.1).	
		Group operating margin	2016
		Budget achievement *(%)*	>100%[1]
		85% of budget or +10% vs previous year achieved	YES / NO
		Group free cash-flow	2016
		Budget achievement *(%)*	>100%[1]
		85% of budget or +10% vs previous year achieved	YES / NO
		Group revenue organic growth	2016
		Budget achievement *(%)*	>100%[1]
		Group revenue growth objective	YES
		Environmental and Social Responsibility[2]	2016
		Rating of GRI G4 "Comprehensive" or, be part of the Dow Jones Sustainability Index (World or Europe)	YES

1 *Targets adjusted to reflect actual 2015 exchange rates.*

2 *In 2016, the Atos performance was recognized both in the Dow Jones Sustainability Index World and in the Dow Jones Sustainability Index Europe.*

Compensation Components	Amounts	Comments
		Terms and conditions for determining the amount of the Executive Director's pension supplement The annual amount of the pension supplement is 0.625% of the reference compensation per entire calendar quarters of seniority recognized by the scheme. The reference compensation is the average of last sixty monthly compensation multiplied by twelve. For the assessment of this reference compensation, only the followings are taken into account: • the fixed compensation of the Executive Director; • the annual on-target bonus actually paid to the Executive Director excluding any other form of variable compensation. This annual bonus is taken into account within the cap of 130% of the basic compensation. **Cap on the Executive Director's pension supplement** The annual amount of the pension supplement paid under the present scheme to the Chairman and Chief Executive Officer cannot be superior to the difference between: • 33% of the reference compensation above mentioned; and • the annual amount of the basic, complementary and supplementary pensions. **Other rules** The membership requirement at the Executive Committee level is extended to five years. The minimum age to benefit from the scheme is aligned on the statutory retirement age set by article L. 161-17-2 of the Social Security (i.e. between 60 to 62 years depending on the year of birth according to the current legislation) and the age for liquidation of the pension supplement is aligned on the age at which the person may liquidate his full pension under the general scheme. This age cannot in any case be less than the one foreseen in article L. 161-17-2 of the Social Security Code.

G.5.3 Principles and criteria for setting, allocating and granting the compensation components of the Company's Executive Director, in respect of the 2017 year, submitted to the shareholders' vote

Pursuant to the provisions of the law n° 2016-1691 dated 9 December 2016, the so-called "Sapin 2" law, a resolution including the principles and criteria for setting, allocating, and granting the fixed, variable, long-term and exceptional elements making up the total compensation and all fringe benefits of the Chairman and Chief Executive Officer due to his mandate and underpinning the remuneration policy that is relevant to him, must be submitted to the shareholders' vote, during the Annual General Meeting which will be held on May 24, 2017 (13th resolution).

These principles and criteria approved by the Board of Directors upon recommendation of the Nomination and Remuneration Committee are presented to this Annual General Meeting in the special report as well as in this section G.5.3 of the Registration Document.

As a reminder, on the occasion of the presentation of the new 2017-2019 strategic plan, Atos submitted to its shareholders' vote, during the General Meeting held on December 30, 2016, a specific resolution on the detailed elements of the compensation of the Chairman and CEO. This vote offered the shareholders, by anticipation of the new legal framework defined by the "Sapin 2" law, the possibility to vote on all the various elements composing the compensation of the Chairman and Chief Executive Officer, which are consubstantial to the strategic plan, and as they have been adopted by the Board of Directors. The shareholders approved this resolution with 81.73% of the vote.

1. Principles of the compensation of the Chairman and Chief Executive Officer:

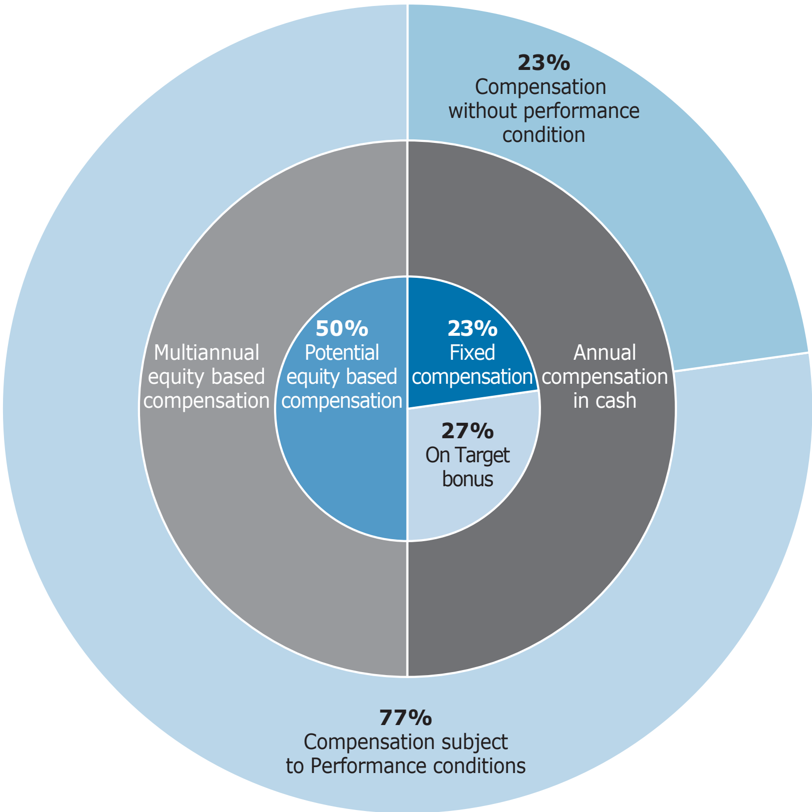
The principles of the compensation of the Chairman and CEO of Atos SE are proposed by the Nomination and Remuneration Committee and approved by the Board of Directors.

The principles governing the determination of the compensation of the Chairman and CEO are established in the framework of the AFEP-MEDEF Code to which the Company is referring:

- principle of **balance**: the Nomination and Remuneration Committee ensures that no element represents a disproportionate share of the Chairman and CEO's compensation;
- principle of **competitiveness**: the Nomination and Remuneration Committee also ensures the competitiveness of the remuneration of the Chairman and CEO, through regular compensation surveys;
- related to **performance**: the Chairman and CEO's compensation is closely linked to **Company performance**, notably through a variable compensation plan determined on a half-year basis. The payment of the semester bonuses is subject to the achievement of precise, simple, and measurable objectives which are closely linked to Company's objectives, as regularly disclosed to the shareholders. In order to develop a **community of interest with the Group's shareholders** and to associate Atos managers and Chairman and CEO with the performance and financial results of the Company in a long-term perspective, a part of their compensation is equity based, including performance shares. Finally, the compensation policy of the Chairman and CEO

supports Atos' commitment to corporate responsibility. In this context, performance criteria related to the **social and environmental responsibility** of the Company have been established in the performance share plans granted as from 2013.

The Board of Directors, during its meeting on November 24, 2016, implemented the principle of competiveness by basing its decision of setting the compensation applicable throughout the plan 2017-2019, on comparisons with nation-wide, European, international and sectoral references; this benchmarking outlined the consistency between the Company's performance and the resulting financial recognition for the Chairman and CEO.



Therefore, this compensation results from a balance between the performance of the Chairman and CEO, Atos SE social interest and market practices.

2. Compensation of the Chairman and Chief Executive Officer

A. Components of the compensation

Thierry Breton's components of compensation, which had remained unchanged since January 1, 2012, now include, following the amendments adopted by the Board of Directors, held on November 24, 2016 and voted during the Annual General meeting of Shareholders on December 30, 2016:

- a **total compensation in cash**, as of January 1, 2017, which is maintained for the 2017- 2019 strategic plan consisting in:
  - fixed annual compensation of € 1.4 million,
  - variable compensation, subject to performance conditions, annual target being equal to € 1.65 million, with a maximum payment capped at 130% of the target variable compensation in case of over-performance and no minimum payment guaranteed.

In order to monitor Company's performance more closely, the performance objectives for the Chairman and Chief Executive Officer are set and reviewed on a half-year basis.

It is also important to specify that the variable compensation of the Chairman and Chief Executive Officer is a conditional compensation, based on clear and demanding operating performance criteria exclusively related to quantitative and financial objectives (such as profitability, free cash flow and revenue growth). These objectives are closely aligned with the Group ambitions, as they are regularly presented to the shareholders. Thus, H1 targets are set on the basis of the budget as approved by the Board of Directors in December, and those of H2 on the basis of the "Full Year Forecast 2", approved in July;

- **equity based compensation**: for the period of the 2017-2019 strategic plan, the total equity based compensation of the Chairman and Chief Executive Officer, voted during the Annual General meeting of Shareholders on December 30, 2016 is limited, based on the fair value set by reference to IFRS 2 recognized in the consolidated financial statements, to circa 50% of the global compensation of the Chairman and Chief Executive Officer. This 50% cap will be assessed over the duration of the 2017-2019 strategic plan and not on a yearly basis. Thus, every year, the Board of Directors will adapt the equity based compensation on the basis of equity granted for the past financial year, in order to comply with this cap.

  Since 2011, Atos SE has exclusively granted performance shares to its Executive Director, on the occasion of collective grants in favor of several hundreds of employees.

  As was the case for the three-year plan "2016 Ambition", the Board of Directors, upon proposal of the Nomination and Remuneration Committee, could decide, in the context of the strategic plan 2017-2019, for the Atos Chairman and Chief Executive Officer and the first managerial and technology experts lines to be closely associated to performance and financial results of the Group through long-term incentive plans. In line with previous plans already implemented, the Board of Directors would define the final granting conditions by combining serious and challenging performance conditions, internal as external, regarding the achievement of performance criteria acknowledged over a minimum period of three years;
- **Benefits in kind** (see below).

B. Elements of the Compensation

Pursuant to the general principles of the compensation, the Board of Directors, upon recommendation of the Nomination and Remuneration Committee, adopted a specific structure of compensation for the Chairman and CEO, including the following elements:

1. Directors' fees:

As in the previous years, the Chairman and CEO renounces to the director's fees he is entitled to for the year 2017.

2. Fixed compensation:

The fixed annual compensation paid to the Chairman and CEO as of January 1, 2017, will amount to € 1.4 million.

This compensation will be stable over several years and it may be reviewed for instance in the context of the renewal of the Chairman and CEO's mandate.

3. Variable compensation:

This variable compensation relies on the achievement of the objectives stated below which come from the budget-setting exercise, as reflected in the annual objectives announced to the market.

The on-target annual variable compensation amounts to € 1.65 million, with a maximum payment capped at 130% of the target variable compensation in case of over-performance and no minimum payment.

In order to monitor Company's performance more closely, the performance objectives for the Chairman and Chief Executive Officer are set and reviewed on a half-year basis.

It is also important to specify that the variable compensation of the Chairman and Chief Executive Officer is a conditional compensation, based on clear and demanding operating performance criteria exclusively related to quantitative and financial objectives (such as profitability, free cash flow and revenue growth). These objectives are closely aligned with the Group ambitions, as they are regularly presented to the shareholders. Thus, H1 targets are set on the basis of the budget as approved by the Board of Directors in December, and those of H2 on the basis of the "Full Year Forecast 2", approved in July.

For the two semesters 2017, the nature and weighting of each indicator of the variable on-target bonus of the Chairman and Chief Executive Officer are as follows:

- Group Operating Margin (40%);
- Group Free Cash Flow before acquisition/disposal and variation of equity and dividends (30%);
- Group Organic Revenue Growth (30%).

The Board of Directors sets out the biannual objectives on which the variable compensation of the Chairman and CEO is based on in connection with the Group ambition to deliver within the framework of its 3-year strategic plan, defined targets in terms of revenue organic growth, operating margin and its conversion into free cash flow. The underlying biannual objectives are determined by the Board of Directors in order to carry out the achievement of the financial objectives announced to the market (refer to the section E.2. of the 2016 Registration Document)

Due variable compensation for the first semester 2017, based on actual achievement of the performance conditions set by the Board of Directors, will be paid in August 2017. Pursuant to the provisions of the so-called "Sapin 2" law, the payment of the variable compensation due for the second semester 2017 will be subject to the approval of the Shareholders' General Meeting which will validate the 2017 consolidated financial statements.

4. Multiannual variable compensation:

The Atos Chairman and Chief Executive Officer benefits from the annual grant of performance share plans for which the first managerial and technology experts lines are entitled to.

5. Grant of Stock-options:

Since the stock options granted on December 31, 2010, Atos has not issued any stock option plans for its employees or executive officers. Atos Chairman and CEO, was not granted any options to purchase or buy shares of the Company.

Following this up, no stock-options will be granted in 2017.

In addition, the Atos Chairman and CEO did not hold any outstanding options as of January 1, 2016.

6. Grant of performance shares:

For the period of the 2017-2019 strategic plan, the total equity based compensation of the Chairman and Chief Executive Officer is limited, based on the fair value set by reference to IFRS 2 recognized in the consolidated financial statements, to circa 50% of the global compensation of the Chairman and CEO. For 2017, during the General Meeting held on May 24, 2017, the shareholders will be invited to approve a performance share plan with the following features:

- a vesting period of three years from the grant date;
- an acquisition of the shares subject to the fulfilling of performance conditions reflecting key success factors for the achievement of the Group's ambitions and based on operational and quantifiable criteria, as for the July 26, 2016 plan;
- the introduction of an additional requirement in respect of the achievement of financial objectives in connection with the 2017-2019 strategic plan;
- the introduction of an additional requirement with regard to the social and environmental performance of the Company for maintaining a high level of recognition over the period.

Thus, performance conditions of the previous plans, to be fulfilled for each of the three years 2017, 2018, and 2019 would be maintained but they would now allow the beneficiary to acquire, assuming their achievement, a reduced number of shares corresponding to 70% of the number initially allocated.

70% of the number of shares initially allocated would therefore be subject to the achievement of the following internal and external performance conditions, appraised for each of the three years 2017, 2018, and 2019:

Internal Performance conditions:

- the Group free cash flow before dividend and acquisition/sales results for the relevant year must be at least equal to 85% of the Company's budget, or to the achievement of the previous year plus 10%;
- the Group operating margin for the relevant year must be at least equal to 85% of the amount of the Group operating margin of the Company's budget, or to the achievement the previous year plus 10%;
- the Group revenue growth for the relevant year must be at least equal to the revenue growth rate in the Company's budget minus a percentage decided by the Board of Directors, or to a positive yearly growth rate assigned by the Board of Directors for that year.

For each year of the plan, at least two out of these three internal performance conditions must be met, and if one condition is not met, it becomes compulsory for the following year.

External Performance condition:

For at least two years over the 3-year period, Atos must fulfill the requirement of GRI as G4-Comprehensive (highest ranking of the Global Reporting Initiative), or be part of the Dow Jones Sustainability Index (World or Europe).

Assuming the achievement of the performance conditions stated above, **the additional 30%** would be subject to the effective performance of the Group over the 2017-2019 period as measured based on the average annual variable compensation due to the Chairman and CEO, expressed as a percentage of the on-target annual variable compensation, as well as the fulfilment, over the whole period, of the social responsibility condition, with an average of the scores obtained in the Dow Jones Sustainability Index (World or Europe) over the 2017-2019 period equal or above to 75 out of 100.

7. Exceptional compensation:

The Atos Chairman and CEO does not receive exceptional compensation.

8. Compensation, indemnities or benefits for taking up the position:

Not applicable.

9. Commitments stated in the first and sixth paragraph of the article L. 225-42-1 of the French Commercial Code:

Supplementary Pension Plan: The Chairman and CEO benefits from the supplementary pension plan reserved for members of the Group's Executive Committee ending their career at Atos SE or Atos International SAS governed by article L. 137-11 of the French Social Security Code. The beneficiary group is thus wider than the inner circle of Executive Directors.

The implementation of the Pension Plan of the Executive Committee members for the benefit of the present Chairman and CEO was authorized by the Board of Directors on March 26, 2009, was approved by the General Meeting of Shareholders on May 26, 2009 under the 4th resolution, and confirmed by the Board of Directors on December 17, 2009.

Atos SE and Atos International SAS examined, end of 2014 and beginning of 2015, the opportunity of strengthening the conditions for the acquisition of pension rights by providing for an acquisition of these rights conditioned upon the achievement of performance criteria.

In this context, on the basis of the report and recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company authorized on March 26, 2015 the revision of the existing collective supplementary pension scheme with defined benefits to the benefit of the members of the Executive Committee ending their career within Atos SE or Atos International SAS, because it also applies to the Chairman and Chief Executive Officer. These modifications were approved by the General Meeting of Shareholders on May 28, 2015 under the 10th resolution.

Within the framework of the renewal of the mandate as Chairman and Chief Executive Officer, pursuant to article L. 225-42-1 of the French Commercial Code, the Board of Directors, on November 24, 2016, acknowledged the compliance of the commitment with the Macron law provisions (cap on the rights granted, performance conditions) and authorized the continuance of the collective supplementary pension scheme with defined benefits to the benefit of the Chairman and Chief Executive Officer. The continuance of this commitment was approved by the General Meeting of Shareholders on December 30, 2016 under the 2nd resolution.

The supplementary pension plan features applicable to Mr. Thierry Breton are detailed in the section G.4.2.5 "Fringe benefits of the Executive Director" of the 2016 Registration Document.

On February 21, 2017, the Board of Directors decided to condition the acquisition of rights under the supplementary pension scheme for the year 2017 to the same performance conditions than those retained for the performance share plan dated July 26, 2016 as detailed in the section G.4.3.1 "Terms and conditions of the Performance Share Plan decided on

July 26, 2016 of which the Chairman and CEO is one of the beneficiaries" of the 2016 Registration Document.

10. Elements of the compensation and fringe benefits due or potentially due by other companies within the Group, with respect to the Chairman and CEO's mandate:

The Atos Chairman and CEO does not receive compensation from other companies within the Group.

11. Other compensation element related to the mandate:

The Atos Chairman and CEO does not receive other compensation element.

12. Benefits in kind:

The benefits in kind granted to the Chairman and CEO since his appointment remained unchanged and include a company car with driver. The total amount of the benefits in kind was valued at 6,738 euros for the year 2016 and no significant change in this total amount is expected for the year 2017.

G.5.4 Board of Directors report to the Ordinary General Meeting on the transaction on the shares of the Company

Dear shareholders,

We hereby inform you that the following transactions have been made on the Company's shares by the Company's executive officers and directors and senior managers during 2016:

Name	Number of shares purchased	Number of shares sold	Date	Purchase price/ sale price *(in €)*
Thierry Breton		1,101	04/27/2016	78.3231
		28,899	04/28/2016	78.1357
Charles Dehelly		10,000	04/26/2016	78.082
		8,500	05/04/2016	78.1501
		477	05/04/2016	78.16
		6,250	05/04/2016	78.536
	1,017[1]		06/24/2016	74.48
		2,440	11/21/2016	96.51
		4,578	11/21/2016	96.1639
Jean Fleming		126	03/17/2016	68.8196
Philippe Mareine		1,840	03/17/2016	68.8196
Michel-Alain Proch		6,000	03/22/2016	70.6164
		14,000	05/05/2016	78.7075
	800		08/26/2016	24.57
		800	08/26/2016	87.7588

1 *Dividend paid in shares.*

G.6 Code and charts

[G4-15] et [G4-56]

G.6.1 United Nations Global Compact

Since June 2010, Atos has been participating to the United Nations Global Compact, asserting its commitment to the ten principles in the areas of human rights, labor, environment and anti-corruption which enjoy universal consensus. Atos is fully and proactively committed, both at company and top management level, to conduct its business in accordance with these principles.

G.6.2 Code of Ethics

Atos' Code of Ethics was reviewed and approved by the Atos' Board of Directors of May 28, 2015.

The new Code of Ethics introduces a direct reference to Atos Corporate Values, establishing ethical practices as a backbone of the Atos corporate strategy: Responsibility, Trust, Sustainable competitiveness, Service quality and listening to clients, Innovation, Wellbeing@Work, Excellence.

The Code of Ethics also reminds employees the need to act honestly, impartially and with integrity in their day-to-day work, and in compliance with the legal framework applicable to each country where Atos conducts its business. This principle of integrity implies that Atos treats its employees as well as third parties with integrity, based on merits and qualifications prohibiting any form of discrimination.

Suppliers, partners and third parties who assist Atos in its business activities must formally commit to respecting the principles of the Code of Ethics. These principles are included in the Supplier Sustainability Charter that Atos' business partners are expected to sign.

For further information on the Code of Ethics and its application, please refer to Section *D.4.1.1 Compliance*.

G.6.2.1 No Bribery or Corruption

Atos refuses any form of corruption or dishonest or illegal practice with the aim to obtain a commercial advantage or other, as well as any money laundering. As a participant to the United Nations Global Compact, Atos subscribes to anti-bribery principles in "all its forms, including extortion and bribery". For further information on Atos' compliance program related to anti bribery and corruption, please refer to Section *D.4.1.1 Compliance*.

G.6.2.2 Fair competition

Atos treats its customers, suppliers, partners, intermediaries with respect and shall not take unfair advantage nor practice discriminatory conditions. As a consequence, Atos refuses that its employees or third parties when assisting Atos in developing business take part in an agreement, understanding or concerted practice which would contravene the applicable laws and regulations concerning anti-competitive practices.

G.6.2.3 Conflicts of Interest

Atos undertakes to ensure that all decisions taken by anyone of its employees within the framework of professional duty are taken objectively and impartially, in the interest of Atos and not based on personal interest, whether financial or family. As a consequence, employees are asked to inform the Company in the event they would be in a situation of conflict of interest with competitors, clients or suppliers of Atos.

G.6.2.4 Protection of Atos assets – Fraud

The assets owned by Atos which consist in material such as hardware, or intellectual property rights or financial equity are used only for conducting Atos business and pursuant to the law and rules defined by the Group: reporting must be of high quality, reliable and relevant, translating exactly the activities of the Company.

G.6.2.5 Duty to act in Good Faith, Protection of confidentiality and privileged information

Atos protects both its own confidential information and that provided by its customers, suppliers or partners. Moreover, Atos sets up rules in order to prevent insider trading and misconduct. In addition, Atos ensures that in their decisions and actions, Atos employees act in good faith, such as refraining from acting in an inappropriate manner of any kind, including disparaging the services provided by Atos to its clients and misappropriating the use of Atos services and assets for personal benefit.

G.6.2.6 Alert system – employees' rights and duties on

Atos has established for any employee who believes that a law, regulation or one of the principles set out in the Code of Ethics has been or is about to be breached, a right to report to his/her immediate superior or to his/her GBU General Counsel or to the Group Head of Compliance, his/her concerns. This reporting is be done in accordance with the regulations applicable in the country in which he/she is employed.

The employee who raises the alert is assured complete confidentiality in relation to the alert.

The employee shall not be subject to any penalty or retaliatory measure or discrimination, provided that he/she acted in good faith and without the intention to cause harm, even if the events relating to the alert prove inaccurate or no action is subsequently taken. If necessary, the employee's protection may be assured, on his/her request, by mobility within the Group.

All alerts that reveal fraudulent behavior, significant lapses or material shortcomings in internal controls result in corrective measures and/or disciplinary measures and/or legal action. Anonymous reports are not considered, except if permitted by local laws.

G.6.3 Other applicable provisions

The Code of Ethics' principles are not the only mandatory provisions applicable within Atos. A standard of policies established by the different departments and adopted by the Group governs the activities of each employee, who must comply with these rules regarding delegation of authority, mandatory contractual clauses for client and supplier contracts, the selection of potential employees and their training or the selection process for business partners, among other requirements.

G.6.4 Privileged Information and insider trading

In order to ensure market transparency and integrity in Atos SE securities, the Company aims at providing its investors and shareholders, under conditions that are equal for all, information on its activities and performance. The Company requires all senior managers or employees having access to critical information to follow the insider trading rules and regulations that can be found in the Prevention guide.

Insider trading

The use or disclosure of inside information constitutes a stock market regulation or legal violation which are liable to criminal, regulatory (*Autorité des Marchés Financiers*, the French Financial Market Authority) and civil proceedings. Accordingly, no employee may disclose any inside information to third parties or deal in Atos SE securities when he or she is in possession of any inside information.

Dealing during closed periods

Employees who are likely to have access on a regular basis to privileged information must not deal in Atos SE securities, whether directly or indirectly, during any "closed period", which is defined as six weeks prior to the publication of Atos SE annual financial statements and four weeks prior to the publication of Atos SE first semester financial statements or of the financial information concerning the first and third quarters.

Hedging of stock-options and performance shares

All staff members are prohibited to put in place, by means of derivatives or otherwise, hedging operations (right to purchase or sell at a certain price or any other terms and conditions) against Atos SE stock price changes from their exposure to the potential value of:

- stock-options they are entitled to until the beginning of such options' exercise period;
- performance shares they were awarded, during acquisition and blocking periods.

In line with the commitments made on the occasion of previous share award plans, the Chairman and Chief Executive Officer, on the occasion of the award of performance shares on July 28, 2015 and on July 26, 2016, took note of the Company's prohibition towards him not to engage in any risk hedging transactions over the shares which are the subject of the award throughout the duration of his social mandate.

G.6.5 Internal rules and charter of Board of Directors

The Board of Directors of Atos SE has approved Internal Rules that were updated during its meeting held on December 19, 2016 and to which is attached a Charter of the Board of Directors and a Guide to the prevention of insider trading.

Extracts of the Internal rules of the Board of Directors

The provisions of the Internal Rules of the Board of Directors regarding such topics as (i) reserved matters of the Board of Directors, (ii) operation of the Board of Directors (iii) Lead director, (iv) Participative committee representatives, (v) mission and operation of the committees, (vi) assessment of the works of the Board of Directors, were summarized in the dedicated sections of this Registration Document. The Internal Rules provide for additional provisions, the main ones being summarized below:

Information supplied to the Directors

The Company shall be required to provide its Directors with any information necessary for the efficient participation in the work of the Board of Directors in such a way as to enable it to carry out its mandate under appropriate conditions. The same shall apply at any time in the life of the Company where the importance or urgency of the information so requires. This permanent information shall include any relevant information, including critical information, concerning the Company and particularly articles in the press and financial analysis reports. A Director may request from the Chairman any complementary information that he or she deems necessary for the full accomplishment of his or her tasks, particularly in view of the agenda of the meetings.

Acceptance of new social mandates

The Chairman and Chief Executive Officer seeks the Board of Directors' opinion before accepting new social mandate in a listed company, whether French or foreign, outside the Group.

Possibility to assign a task to a director

Where the Board of Directors decides to entrust an assignment to one (or more) of its members or to a third party it shall establish the principle characteristics of such task. The Chairman shall initiate the drafting of a commissioning letter, which shall: (i) define the specific purpose of the assignment; (ii) determine the form that the report of the assignment shall take; (iii) determine the duration of the assignment; (iv) determine, where applicable, the remuneration due to the person carrying out the assignment as well as the methods of payment of the amounts due to the interested party; (v) provide for, where applicable, a maximum limit of reimbursement of travel expenses as well as expenses incurred by the interested party and those related to the carrying out of the assignment. The report of the assignment shall be communicated by the Chairman to the Directors of the Company.

Extracts of the Charter of the Board of Directors

The Charter of the Board of Directors summarizes the mission and obligations of the members of the Board of Directors. This Charter covers in particular the following points: prohibition to hold a corporate office and an employment contract, company interests, attendance, diligence, loyalty, independence, confidentiality, trading in the Group's shares, conflicts of interest, information of members. The following paragraphs are extracted from the Charter of the Atos SE Board of Directors.

Appointment

Before accepting their mandate, each Director must be aware of his rights and obligations binding upon him. In particular, he or she must acknowledge the applicable laws and regulations applicable to his or her office, the provisions of the Articles of Association of the Company, the Internal Rules of the Board of Directors, the Charter of the Board of Directors and the Guide to the prevention of insider trading. Directors must own in their own name at least five hundred nominative shares and, if they do not own such shares at appointment, they must acquire them within three months of their date of appointment.

Directorship and Employment are mutually exclusive

A senior manager who becomes an executive Officer or Director of the Company shall undertake to terminate his or her employment contract with the Company (if such employment contract exists), either by contractual termination or by resignation. This provision obviously does not apply to the Director representing the employee shareholders.

Defending the interests of the Company

Each Director represents all shareholders and must act at all times in their interest and in the interest of the Company. He or she must warn the Board of Directors of any event brought to his or her attention that he or she deems, could affect the interests of the Company.

Conflicts of interest

The Director strives to strictly avoid any conflict that may arise between his or her own moral and material interests and those of the Company. Directors must inform the Board of Directors of any actual or potential conflict of interest that they are aware of. He or she must strictly refrain from participating in discussions and decisions on such matters where he or she should be in a situation of a conflict of interest. A conflict of interest arises when a Director or a member of his or her family could personally benefit from the way the Company's business is conducted, or could maintain a relationship of any kind with the Company, its affiliates or its management that could compromise the Director's judgment (particularly as a client, supplier, business banker, legal representative).

Attendance – Diligence

By accepting their mandate, each Director agrees to spend the necessary amount of time and care in performing their duties. Unless prevented from doing so, each Director must attend all Board meetings and the meetings of all Board Committees to which they belong. He or she shall keep informed about the work and specifics of the Company, including its stakes and values, by inquiring, if necessary, its management. He or she shall make a point of keeping updated on the knowledge that enables him or her to perform his or her functions.

The Director shall request any documents that he or she considers essential to be able to deliberate on the issues on the agenda. If a Director considers that he or she does not have full knowledge of the facts, it is his or her duty to inform the Board and to demand any essential information.

Loyalty

Each Director is under an obligation of loyalty towards the Company. He or she shall not take any initiative that could harm the interests of the Company or other companies or entities within the Atos Group and shall act in good faith in all circumstances. He or she shall not take on any responsibilities on a personal basis in any company or business practicing any activities in direct competition with those of the Company without prior approval of the Chairman of the Board of Directors and of the Chairman of the Nomination and Remuneration Committee.

Independence

The Director carries out his or her functions in complete independence. He or she undertakes to preserve in all circumstances his or her independence of analysis, judgment, decision and action. He or she does not tolerate being influenced by any factor outside of the corporate interest, which he or she undertakes to protect. He or she commits to inform the Board of any known issue which appears to be of such a nature as to affect the interest of the Company.

Confidentiality

The Directors are required to uphold professional secrecy, which exceeds the mere obligation of discretion provided for in the law, in regards to any information gathered during or outside of the Board of Directors' meetings. They commit to keep strictly confidential any information that has not been publicly disclosed, of which they have been informed or become aware during their mandate, as well as the contents of discussions and votes of the Board of Directors and of its committees.

Inside information and trading in the Company's securities

Directors shall strictly refrain from using any privileged information he or she has access to, to his or her personal advantage or to the advantage of anyone else. He or she may not trade in the Company's securities other than in compliance with legal and regulatory provisions. He or she commits to comply with the "Guide to the prevention of insider trading" approved by the Board of Directors. Board members must inform the *Autorité des Marchés Financiers* (French Financial Market Authority), in accordance with applicable rules, of any dealings in the securities of the Company.

G.7 Common stock evolution and performance

G.7.1 Basic data

G.7.1.1 Information on stock trading

The Company's shares have been admitted to trading on the Euronext Paris regulated market (Compartment A) since 1995, under ISIN code FR0000051732. ATOS SE securities are eligible for SRD and PEA. The Company's shares have been included in the CAC 40, the main share index published by NYSE Euronext Paris, since March 20, 2017.

The main tickers are:

Source	Tickers
Euronext	ATO
AFP	ATO
Bloomberg	ATO FP
Reuters	ATOS PA
Thomson	ATO FR

The Euronext sector classification is as follows:

Euronext: ICB sectorial classifications
Industry: 9000, Technology
Supersector: 9500, Technology
Sector: 9530, Software and Computer Services
Subsector: 9533, Computer Services

G.7.1.2 Free Float

The free-float of the Group shares excludes stakes held by the reference shareholder, Siemens AG, holding a stake of 11.9% of the share capital which it committed to keep until September 30, 2020 as explained in section *G.7.7.5 Shareholders' agreements*.

As at December 31, 2016, no other shareholder had announced holding more than 5% of the Company's share capital.

Stakes owned by the employees and the management as well as treasury shares, are also excluded from the free float.

As at December 31, 2016	Shares	% of share capital	% of voting rights
Siemens	12,483,153	11.9%	11.9%
Board of Directors	668,316	0.6%	0.6%
Employees	1,489,140	1.4%	1.4%
Treasury stock	196,435[1]	0.2%	-
Free float	90,071,635	85.9%	86.0%
TOTAL	**104,908,679**	**100.0%**	**100.0%**

1 *inclding 12,120 shares to be effectively delivred to LTI beneficiaries on January 2, 2017.*

G.7.2 Stock ownership

Principal changes in the ownership of the Group's shares in the past three years have been as follows:

	December 31, 2016		December 31, 2015		December 31, 2014	
	Shares	%	Shares	%	Shares	%
Siemens	12,483,153	11.9%	12,483,153	12.1%	12,483,153	12.3%
Financière Daunou 17	-	-	-	-	9,502,125	9.4%
Blackrock Inc.[1]	-	-	5,251,419	5.1%	-	-
Board of Directors	668,316	0.6%	652,134	0.6%	416,450	0.4%
Employees	1,489,140	1.4%	2,257,667	2.2%	2,790,656	2.8%
Treasury stock	196,435[2]	0.2%	694,584	0.7%	1,689,417	1.7%
Others	90,071,635	85.9%	82,180,285	79.4%	74,450,726	73.5%
TOTAL	**104,908,679**	**100.0%**	**103,519,242**	**100.0%**	**101,332,527**	**100.0%**

1 *On the basis of the threshold crossing statement made on October 13, 2015.*
2 *Including 12,120 shares to be effectively delivered to LTI beneficiaries on January 2, 2017.*

The Group's shares which are owned by employees are mainly managed by Group mutual funds. As at December 31, 2016, the shareholding of current and former Atos Group employees into Atos SE represented an overall 1.4% of the share capital.

The treasury stock evolution is described below in section *G.7.7.6 Treasury stock and liquidity contract*.

The threshold crossings which took place in 2016 are described in section *G.7.7.3 Threshold crossings*.

G.7.3 Dividend policy

[G4-EC1]

During its meeting held on February 21, 2017, the Board of Directors decided to propose at the next Ordinary General Meeting of Shareholders the payments in 2017 of a dividend of 1.60 euro per share on the 2016 results.

During the past four fiscal periods, Atos SE paid the following dividends:

Fiscal period	Dividend paid per share *(in €)*
2015	€ 1.10
2014	€ 0.80
2013	€ 0.70
2012	€ 0.60

G.7.4 Shareholder documentation

In addition to the Registration Document, which is published in English and French, the following information is available to shareholders:

- a half year report;
- quarterly revenue and operational review;
- regular press releases, regulated information and general Group's information, available through the Atos website at atos.net.

G.7.5 Financial calendar

April 25, 2017	First quarter 2017 revenue
May 24, 2017	Annual General Meeting
July 26, 2017	First half 2017 results
October 24, 2017	Third quarter 2017 revenue

G.7.6 Contacts

Gilles Arditti
Executive Vice-President Investor Relations & Financial Communication
Tel: +33 1 73 26 00 66
gilles.arditti@atos.net

Benoit d'Amécourt
Investor Relations & Financial Communication Director
Tel: +33 1 73 26 02 27
benoit.damecourt@atos.net

Requests for information can also be sent by email to investors@atos.net

G.7.7 Common stock

G.7.7.1 At December 31, 2016

As at December 31, 2016, the Group's issued common stock amounted to € 104.9 million, divided into 104,908,679 fully paid-up shares of € 1.00 par value each.

Compared to December 31, 2015, the share capital was increased by the issuance of 1,389,437 new shares, split as follows:

- 496,607 new shares resulting from the exercise of stock options;
- 892,830 new shares resulting from the payments of the 2015 dividend in shares.

G.7.7.2 Over the 5 last five years

Year	Change in common stock	Date	New shares	Total number of shares	Common stock	Additional paid in capital	New common stock
					(in € million)		
2012	Exercise of stock options	04/02/2012	180,732	83,747,500	0.1	4.4	83.7
	Exercise of warrants	05/30/2012	30,093	83,777,593	0.03	1.1	83.8
	Payment of the dividend with shares	06/29/2012	676,014	84,453,607	0.6	26.4	84.5
	Exercise of stock options	06/29/2012	141,347	84,594,954	0.1	3.8	84.5
	Exercise of stock options	10/01/2012	345,060	84,940,014	0.3	11.3	84.9
	Capital increase for employees	12/12/2012	570,510	85,510,524	0.5	22.8	85.5
	Exercise of stock options	12/31/2012	192,906	85,703,430	0.2	6	85.7
2013	Exercise of stock options	03/31/2013	349,226	86,052,656	0.3	13.2	86.0
	Vesting of performance shares	03/31/2013	1,000	86,053,656	0.0	0.0	86.0
	Payment of the dividend in shares	06/21/2013	702,606	86,756,262	0.7	33.7	86.7
	Exercise of stock options	07/01/2013	354,741	87,111,003	0.4	9.8	87.1
	Exercise of stock options	09/30/2013	536,902	87,647,322[1]	0.5	21.9	87.6
	Early redemption of 2009 Convertible Bonds (OCEANEs)	09/30/2013	103	87,647,425	0.0	0.004	87.6
	Early redemption of 2009 Convertible Bonds (OCEANEs)	10/18/2013	5,571,749	93,219,174	5.6	247.6	93.2
	Early redemption of 2011 Convertible Bonds (OCEANEs)	12/18/2013	3,676,658	96,895,832	3.7	166.1	96.9
	Exercise of stock options	12/31/2013	1,269,614	98,165,446	1.2	50.6	98.1
2014	Exercise of stock options	04/03/2014	1,361,294	99,526,740	1.4	50.5	99.5
	Payment of the dividend in shares	06/19/2014	567,574	100,094,314	0.6	30.3	100.1
	Exercise of stock options	07/02/2014	167,356	100,261,670	0.2	5.2	100.3
	Capital increase reserved to employees[2]	07/31/2014	699,100	100,960,770	0.7	34.6	101
	Exercise of stock options	09/30/2014	40,360	101,001,130	0.0	1.1	101
	Exercise of stock options	12/31/2014	331,397	101,332,527	0.3	15.1	101.3
2015	Exercise of stock options	04/02/2015	762,408	102,094,935	0.8	25.7	102.1
	Payment of the dividend in shares	06/23/2015	787,232	102,882,167	0.8	49.1	102.9
	Exercise of stock options	07/03/2015	236,908	103,119,075	0.2	10.7	103.1
	Exercise of stock options	09/30/2015	107,787	103,226,862	0.1	5	103.2
	Exercise of stock options	12/31/2015	292,380	103,519,242	0.3	14	103.5
2016	Exercise of stock options	04/08/2016	240,301	103,759,543	0.3	12.9	103.8
	Payment of the dividend in shares	06/22/2016	892,830	104,652,373	0.9	65.6	104.7
	Exercise of stock options	06/30/2016	107,260	104,759,633	0.1	3.8	104.8
	Exercise of stock options	10/07/2016	115,904	104,875,537	0.1	3.7	104.9
	Exercise of stock options	12/31/2016	33,142	104,908,679	0.0	1.1	104.9

1 *The amount of the common stock pursuant to this exercise of stock options takes into account the acknowledgment of the cancellation of an exercise of 583 stock-options made in February 2013.*
2 *Under the 14th resolution of the Combined General Meeting of May 29, 2013.*

A total of 496,607 stock options were exercised during the period, representing 76.6% of the total number of stock options at December 31, 2016.

G.7.7.3 Threshold crossings

During 2016, the Group was informed of the following threshold crossings:

- BlackRock Inc. declared having successively crossed the statutory thresholds of 5% of the share capital and voting rights:
  - downward on March 21, 2016 following the sale of shares off and on the market and a decrease in the number of shares owned as collaterals (i.e. 313,689 Atos SE shares),
  - upward on March 23, 2016 following the acquisition of shares off and on the market and an increase in the number of shares owned as collaterals (i.e. 697,928 Atos SE shares),
  - downward on March 31, 2016 following the sale of shares on the market and a decrease in the number of shares owned as collaterals (i.e. 546,910 Atos SE shares),
  - upward on April 1, 2016 following an increase in the number of shares owned as collaterals (i.e. 710,908 Atos SE shares),
  - downward on April 4, 2016 following the sale of shares off market and a decrease in the number of shares owned as collaterals (i.e. 595,660 Atos SE shares);

On April 4, 2016, BlackRock Inc. declared holding 4.97% of the share capital and voting rights of the Company;

- Bank of America Corporation declared having crossed, indirectly through companies of its group that it controls, upward on April 29, 2016 (following an acquisition of shares on the market), and downward, on May 4, 2016 (following a sale of shares on the market) the statutory thresholds of 5% of the share capital and voting rights. On May 4, 2016, Bank of America Corporation declared holding 0.4% of the share capital and voting rights of the Company.

Name of entity notifying the threshold crossing	Date of reporting	Date of threshold crossing	Shares	% of share capital[1]	% of voting rights[2]
BlackRock Inc	03/24/2016	03/21/2016	5,106,044[3]	4.93%	4.93%
BlackRock Inc	03/29/2016	03/23/2016	5,509,613[4]	5.32%	5.32%
BlackRock Inc	04/06/2016	03/31/2016	5,096,090[5]	4.92%	4.92%
BlackRock Inc	04/07/2016	04/01/2016	5,259,829[6]	5.08%	5.08%
BlackRock Inc	04/08/2016	04/04/2016	5,145,571[7]	4.97%	4.97%
Bank of America Corporation	05/06/2016	04/29/2016	5,610,866	5.41%	5.41%
Bank of America Corporation	05/11/2016	05/04/2016	412,398	0.40%	0.40%

1 *In percentage of the share capital on the date of threshold crossing.*
2 *In percentage of the share capital including treasury shares on that date pursuant to article 223-11 al. 2 of the Réglement Général de l'Autorité des Marchés Financiers (French Financial Market Authority General Regulations).*
3 *Including 465,204 Atos SE shares, assimilated pursuant to the provisions of art. L.233-9 I, 4° bis of the French Commercial Code, stemming from contracts for difference, with no term, on the same amount of Atos SE shares, paid exclusively in cash. Besides, BlackRock, Inc. declared holding 481,090 Atos SE shares on behalf of clients (not taken into account in the stated holding) for which clients have retained the exercise of voting rights.*
4 *Including 465,509 Atos SE shares, assimilated pursuant to the provisions of art. L.233-9 I, 4° bis of the French Commercial Code, stemming from contracts for difference, with no term, on the same amount of Atos SE shares, paid exclusively in cash. Besides, BlackRock, Inc. declared holding 476,037 Atos SE shares on behalf of clients (not taken into account in the stated holding) for which clients have retained the exercise of voting rights.*
5 *Including 483,910 Atos SE shares, assimilated pursuant to the provisions of art. L.233-9 I, 4° bis of the French Commercial Code, stemming from contracts for difference, with no term, on the same amount of Atos SE shares, paid exclusively in cash. Besides, BlackRock, Inc. declared holding 488,477 Atos SE shares on behalf of clients (not taken into account in the stated holding) for which clients have retained the exercise of voting rights.*
6 *Including 483,651 Atos SE shares, assimilated pursuant to the provisions of art. L.233-9 I, 4° bis of the French Commercial Code, stemming from contracts for difference, with no term, on the same amount of Atos SE shares, paid exclusively in cash. Besides, BlackRock, Inc. declared holding 488,477 Atos SE shares on behalf of clients (not taken into account in the stated holding) for which clients have retained the exercise of voting rights.*
7 *Including 482,993 Atos SE shares, assimilated pursuant to the provisions of art. L.233-9 I, 4° bis of the French Commercial Code, stemming from contracts for difference, with no term, on the same amount of Atos SE shares, paid exclusively in cash. Besides, BlackRock, Inc. declared holding 489,263 Atos SE shares on behalf of clients (not taken into account in the stated holding) for which clients have retained the exercise of voting rights.*

The Company was not informed of any other statutory threshold crossing, in accordance with article L2 33-7 of the Commercial Code, in 2016.

G.7.7.4 Voting rights

Voting rights are in the same proportion as shares held except for treasury shares which carry any voting right. No shares carry double voting rights.

G.7.7.5 Shareholders' agreements

On the occasion of the acquisition by the Company from Siemens of Siemens' former subsidiary SIS, the Siemens group committed to keep its shareholding in the Company, amounting to 12,483,153 shares, until June 30, 2016. This lock-up shareholder commitment was extended to September 30, 2020, pursuant to an amendment to the lock-up agreement entered into on October 30, 2015 between Siemens AG, the Company and Siemens Beteiligungen Inland GmbH, in the context of the strengthening of the alliance between both Companies. Under this agreement, Siemens nevertheless retain the possibility, as from July 1, 2016, to transfer its shareholding in the Company to two Siemens employees pension funds named Siemens Pension Trust e.V. and BSAV-Trust e.V. (or to any investment fund or investment vehicle in which - directly or indirectly - either or both of these pension trusts invest their assets provided that these pension trusts are the only investors), provided that such pension trust agree to abide by the terms and conditions of the lock-up agreement, and that when exercising the right to suggest a representative to be elected to the Atos Board of Directors, it shall always suggest an active member of the management board of Siemens.

In addition, on December 27, 2013, and January 8, 2014, the Group notified the *Autorité des Marchés Financiers* of the signature on December 18, 2013 of a "Run-Off and Settlement Agreement" between Atos SE, Atos Nederland BV and Stichting Pensionfonds Atos which aimed at ending a dispute between the parties over the refinancing of the Dutch employee pension fund of Atos Nederland BV by setting up a new defined benefit pension scheme for these employees. Under the agreement, a partial payment of the amount owed by Atos Nederland BV to the pension fund could take place either in cash or in Atos SE shares, and be made either directly by Atos Nederland BV or by Atos SE on its account. In case of payment in Atos SE shares, the pension fund undertook to keep the shares for a three years period starting from the given payment in shares, subject to the possibility to transfer the shares (1) as follows: (i) 30% of Atos SE shares received in payment between the first and the second anniversary of the date of such payment; (ii) 35% of Atos SE shares received in payment between the second and the third anniversary of the date of such payment; and (iii) 35% of Atos SE shares received in payment as from the third anniversary of the date of such payment.

As announced on January 8, 2014, Atos implemented a second tranche of its share buy-back program to pay in Atos SE shares for a maximum amount of € 115 million to the Atos Dutch employee pension fund as authorized by the Ordinary General Meeting of December 27, 2013.

Following payments in shares have been completed:

Date of transfer	Shares
02/13/2014	435,611
03/13/2014	423,623
04/11/2014	423,463
05/14/2014	453,062

This amount was in addition to the € 43 million amount already paid in cash. Final payment of all the sums due under the agreement took place on July 1, 2014.

The Group has not received notice of any shareholder agreements for filing with the stock exchange authorities and, to the best knowledge of the Group Management, no "*action de concert*" or similar agreements exist.

To the Company's knowledge, there is no other agreement capable of having a material effect, in case of public offer on the share capital of the Company.

G.7.7.6 Treasury stock and liquidity contract

Treasury Stock

As at December 31, 2016, the Company owned 196,435 shares (2) which amounted to 0.2% of the share capital with a portfolio value of € 19,692,609, based on December 31, 2016 market price, and with book value of € 12,924,675.44. These shares were purchased in the context of a share buyback program and were assigned to the allocation of shares to employees or Executive Officers and Directors of the Company or its group, and correspond to the hedging of its undertakings under the performance shares plans.

The Company proceeded with the following transfers of treasury shares in 2016:

- on March 16, 2016, a transfer of 206,625 shares in connection with the vesting of performance shares granted pursuant to the plan dated December 22, 2011;
- on March 24, 2016, a transfer of 9,350 shares in connection with the vesting of performance shares granted pursuant to the plan dated March 29, 2012;
- on April 22, 2016, a transfer of 950 shares to beneficiaries of LTI (*Long Term Incentive*) plans;
- on June 8, 2016, a transfer of 500 shares in connection with the vesting of performance shares granted pursuant to the plan dated December 22, 2011;

(1) Within the daily limit of 25% of the average daily volumes over the 20 trading days preceding the transfer (save in case of block transfer off market).
(2) Including 12,120 shares to be effectively delivered to LTI beneficiaries on January 2, 2017.

- on July 28, 2016, a transfer of 279,645 shares in connection with the vesting of performance shares granted pursuant to the plan dated July 28, 2014;
- on August 16, 2016, a transfer of 345 shares to beneficiaries of LTI (*Long Term Incentive*) plans;
- on October 24, 2016, a transfer of 734 shares to beneficiaries of LTI (*Long Term Incentive*) plans;
- on December 29, 2016, a transfer of 12,120 shares for the effective delivery on January 2, 2017 of LTI (Long Term Incentive) to the beneficiaries.

Liquidity Contract

By Contract dating February 13, 2006, Atos SE entrusted Rothschild & Cie Bank, for a one-year period, renewable by tacit consent, with the implementation of a liquidity contract compliant with the Deontology Charter of the AMAFI. € 15 million were originally allocated for this purpose to the implementation of this contract. On July 1, 2012, an amendment to the liquidity contract dated February 13, 2006 was signed, under which the Company decided to make an additional cash contribution of € 10 million in order to allow Rothschild & Cie Banque to ensure the continuity of the interventions under the contract.

The transactions carried out in 2016 under the liquidity contract are as follows:

Cumulated gross flows as at December 31, 2016	Cumulated Purchases	Cumulated Sales
Number of Shares	1,179,555	1,179,555
Average Sale/Purchase price	78.5682	78.7053
Total Amount of Purchases/Sales	92,675,536.77	92,837,219.74

Legal Framework

The 11th resolution of the Combined General Meeting of May 26, 2016, renewed in favor of the Board of Directors, the authorization to trade in the Group's shares, in connection with the implementation of a share buyback program. The number of shares purchased may not exceed 10% of the share capital of the Company, at any moment in time, such percentage applying to a capital adjusted in accordance with the operations which shall have an effect on the share capital subsequently to the General Meeting, it being specified that in the case of shares purchased within a liquidity contract, the number of shares taken into account to determine the 10% limit shall correspond to the number of shares purchased from which shall be deducted the number of shares resold during the duration of the authorization.

These purchases may be carried out by virtue of any allocation permitted by law, with the aims of this share buy-back program being:

- to keep them and subsequently use them for payment or exchange in the context of possible external growth operations, in compliance with market practices accepted by the *Autorité des Marchés Financiers* (French Financial Market Authority), it being specified that the maximum amount of shares acquired by the Company in this context shall not exceed 5% of the share capital;
- to ensure liquidity and an active market of the Company's shares through an investment service provider acting independently in the context of a liquidity contract, in accordance with the professional conduct charter accepted by the *Autorité des Marchés Financiers* (French Financial Market Authority);
- to attribute or sell these shares to the Executive Officers and Directors or to the employees of the Company and/or to the current or future affiliated companies, under the conditions and according to the terms set or accepted by applicable legal and regulatory provisions in particular in connection with (i) profit-sharing plans, (ii) the share purchase option regime laid down under articles L. 225-177 et seq. of the Commercial Code, and (iii) free awards of shares in particular under the framework set by articles L. 225-197-1 et seq. of the Commercial Code and (iv) French and foreign law shareholding plans, in particular in the context of a company savings plan, as well as to carry out all hedging operations relating to these operations, under the terms and conditions set by market authorities and at such times as the Board of Directors or the person acting upon its delegation so decides;
- to remit the shares acquired upon the exercise of rights attached to securities giving the right, whether immediate or deferred, by reimbursement, conversion, exchange, presentation of a warrant or any other way, to the attribution of shares of the Company, as well as to carry out all hedging operations relating to the issuance of such securities, under the conditions set by market authorities and at such times as the Board of Directors or the person acting upon its delegation so decides; or
- to cancel them as a whole or in part through a reduction of the share capital pursuant to the 12th resolution of the Combined General Meeting held on May 26, 2016.

The maximum purchase price per share may not exceed € 105 (fees excluded).

The Board of Directors may adjust the aforementioned purchase price in the event of incorporation of premiums, reserves or profits, giving rise either to an increase in the nominal value of the shares or to the creation and the free allocation of shares, and in case of division of the nominal value of the share or share consolidation to take account of the impact of such transactions on the value of the share.

As a result, the maximum amount of funds assigned to the buy-back program amounts to € 1,086,952,041 as calculated on the basis of the share capital as at December 31, 2015, this maximum amount may be adjusted to take into account the amount of the capital on the day of the General Meeting.

This authorization was granted for a period of 18 months as from May 26, 2016.

Description of the share buy-back program submitted to approval of the General Meeting of May 24, 2017

In connection with the share buy-back program (and within the limit of 10% of the share capital), it is proposed to renew, during the General Meeting of May 24, 2017, the authorization to repurchase shares which was granted during the General Meeting of May 26, 2016, for 18 months, and which will expire on November 26, 2017.

In accordance with the *Réglement Général* of the *Autorité des Marchés Financiers* (General Rules of the French Financial Market Authority) (articles 241-1 *et seq*.), this description of program is aimed at detailing the objectives and the terms and conditions of the new share buy-back program by Atos SE (the "Company") which will be subject to authorization by the General Meeting of Shareholders of May 24, 2017.

The aims of this program are:

- to ensure liquidity and an active market of the Company's share through an investment service provider acting independently in the context of a liquidity contract, in accordance with the professional conduct charter accepted by the *Autorité des Marchés Financiers* (French Financial Market Authority);
- to attribute or sell these shares to the Executive Officers and Directors or to the employees of the Company and/or to the current or future affiliated companies, under the conditions and according to the terms set or accepted by applicable legal and regulatory provisions in particular in connection with (i) profit-sharing plans, (ii) the share purchase option regime laid down under articles L. 225-177 et seq of the Commercial Code, and (iii) free awards of shares in particular under the framework set by articles L. 225-197-1 et seq. of the Commercial Code and (iv) French or foreign law shareholding plans, in particular in the context of a company savings plan, as well as to carry out all hedging operations relating to these operations, under the terms and conditions set by market authorities and at such times as the Board of Directors or the person acting upon its delegation so decides;
- to remit the shares acquired upon the exercise of rights attached to securities giving the right, whether immediate or deferred, by reimbursement, conversion, exchange, presentation of a warrant or any other way, to the attribution of shares of the Company, as well as to carry out all hedging operations relating to the issuance of such securities, under the conditions set by market authorities and at such times as the Board of Directors or the person acting upon its delegation so decides; or
- to keep the shares and subsequently use them for payment or exchange in the context of possible external growth operations, it being specified that the maximum amount of shares acquired by the Company in this context shall not exceed 5% of the share capital;
- to cancel these shares as a whole or in part through a reduction of the share capital.

This authorization may be used at any time, except during public offers on the shares of the Company.

Acquisitions, sales, transfers or exchange of shares may be made by any means, in accordance with the laws and regulations in force, on one or several occasion, on a regulated market or via a multilateral trading facility or a systematic internalizer or over the counter, including by public offer or block purchases or sales (with no limit on the portion of the share buy-back program), and where required, by derivative financial instrument (traded on a regulated market or a multilateral trading facility via a systematic internalizer or over the counter) or by warrants or securities giving access to Company shares, or the implementation of optional strategies such as purchases or sales of purchase or sale options, or by the issuance of securities giving access to the Company's capital by conversion, exchange, redemption, exercise of a warrant or any other means to Company shares held by this latter party, and when the Board of Directors or the person acting on the Board of Directors' authority, under conditions laid down in the law, decides in compliance with the relevant legal and regulatory provisions. The maximum purchase price is set at € 170 (excluding taxes) per share and the number of shares which may be acquired is 10% of the shares making up the Company share capital, at any moment, this percentage applying to an adjusted capital according to the transactions affecting it subsequently to the General Meeting, theoretically 10,490,867 shares as calculated on the basis of the share capital as at December 31, 2016. The maximum amount of the funds dedicated to the share buyback program is € 1,783,447,543, as calculated on the basis of the share capital on December 31, 2016. This maximum amount can be adjusted to take into account the share capital amount on the day of the General Meeting.

As from its authorization by the General Meeting of May 24, 2017, this program will be in force for a maximum duration of 18 months, i.e. until November 24, 2018.

G.7.7.7 Potential common stock

Potential dilution

Based on 104,908,679 outstanding shares as of December 31, 2016, the share capital of the Group could be increased by 3,128,274 new shares, representing 2.98% of the share stock before dilution. This dilution could come from the exercise of stock subscription options granted to employees or from the acquisition of performance shares, as follows:

(in shares)	December 31, 2016	December 31, 2015	Change	% dilution
Number of shares outstanding	**104,908,679**	**103,519,242**	**1,389,437**	
From stock subscription options	648,629	1,294,524	-645,895	0.62%
From performance shares	2,479,645	2,080,335	399,310	2.36%
Potential dilution	**3,128,274**	**3,374,859**	**-246,585**	**2.98%**
TOTAL POTENTIAL COMMON STOCK	**108,036,953**	**106,894,101**	**1,142,852**	

On the total of 648,629 of stock options, no option had a price of exercise higher than € 100.25 (year-end stock price as of December 31, 2016).

Stock options evolution

Number of stock subscription options at December 31, 2015	**1,294,524**
Stock subscription options granted in 2016	-
Stock subscription options exercised in 2016	496,607
Stock subscription canceled or forfeited in 2016	149,288
Number of stock subscription options at December 31, 2016	**648,629**

As of December 31, 2016, the total of stock options granted by the Group are all exercisable and in the money.

Current authorizations to issue shares and other securities

Pursuant to the resolutions adopted by the General Meeting of May 26, 2016, the following authorizations to modify the share capital, and to issue shares and other securities are in force:

Authorization	**Authorization amount** *(par value)*	**Use of the authorizations** *(par value)*	**Unused balance** *(par value)*	**Authorization expiration date**
EGM May 26, 2016 11th resolution Authorization to buyback the Company shares	10% of the share capital adjusted at any moment	0	10%	11/26/2017 (18 months)
EGM May 26, 2016 12th resolution Share capital decrease	10% of the share capital adjusted as at the day of the decrease	0	10%	11/26/2017 (18 months)
EGM May 26, 2016 13th resolution Share capital increase with preferential subscription right	31,146,128	0	31,146,128	07/26/2018 (26 months)
EGM May 26, 2016 14th resolution Share capital increase without preferential subscription right by public offer[1 2]	10,382,042	0	10,382,042	07/26/2018 (26 months)
EGM May 26, 2016 15th resolution Share capital increase without preferential subscription right by private placement[1 2]	10,382,042	0	10,382,042	07/26/2018 (26 months)
EGM May 26, 2016 16th resolution Share capital increase without preferential subscription right to remunerate contribution in kind[1 2]	10,382,042	0	10,382,042	07/26/2018 (26 months)
EGM May 26, 2016 17th resolution Increase in the number of securities in case of share capital increase with or without preferential subscription right[1 2 3]	Extension by 15% maximum of the initial issuance	0	Extension by 15% maximum of the initial issuance	07/26/2018 (26 months)
EGM May 26, 2016 18th resolution Share capital increase through incorporation of premiums, reserves, benefits or other	3,234 million	0	3,234 million	07/26/2018 (26 months)
EGM May 26, 2016 19th resolution capital increase reserved to employees[1]	2,076,408	0	2,076,408	07/26/2018 (26 months)
EGM May 26, 2016 20th resolution Grant of performance shares to employees and executive officers	1,142,024	947,885	194,139	07/26/2019 (38 months)

1 *Any share capital increase pursuant to the 14th, 15th, 16th, 17th and 19th resolutions of the Combined General Meeting of May 26, 2016 shall be deducted from the cap set by the 13th resolution of the Combined General Meeting of May 26, 2016.*

2 *The share capital increases without preferential subscription right carried out pursuant to the 14th, 15th, 16th and 17th resolutions of the Combined General Meeting of May 26, 2016 are subject to an aggregate sub-cap corresponding to 10% of the share capital of the Company on the day of the Combined General Meeting of May 26, 2016 (i.e. € 10,382,042). Any share capital increase pursuant to these resolutions shall be deducted from this aggregate sub-cap.*

3 *The additional issuance shall be deducted from (i) the cap of the resolution pursuant to which the initial issuance was decided, (ii) the aggregate cap set by the 13th resolution of the Combined General Meeting of May 26, 2016, and (iii) in case of share capital increase without preferential subscription rights, the amount of the sub-cap mentioned at 2 here above.*

The number of new authorized shares that may be issued pursuant to the above-mentioned delegations of authority (the 17th and 18th resolutions of the General Meeting of May 26, 2016 being set aside) amounts to 32,288,153.42, representing 30.78% of the share capital updated on December 31, 2016.

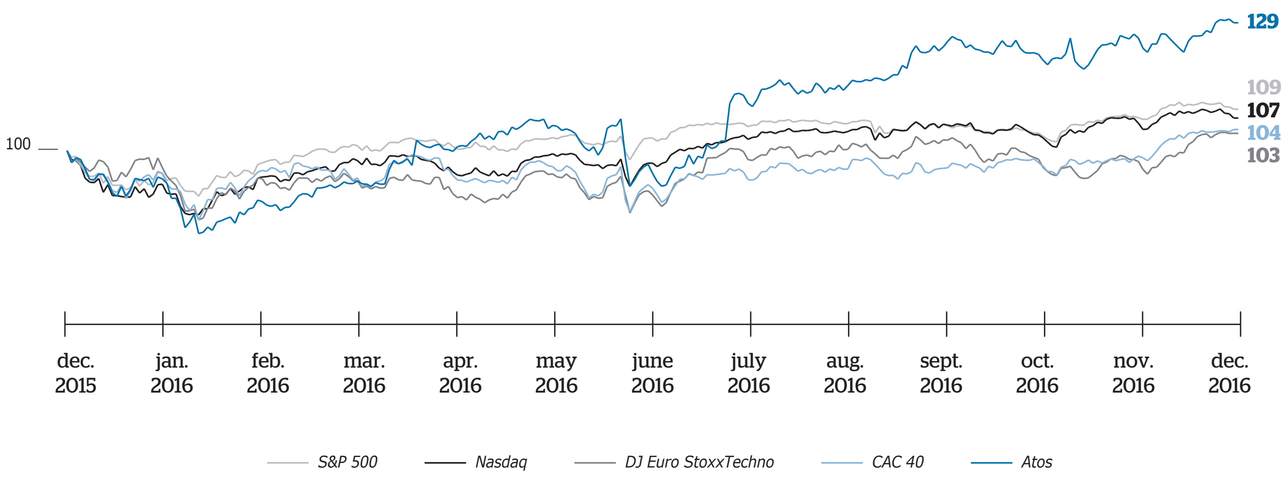
G.7.8 Share trading performance

G.7.8.1 Stock market overview

Atos' share price finished 2016 up +29% at € 100.25, outperforming the French reference Index CAC 40 (+5%) and above its European peers in the technological sector DJ EuroStoxxTechno (+4%). In the US, market performance was also below with for example the S&p. 500 down (-1%) and the Nasdaq up (+4%).

Atos market capitalization reached €10,517 million at the end of 2016.

ATOS' SHARE PERFORMANCE IN COMPARISON WITH INDICES (BASE 100 AT DECEMBER 31, 2015)



G.7.8.2 Key figures

	2016	2015	2014	2013	2012
Highest *(in €)*	101.30	80	71.5	67.78	55.9
Lowest *(in €)*	62.32	61.41	50.92	49.81	34.54
Closing as of 30/12 *(in €)*	100.25	77.45	66.3	65.79	52.81
Average daily volume processed on Euronext platform *(in number of shares)*	326,349	442,480	309,968	347,532	280,353
Free-float	85.86%	79.39%	73.47%	75.89%	62.10%
Market capitalization as of 31/12 *(in € million)*	10,517	8,018	6,718	6,458	4,426
Enterprise Value as of 31/12* *(in € million)*	10,036	7,425	5,729	5,553	4,294
EV/revenue	0.9	0.7	0.6	0.6	0.5
EV/OMDA	7	6	6	6	5
EV/OM	9	8	8	9	7
P/E (year-end stock price ÷ normalized basic EPS)	13.6	13.0	15.0	13.9	12.5

* *Assuming that (Enterprise Value) = (Net Debt) + (Market Capitalization).*

G.7.8.3 Market capitalization

Based on a closing share price of € 100.25 on December 31, 2016 and 104,908,679 shares in issue, the market capitalization of the Group at December 31, 2016 was € 10,517 million compared to € 8,018 million at the end of December 2015.

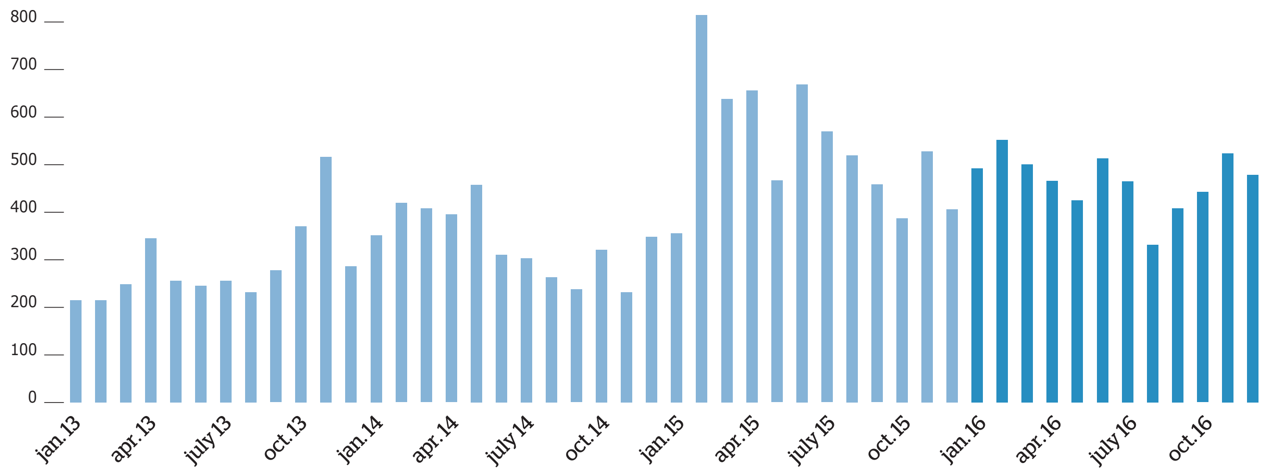
In terms of market capitalization as of December 31, 2016, Atos was ranked 46th (vs. 53rd as of December 31, 2015) within the SBF 120 index, which includes the largest companies by market capitalization on the Paris exchange.

G.7.8.4 Traded volumes

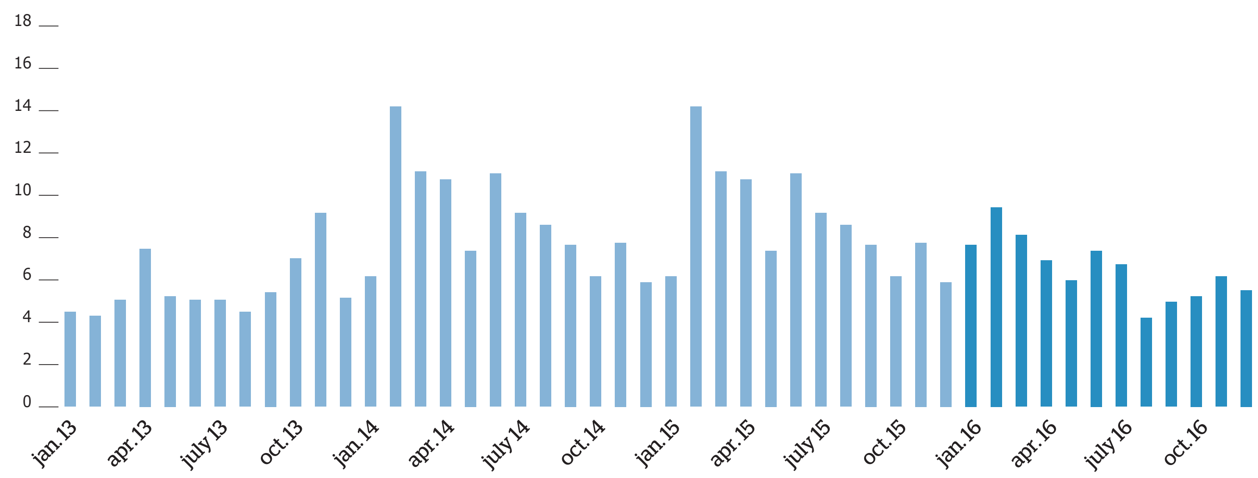
	Trading Volume (Euronext)	
	(in thousands of shares)	*(in € million)*
1st Quarter 2016	26,983	1,860,964
2nd Quarter 2016	21,706	1,691,159
3rd Quarter 2016	17,071	1,450,968
4th Quarter 2016	18,112	1,740,299
Total	**83,872**	**6,743,390**

In 2016, the average daily number of shares traded reached 327 thousand on Euronext platforms, compared to 412 thousand in 2015. Regarding trading volumes on Atos SE shares, Euronext platform represented 31% of the total 2016 volumes, compared to 33% in 2015.

MONTHLY TRADING VOLUME (MILLION EUROS)



MONTHLY TRADING VOLUME (MILLIONS OF SHARES)



G.7.8.5 2016 and subsequent key trading dates

January

On **January 20**, Atos announced having completed the acquisition from Gores group and Siemens of Unify, the world number three in integrated communication solutions generating €1.2 billion annual revenue. The acquisition creates a unique integrated proposition for unified communications improving the social collaboration, digital transformation and business performance of its clients.

February

On **February 24**, Atos announced its 2015 annual results. The Group achieved all its financial commitments and reinforced its position as an international leader in digital services with all the required technologies and skills to be the trusted partner for the digital transformation of large organizations. Revenue was € 10,686 million, up +18% year-on-year and +0.4% organically. Operating margin was € 883.7 million, representing 8.3% of revenue, compared to 7.1% in 2014 at constant scope and exchange rates. The Group reported a record order entry at € 11.2 billion leading to a book to bill ratio of 105%. Full backlog increased by €+2.9 billion to € 19.1 billion, representing 1.7 year of revenue. Net cash position was € 593 million at the end of 2015. Free cash flow was € 450 million in 2015 compared to € 367 million in 2014. Net income was € 437 million, up +55% year-on-year and net income Group share was € 406 million, up +53% compared to 2014. The Board of Directors decided to propose at the next Annual General Meeting of Shareholders a dividend in 2016 on the 2015 results of €1.10per share, up +38% compared to prior year.

April

exhaustive. All the information has been assured by an external auditor and is gathered in two documents: the 2015 Corporat

July

Atos announced its financial results for the first half of 2016 on **July 26**. During the first half of the year, Atos delivered very strong financial results materializing its strategy to leverage its leading position in Infrastructure & Data Management in order to cross-sell the skills and expertise of all its divisions. Revenue was € 5,697 million, up +17.9% at constant exchange rates and +1.7% at constant scope and exchange rates. Organic growth at +1.8% during the second quarter of 2016 reflected the sustainability of the revenue momentum. Order entry totaled € 6,309 million during the first half of 2016, up +24.0% year-on-year and representing a book to bill ratio of 111%. Commercial activity remained strong in Q2 with a book to bill ratio of 120%. Operating margin was € 444.4 million, up +23.1% compared to H1 2015 operating margin and representing 7.8% of revenue, an improvement by +60 basis points at constant scope and exchange rates. Net income was € 234 million including € 51 million for Worldline share in Visa Europe sold to Visa Inc.. Net income Group share reached € 205 million (including € 36 million Group share for Visa), up +66.9% compared to H1 2015. Free cash flow totaled € 181 million during the first half of 2016, +74.2% compared to H1 2015 free cash flow. Further to free cash flow generation, payment of Unify acquisition, dividend paid on 2015 results, and proceeds received from Visa Inc., Group net cash position was € 412 million at the end of June 2016. Considering all of this, the Group raised all its objectives for 2016.

September

On **September 12**, Atos announced further strengthening its digital health services portfolio in the fast-growing US healthcare market by having signed a share purchase agreement to acquire Anthelio Healthcare Solutions (Anthelio), the largest independent provider of healthcare technology solutions in North America, for an enterprise value of US$275 million (8.5xEBIT post-synergies in 2017). This acquisition, fully financed by cash, uniquely positions Atos to reach a broader customer base in the U.S. healthcare market by strengthening the scale and scope of its services. The combined organization will support Atos customers' need to better optimize financial performance, improve the patient care experience, engage patients through state-of-the-art applications and address the increasing demands of security, risk and compliance.

Atos announced on **September 29**, the placement with European institutional investors of a Euro private placement bond for a total amount of €300 million, maturing in October 2023 (7 years) and with 1.444% fixed interest rate. There is no financial covenant related to this issue. Atos and the bonds are unrated. Atos decided to seize current favorable European private placement market conditions and to use the proceeds from the issue for general corporate purposes.

October

Atos announced its revenue for the third quarter of 2016 **October 20**. During the third quarter, the Group continued to grow organically in all of its businesses with in particular a solid performance in the UK post Brexit and in North America, as well as in Continental Europe. Atos continued to experience dynamic commercial activity delivering a high level of new bookings, in particular with strong momentum in defense and security. Revenue was € 2,777 million, up +1.8% organically and +6.3% at constant exchange rates. Order entry was € 2,845 million leading to a record book to bill ratio for a Q3 at 102%. Over the first nine months of the year, revenue growth reached +1.7% organically and +13.8% at constant exchange rates.

November

During the Investor Day held in its Headquarters in Bezons (France) on **November 8**, Atos presented to the financial community its new 3-year plan "2019 Ambition". This Strategic plan aims at accompanying the Group's customers in their digital transformation within a secured cyberspace, to consolidate Atos' leadership in Infrastructure & Data Management and capitalize on the Group's unique offers in Big data, Cybersecurity, payments and Business & Platform Solutions, to support a solid growth for the next 3 years.

January 2017

Atos announced on **January 2, 2017**, the acquisition of Engage ESM, a leading provider in the enterprise-service management sector and a ServiceNow Gold Services Partner. This acquisition enables Atos to offer enterprise and emerging customers an enhanced portfolio of cloud-based service-management solutions and further solidifies the position of Atos as Europe's number one brand in IT and digital services. Atos is a ServiceNow Gold Sales Partner.

Operating globally with £17m in revenues and c. 140 employees, the majority of whom are based in the UK, Engage ESM consultants are among the most experienced in the world. In addition, the Company has demonstrated a strong capability in hiring, training, and retaining new consultants across their ESM practices.

The transaction has been closed on December 30, 2016.

February 2017

On February 22, 2017, Atos announced record results in 2016 and the over-achievement of all its 2016 financial objectives. Revenue was € 11,717 million, up +9.7% year-on-year, +12.8% at constant exchange rates, and +1.8% organically. Revenue grew by +1.9% organically in the fourth quarter, materializing the good sales momentum and the continued revenue trend improvement. This dynamism was particularly led by the Atos Digital Transformation Factory answering the strong demand of large organizations in their digital transformation. Operating margin was € 1,104 million, representing 9.4% of revenue, compared to 8.3% in 2015 at constant scope and exchange rates. This improvement by +110 basis points was notably resulting from more cloud based business and the continuous execution of the Tier One efficiency program through industrialization, global delivery from offshore locations, and continuous optimization of SG&A. In addition, operating margin benefitted from ongoing cost synergies including the integration of Unify. The commercial dynamism of the Group was particularly strong in 2016 with record order entry reaching € 13.0 billion, +16.2% compared € 11.2 billion statutory in 2015. It represented a book to bill ratio of 111% in 2016, of which 119% during the fourth quarter of 2016. Full backlog increased by +11.9% year-on-year to € 21.4 billion at the end of 2016, representing 1.8 year of revenue. The full qualified pipeline represented 6.4 months of revenue at € 6.5 billion, compared to € 6.2 billion published at the end of 2015. Net income was € 620 million, +41.9% year-on-year and net income Group share reached € 567 million, +39.6%. Basic EPS Group share was € 5.47, +36.1% compared to € 4.01 in 2015 and diluted EPS Group share was € 5.44, +36.5% compared to € 3.98 during 2015. Free cash flow reached € 579 million in 2016, +47.3% compared to € 393 million in 2015, materializing a strong improvement of operating margin conversion rate to free cash flow, reaching 52.5% in 2016 compared to 43% in 2015 and in line with the circa 65% 2019 objective. Net cash position was € 481 million at the end of 2016. The Group presented its 2017 objectives: Revenue growth at circa +6% at constant exchange rates, above +2% organically; Operating margin between 9.5% and 10.0% of revenue; Operating margin conversion rate to free cash flow between 55% and 58%.

G.7.8.6 Share value for "ISF" purposes

The closing share price on December 30, 2016 was € 100.25. The average closing share price over the last 30 stock market trading days of 2016 was € 97.66 compared to € 77.19 for the same period in 2015.

G.7.8.7 Purchase or sale by the Group of its own shares

The Group purchased or sold its own shares in 2016 as described within the section *G.7.7.6 Treasury stock and liquidity contract*. At December 31, 2016, the Group held 196,435 [1] shares as treasury stock, but none related to the liquidity contact.

(1) Including 12,120 shares to be effectively delivered to LTI beneficiaries on January 2, 2017.

H Appendix

H

H.1 Definitions

Financial terms and Key Performance Indicators	Business Key Performance Indicators
• Operational Capital Employed	• External revenue
• CAGR	• Organic growth
• Current and non-current	• Book-to-bill
• DSO	• TCV (Total Contract Value)
• Net debt	• Backlog/Order cover
• Gross margin and indirect costs	• Order entry/bookings
• Operating margin	• Pipeline
• EBITDA	• Legal staff
• Gearing	• Full Time Equivalent (FTE)
• Interest cover ratio	• Subcontractors
• Leverage ratio	• Interims
• Operating income	• Direct staff
• Normalized net income	• Indirect staff
• ROCE (Return On Capital Employed)	• Permanent staff
• EPS	• Temporary staff
• Cash flow from operations	• Turnover
• Free Cash Flow	• Utilization rate and non-utilization rate
• Change in net debt	
• Attrition rate	

Business terms	Market terms
• BPO	• Consensus
• CRM	• Dilutive instruments
• ERP	• Dividends
• WAN	• Enterprise Value (EV)
• SEPA	• Free float
	• Market capitalization
	• PER (Price Earnings Ratio)
	• Volatility

H.1.1 Financial terms

Operational capital employed: Operational capital employed comprises net fixed assets and net working capital, but excludes goodwill and net assets held for sale.

Current and non-current assets or liabilities: A current and non-current distinction is made between assets and liabilities on the balance sheet. Atos has classified as current assets and liabilities those that Atos expects to realize, use or settle during its normal cycle of operations, which can extend beyond 12 months following the period-end. Current assets and liabilities, excluding the current portion of borrowings and financial receivables, represent the Group's working capital requirement.

CAGR: The Compound Annual Growth Rate reflects the mean annual growth rate over a specified period of time longer than one year. It is calculating by dividing the value at the end of the period in question by its value at the beginning of that period, raise the result to the power of one divided by the period length, and subtract one from the subsequent result. As an example:

Atos 2017-2019 revenue CAGR = $(\text{Revenue 2019e}/\text{Revenue 2016})^{(1/3)}$ -1

DSO: (Days' Sales Outstanding). DSO is the amount of trade accounts receivables (including work in progress) expressed in days' revenue (on a last-in, first-out basis). The number of days is calculated in accordance with the Gregorian calendar.

Net debt: Net debt comprises total borrowings (bonds, finance leases, short and long-term bank loans, securitization and other borrowings), short-term financial assets and liabilities bearing interest with a maturity of less than 12 months, less cash and cash equivalents (transferable securities, cash at bank and in hand).

Gross margin and indirect costs: Gross margin is composed of revenue less the direct costs of goods sold. Direct costs relate to the generation of products and/or services delivered to customers, while indirect costs include all costs related to indirect staff (defined hereafter), which are not directly linked to the realization of the revenue. The operating margin comprises gross margin less indirect costs.

Operating margin: Operating margin comprises operating income before major capital gains or losses on the disposal of assets, major reorganization and rationalization costs, impairment losses on long-term assets, net charge to provisions for major litigations and the release of opening balance sheet provisions no longer needed.

EBITDA: (Earnings Before Interest, Tax, Depreciation and Amortization). For Atos, EBITDA is based on Operating margin less non-cash items and is referred to as OMDA (Operating Margin before Depreciation and Amortization)

OMDA (Operating Margin before Depreciation and Amortization) is calculated as follows:

Operating margin:

- less - Depreciation of fixed assets (as disclosed in the "Financial Report");
- less - Operating net charge of provisions (composed of net charge of provisions for current assets and net charge of provisions for contingencies and losses, both disclosed in the "Financial Report");
- less - Net charge of provisions for pensions (as disclosed in the "Financial Report");
- less - Equity-based compensation.

Gearing: The proportion, expressed as a percentage of net debt to total shareholders' equity (Group share and minority interests).

Interest cover ratio: Operating margin divided by the net cost of financial debt, expressed as a multiple.

Leverage ratio: Net debt divided by OMDA.

Operating income: Operating income comprises net income before deferred and income taxes, net financial expenses, share of net income from associates and the results of discontinued operations.

Normalized net income: Net income (Group share) before unusual, abnormal and infrequent items, net of tax.

ROCE (return on capital employed): ROCE is net income (Group share), before the net cost of financial debt (net of tax) and the depreciation of goodwill, divided by capital employed.

EPS (earnings per share): Basic EPS is the net income divided by the weighted-average number of common shares outstanding during the period. Diluted EPS is the net income divided by the diluted weighted-average number of common shares for the period (number of shares outstanding + dilutive instruments with dilutive effect). Normalized EPS is based on normalized net income.

Cash flow from operations: Cash flow coming from the operations and calculated as a difference between the OMDA (Operating Margin DA), the net capital expenditures and the change in working capital.

Free cash flow: Represents the change in net cash or net debt, excluding equity changes, dividends paid to shareholders, net acquisitions/disposals.

Change in net debt (cash): Change in net debt or net cash.

H.1.2 Business KPI's (Key Performance Indicators)

Revenue

External Revenue: External Revenue related to Atos' sales to third parties (excluding VAT and pass-through sales with low margin).

Organic growth: Organic growth represents the percent growth of a unit based on a constant scope and exchange rates basis of which is excluded revenue from acquisitions and cessions of the year.

Book-to-bill: A ratio expressed in percentage terms based on order entry in the period divided by revenue of the same period.

TCV (Total Contract Value): The total value of a contract at signature (prevision or estimation) over its duration. It represents the firm order and contractual part of the contract excluding any clause on the decision of the client, as anticipated withdrawal clause, additional option or renewal.

Order entry/bookings: The TCV, orders or amendments signed during a defined period. When an offer is won (contract signed), the total contract value is added to the backlog and the order entry is recognized.

Backlog/Order cover: The value of signed contracts, orders and amendments that remain to be recognized over their contract lives.

Pipeline: The value of revenues that may be earned from outstanding commercial proposals issued to clients. Qualified pipeline applies an estimated percentage likelihood of proposal success.

Human Resources

Legal staff: The total number of employees under Atos employment contracts at the end of the period. Legal staff includes those on long sickness or long absence, apprentices, trainees, and employees on maternity leave, but excludes subcontractors and interims.

FTE (Full-time equivalent staff): The total number of staff calculated using information from time sheets on the basis of working time divided by standard contractual workable time per employee. In general, a person working on a full time contract is considered as one FTE, whereas a person working on a part time contract would be less considered than one FTE.

Calculations are based on contractual working time (excluding overtime and unpaid holidays) with potential workable time (in hours or days) = nominal time + overtime balance – unpaid vacation. For subcontractors and interim staff, potential workable hours are based on the number of hours billed by the supplier to Atos.

Subcontractors: External subcontractors are third-party suppliers. Outsourced activities (e.g. printing or call center activities) and fixed price subcontracting are excluded from the recorded number of subcontractors or interims.

Interims: Staff from an agency for temporary personnel. Interims are usually used to cover seasonal peaks or for situations requiring staff for a short period of time.

Direct Staff: Direct staff includes permanent staff and subcontractors, whose work is billable to a third party.

Indirect staff: Indirect staff includes permanent staff or subcontractors, who are not billable to clients. Indirect staff is not directly involved in the generation of products and/or services delivered to clients.

Permanent staff: Permanent staff members have a contract for an unspecified period of time.

Temporary staff: Temporary staff has a contract for a fixed or limited period of time.

Staff turnover and attrition rate (for legal staff): Turnover and attrition rates indicate the proportion of legal staff that has left the Group (voluntary and/or involuntary) in a defined period:

- Turnover measures the percentage of legal staff that has left the business in a defined period;
- Attrition measures the percentage of legal permanent staff that has voluntarily left the business in a defined period. Attrition rate is a ratio based on total voluntary leavers in the period on an annual basis divided by the average number of permanent staff in the period.

Utilization rate and non-utilization rate: Utilization rate + non-utilization rate = 100% of workable time for direct FTE, which excludes legal vacations, long-term sickness, long-term sabbaticals and parental leave. Workable time is composed of billed time, inactivity that is billable but not billed (exceptional holidays, sickness, on the bench which is between two assignments, other inactivity as delegation), and non-billable time (pre-sales, training, management meetings, research and development and travel). Utilization rate measures the proportion of workable time (hours or days) of direct FTE (own staff excluding subcontractors) that is billed to customer. The ratio is expressed in percentage terms based on billed hours divided by workable hours excluding vacations. Non-utilization rate measures the workable time (hours or days) of direct FTE (own staff excluding subcontractors) that is not billed or is non-billable to clients.

H.1.3 Business terms

BPO (Business Process Outsourcing): Outsourcing of a business function or process. e.g. administrative functions such as accounting, HR management, call centers, etc.

CRM (Customer Relationship Management): Managing customer relationships (after–sales service, purchasing advice, utilization advice, customer loyalty) has become a strategic component of a company's successful operation. Not only does CRM facilitate efficiency, it also leads to higher sales by building customer loyalty.

ERP (Enterprise Resource Planning): An ERP system is an integrated management software system built in modules, which is capable of integrating sales, manufacturing, purchasing, accounting and human resources systems into an enterprise-wide management information system.

WAN (Wide Area Network): A long–distance network that generally comprises several local networks and covers a large geographical area.

SEPA (Single Euro Payments Area): Regulating initiative from European countries involving the creation of a specific zone where all transactions will be considered as domestic in terms of billing (no longer cross-border electronic payments surcharge).

H.1.4 Market terms

Consensus: Opinion that emerges from the financial community, in which financial analysts play a prominent role. Consensus can relate to earnings outlook (individual stock consensus) or to a group of companies in the same sector (market consensus).

Dilutive instruments: Financial instruments such as bonds, warrants, stock subscription options, free shares, which could be converted into shares and have therefore a potential dilutive impact on common stock.

Dividends: Cash or stock payments from a company's profits that are distributed to stockholders.

Enterprise Value (EV): Market capitalization + debt.

Free float: Free float is the proportion of a company's share capital that is regularly traded on the stock exchange. It excludes shares in the six categories listed below (source Euronext):

- shares held by Group companies: Shares of the listed company held by companies that it controls within the meaning of article 233/3 of the French Commercial Code;
- shares held by founders: shares held directly or indirectly by the founders (individuals or family group) when these founders have managerial or supervisory influence (management positions, control by voting rights, influence that is a matter of public knowledge, etc.);
- shares held by the State: Interests held directly by the State, or by public sector or other companies which are themselves controlled by the State;
- shares within the scope of a shareholders' agreement: Shares subject to a shareholders' agreement within the meaning of article 233/10 and 11 of the French Commercial Code, and other than those held by founders or the State;
- controlling interest: Shares held by juridical persons (other than founders or the State) exercising control within the meaning of article 233/3 of the French Commercial Code;
- interests considered stable: Interests exceeding 5%, which have not declined by one percentage point or more, excluding the impact of dilution, in the three preceding years. This category also includes shareholders that, in addition to or in association with the link represented by share ownership, have recently entered into significant industrial or strategic agreements with the Group.

Market capitalization: The share price of a company multiplied by the number of its shares in issue.

PER (Price Earnings Ratio): Market capitalization divided by net income for a trailing (or forward) 12-month period.

Volatility: The variability of movements in a share price, measured by the standard deviation of the ratio of two successive prices.

H.2 AMF cross-reference table

H.2.1 Cross reference table for the Registration Document

This document is a full free translation of the original French text. The original document has been filed with the Autorité des Marchés Financiers (AMF) on March 31, 2017, in accordance with article 212–13 of the AMF's General Regulations. After filing, this document as a Reference Document could be used to support a financial operation if accompanied by a prospectus duly approved by the AMF.

The cross-reference table identifies the main information required by Regulation No. 809/2004 of the European Commission dated April 29, 2004 (the "Regulation"). The table indicates the pages of this Reference Document where is presented the information related to each item.

N°	Items of the Annex I of the regulation	Sections
1.	**Persons Responsible**	
1.1	**Indication of persons responsible**	**A.4.1**
1.2	**Declaration by persons responsible**	**A.4.2**
2.	**Statutory auditors**	
2.1	**Names and addresses of the auditors**	**A.4.3**
2.2	**Indication of the removal or resignation of auditors Information regarding changes of statutory auditors during the period**	**A.4.3**
3.	**Selected financial information**	
3.1	**Historical financial information**	**A.5.1; E.3**
3.2	**Financial information for interim periods**	**N/A**
4.	**Risk Factors**	**F.**
5.	**Information about the issuer**	
5.1.	History and Development of the issuer	
5.1.1	The legal and commercial name of the issuer	G.2.2
5.1.2	The place and the number of registration	G.2.2
5.1.3	The date of incorporation and the length of life of the issuer	G.2.2
5.1.4	The domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office	G.2.2
5.1.5	The important events in the development of the issuer's business	A.5.2; A.6.1
5.2.	**Investments**	**N/A**
6.	**Business overview**	
6.1.	**Principal Activities**	
6.1.1	Nature of the issuer's operations and its principal activities	A.1; A.2; C.2; C.3; C.4; C.5; C.6; C.7
6.1.2	New products or services developed	B.3; C
6.2.	**Principal Markets**	**A.1; A.2; B.2**
6.3.	**Exceptional factors**	**N/A**
6.4.	**Dependence on patents or licenses, industrial, commercial o financial contracts or new manufacturing processes**	**F.1; F.3.3**
6.5.	**Basis for statements made by the issuer regarding its competitive position**	**B.2**
7.	**Organizational Structure**	
7.1.	**Brief description of the Group**	**E.5.3 ; G2.2**
7.2	**List of significant subsidiaries**	**E.4.7.4 ; Note 30**
8.	**Property, Plants and Equipment**	
8.1.	**Material tangible fixed assets**	**E.4.7.4 - Note 13**
8.2	**Environmental issues that pay affect the utilization of the tangible fixed assets**	**D.5**
9.	**Operating and Financial Review**	
9.1.	**Financial Condition**	**E.1; E.3**
9.2.	**Operating Results**	
9.2.1	Significant factors materially affecting the issuer's income from operations	E.1; E.3

N°	Items of the Annex I of the regulation	Sections
9.2.2	Disclosure of material changes in net sales or revenues	E.1; E.3
9.2.3	Information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations	E.1; E.3
10.	**Capital Resources**	
10.1.	**Issuer's capital resources**	**E.3; G.7**
10.2.	**Sources and amounts of the issuer's cash flows**	**E.3.2**
10.3.	**Information on the borrowing requirements and funding structure**	**E.3.3**
10.4.	**Restrictions on the use of capital resources**	**N/A**
10.5.	**Anticipated sources of funds to fulfill commitments**	**E.3.3**
11.	**Research and Development, Patents and Licenses**	**C.6**
12.	**Trend Information**	
12.1	**The most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year**	**B; C ; E.1**
12.2	**Known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects**	**B; C ; E.1**
13.	**Profit Forecasts or Estimates**	**N/A**
14.	**Administrative, Management, and Supervisory bodies and senior management**	
14.1.	**Composition – statements**	**A.6.2; G.2.4; G.3.1.3**
14.2.	**Conflicts of interests**	**G.2.4; G.3.1.4; G.6.5**
15.	**Remuneration and Benefits**	
15.1.	**Remuneration and benefits in kind**	**G.4**
15.2.	**Pension, retirement or similar benefits**	**G.4**
16.	**Board Practices**	
16.1.	**Current term office**	**G.2.4**
16.2.	**Contracts providing benefits upon termination of employment**	**G.2.4**
16.3.	**Information about audit and Remuneration Committee**	**G.3.1**
16.4.	**Statement related to corporate governance**	**G.3.1**
17.	**Employees**	
17.1.	**Number of employees**	**D.2; E.1.7**
17.2.	**Shareholdings and stock options**	**G.4; G.7.1; G.7.2**
17.3.	**Arrangements involving the employees in the capital of the issuer**	**D.2.1.3**
18.	**Major shareholders**	
18.1.	**Identification of the main shareholders**	**G.7.1; G.7.2; G.7.7**
18.2.	**Voting rights**	**G.7.1.2**
18.3.	**Ownership and control**	**G.7.1; G.7.2; G.7.7**
18.4.	**Arrangements which may result in a change in control of the issuer**	**G.7**
19.	**Related party transactions**	**E.4.7.4 - Note 28**
20.	**Financial Information concerning the issuer's assets and liabilities, financial position and profits and losses**	
20.1.	**Historical Financial Information**	**A.5; E.2; E.3; E.4; H.2.2**
20.2.	**Pro forma financial information**	**N/A**
20.3.	**Financial statements**	**E.4**
20.4.	**Auditing of historical annual financial information**	
20.4.1	Statement indicating that the historical financial information has been audited	E.4.1
20.4.2	Indication of other information which has been audited	N/A
20.4.3	Source of the data when financial data in the Registration Document is not extracted from the issuer's audited financial statements	N/A
20.5.	**Age of latest financial information**	**E1**
20.6.	**Interim and other financial information**	**N/A**
20.7	**Dividend policy**	**G.2.3; G.7.3**
20.7.1	Amount of dividends	G.7.3
20.8.	**Legal and arbitration proceedings**	**F.6**

N°	Items of the Annex I of the regulation	Sections
20.9.	**Significant change in the issuer's financial or trading position**	**E.3**
21.	**Additional Information**	
21.1.	**Share Capital**	
21.1.1	Amount of issued capital	G.7
21.1.2	Shares not representing capital	N/A
21.1.3	Shares held by or on behalf of the issuer itself	G.7
21.1.4	Convertible securities, exchangeable securities or securities with warrants	G.7.7.7
21.1.5	Information about and terms of any acquisition rights and or obligations over authorized but unissued capital or an undertaking to increase the capital	N/A
21.1.6	Information about any capital of any member of the Group which is under option or agreed conditionally or unconditionally to be put under option and details of such options including those persons to whom such options relate	G.7
21.1.7	History of share capital	G.7
21.2.	**Memorandum and Articles of Association**	
21.2.1	Description of issuer's objects and purposes	G.2.2
21.2.2	Provisions of the issuer's Articles of Association, statutes, charter or bylaws with respect to the members of the administrative, management and supervisory bodies	G.2
21.2.3	Description of the rights, preferences and restrictions attaching to each class of the existing shares	G.2.3; G.7.3
21.2.4	Description of actions to change the rights of holders of the shares	G.2
21.2.5	Description of the conditions governing the manner in which Annual General Meetings and Extraordinary General Meetings of Shareholders are called	G.2
21.2.6	Description of any provision that would have an effect of delaying, deferring or preventing a change in control of the issuer	G.2
21.2.7	Description of the conditions governing the ownership threshold above which shareholder ownership must be disclosed	G.2
21.2.8	Description of the conditions governing changes in the capital	N/A
22.	**Material Contracts**	**E.1.5; F.1; F.2**
23.	**Third party information and statement by experts and declarations of any interest**	
23.1	**Statement or report attributed to a person acting as an expert**	**N/A**
23.2	**Information sourced from third parties**	**N/A**
24.	**Documents on Display**	**G.2.1; G.2.2; G.7**
25.	**Information on holdings**	**E.4.7.4 – Note 30**

H.2.2 Cross reference table for the Financial Report

In order to facilitate the reading of this document, the cross-reference table, hereafter, allows identifying in this Reference Document, the information which constitutes the Annual Financial Report having to be published by the listed companies in accordance with article L. 451-1-2 of the French Monetary and Financial Code and article 222–3 of the French Market Authorities' General Regulations.

Information	Sections
Company financial statements	E.5
Consolidated financial statements	E.4
Annual report	A.4.3; B.3; C.6; D; E; F; G1, G2, G3, G4, G5, G6, G.7
Certificate of the Annual Financial Report responsible	A.4.2
Statutory auditors' report on the Company financial statements	E.5.1
Statutory auditors' report on the consolidated financial statements	E.4.1
Statutory auditors fees	E.4.7.4 - Note 31
Report of the Chairman of the Board of Directors on Corporate Governance and Internal Control	G.2.3; G.3; G.4; G.7.7.5
Statutory auditors' report, on the report prepared by the Chairman of the Board of Directors, in accordance with article L. 225-235 of French Commercial Code (Code de Commerce)	G.3.3

In accordance with the requirements of article 28 of EC regulation n° 809-2004 dated April 29, 2004 relating to documents issued by issuers listed on markets of states members of the European Union ("Prospectus Directive"), the following elements are enclosed by reference:

- the consolidated accounts for the year ended December 31, 2014 under IFRS, the related statutory auditors' reports and the Group management report presented within the Registration Document ("document de reference") n° D.15-0277 filed with the Autorité des Marchés Financiers (AMF) on April 1, 2015;
- the consolidated accounts for the year ended December 31, 2015 under IFRS, the related statutory auditors' reports and the Group management report presented within the Registration Document ("document de reference") n° D.16-0300 filed with the Autorité des Marchés Financiers (AMF) on April 7, 2016.

H.3 Contacts and locations

H.3.1 Global Headquarters

River Ouest

80 Quai Voltaire

95870 Bezons – France

+33 1 73 26 00 00

H.3.2 Corporate functions

Finance

Elie Girard +33 1 73 26 00 31

Human Resources & Siemens Partnership

Philippe Mareine +49 21 13 99 20,800

Executive & Talent Management, Communications

Marc Meyer +33 1 73 26 00 26

Sales & Marketing

Patrick Adiba +33 1 73 26 00 36

Investor Relations & Financial Communication

Gilles Arditti +33 1 73 26 00 66

Mergers & Acquisitions, Legal, Compliance & Contract Management

Alexandre Menais +33 1 73 26 42 15

Procurement

Enguerrand de Pontevès +33 1 73 26 01 02

Internal Audit

Arnaud Ruffat +33 1 73 26 01 91

H.3.3 Global organization

Business & Platform Solutions

Ursula Morgenstern +44 20 78 30 44 47

Infrastructure & Data Management

Eric Grall +33 1 73 26 01 20

Big Data & Cybersecurity

Philippe Vannier +33 1 58 04 05 18

Worldline

Marc Henri Desportes +33 1 73 26 00 29

H.4 Locations

Atos is present in main cities to support customers. The addresses and phone numbers of the Group main offices can be found on the Locations page on website atos.net. Details of current job opportunities can be found in Careers pages. An email address for general questions and comments about the Atos' Internet site can be found at the bottom of the page.

Global Headquarters

River Ouest
80 Quai Voltaire
95870 Bezons – France
+33 1 73 26 00 00

Americas

Argentina
Brazil
Canada
Chile
Colombia
Guatemala
Jamaica
Mexico
Peru
Uruguay
USA

Asia Pacific

Australia
China
Hong Kong
Indonesia
Japan
Korea
Malaysia
New-Zealand
Philippines
Singapore
Taiwan
Thailand

Europe

Andorra
Austria
Belgium
Bulgaria
Croatia
Cyprus
Czech Republic
Denmark
Estonia
Finland
France
Germany
Greece
Hungary
Italy
Ireland
Lithuania
Luxembourg
Poland
Portugal
Romania
Russia
Serbia
Slovakia
Slovenia
Spain
Sweden
Switzerland
The Netherlands
United Kingdom

India, Middle-East & Africa

Algeria
Benin
Burkina Faso
Egypt
Gabon
India
Israel
Ivory-coast
Lebanon
Madagascar
Mali
Mauritius
Morocco
Qatar
Saudi Arabia
Senegal
South Africa
Turkey
United Arab Emirates

H.5 Full index

C
Sales and delivery

D
Corporate Responsibility 53

Notes

Notes

2016 registration document

This document is a full free translation of the original French text. In case of discrepancies, the French version shall prevail. The original document has been filed with the Autorité des Marchés Financiers (AMF) on March 31, 2017, in accordance with article 212-13 of the AMF's General Regulations. This document can be used for a specific financial operation, if completed by a prospectus approved by the AMF. This document has been issued by the Company and commits its signatories.

Production: Atos Investor Relation team / Designed & published by LABRADOR +33 (0)1 53 06 30 80

Photos credits: Médiathèque Atos, all rights reserved

Printing: This document is printed in compliance with ISO 14001.2004 for an environment management system.